MIGDAL
Insurance and finance

Condensed Financial Statements

as of June 30, 2024

MIGDAL INSURANCE AND FINANCIAL HOLDINGS LTD.

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MIGDAL INSURANCE AND FINANCIAL HOLDINGS LTD.

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Report of the Board of Directors on the State of the Corporation's Affairs

IMPORTANT

This document is an unofficial translation for convenience only of the Hebrew original of the June 30, 2024, financial report of Migdal Insurance and Financial Holdings Ltd. that was submitted to the Tel-Aviv Stock Exchange and the Israeli Securities Authority on August 19, 2024.

The Hebrew version submitted to the TASE and the Israeli Securities Authority shall be the sole legally binding version.

Migdal Insurance and Financial Holdings Ltd.

Report of the Board of Directors on the State of the Corporation's Affairs

As of June 30, 2024

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Report of the Board of Directors on the State of the Corporation’s Affairs for the Period ended June 30, 2024

The Report of the Board of Directors reviews the main changes in the activities of Migdal Insurance and Financial Holdings Ltd. and its subsidiaries (hereinafter - the “**Company**”, the “**Group**" and the “**Migdal Group**", respectively) for the six- and three-month periods ended June 30, 2024 (hereinafter - the “**reporting period**" and the “**reporting quarter**" respectively).

The report was prepared, among other things, in accordance with the Securities Law, 1968 (hereinafter - the "**Securities Law**") and its regulations; and with respect to the Group's insurance, pension and provident businesses, the Report of the Board of Directors was prepared, among other things, in accordance with the Supervision of Insurance Business Regulations (Report Details), 1998 and in accordance with the circulars of the Commissioner for the Capital Market, Insurance and Savings (hereinafter - the "**Commissioner**"). The report was prepared under the assumption that the reader has access to the full periodic report for 2023, dated March 20, 2024, as published on March 21, 2024 (Ref. No.: 2024-01-029619) (hereinafter - the “**Periodic Report**"), included in this report by way of reference.

1. Description of the Group

1.1. General

The Company is a publicly-traded company, whose shares are traded on the Tel Aviv Stock Exchange. Through its subsidiaries, the Company operates mainly in the fields of insurance, pension, provident and financial services.

As of shortly before the publication date of this report, Mr. Shlomo Eliyahu - who, jointly with Ms. Chaya Eliahu, holds approx. 64.28% of the Company’s issued and paid-up share capital, through private companies under his control (Eliahu Issues Ltd., which holds approx. 58.13% of the issued and paid-up share capital of the Company and Gan Ha'ir Project Ltd., which holds approx. 6.15% of the Company's issued and paid-up share capital) is the actual controlling shareholder of the Company. For details, see Note 1.B to the Financial Statements and Section 2.2 to the Description of the Corporation's Business in the Periodic Report.

On July 17, 2024, the Company received a notice from Eliahu Issues Ltd. (hereinafter - "**Eliahu Issues**"), whereby Eliahu Issues has signed an agreement to sell some of the Company's shares to an institutional entity (hereinafter the “**Acquirer**" and the “**Agreement**", as the case may be). In accordance with the Agreement, the sale is planned to be carried out on September 15, 2024 at a price per share equal to the average closing price of the Company's share on the Stock Exchange on each of the trading days in the period spanning from August 12, 2024 to September 12, 2024 (inclusive), but not more than 500 agrorot per share (hereinafter - the “**Price per Share**"). The number of the Company Shares to be sold will be calculated by dividing the acquisition amount of NIS 163 million by the price per share. The transaction will be carried out as an off-market transaction, subject to the holding limit in an insurer according to law, such that the holdings of the Acquirer and its controlling shareholders (including their current holdings in the Company) shall not exceed 4.99% of the Company's issued and paid-up share capital. For further details, see the Company's immediate report dated July 17, 2024 (Ref. No. 2024-01-075427), included in this report by way of reference.

1.2. Main developments in the Group during the reporting quarter and through the report's publication date

1.2.1. Effect of the economic environment and volatility of the interest rate curve

The Group's operating results are significantly affected by capital markets, including, among other things, by interest rates, which impact the returns implicit in the financial assets under the Group's management and the Group's income from financial margins and variable management fees for yield-dependent insurance policies (hereinafter - the "**profit participating portfolio**"). Migdal Insurance Company Ltd. (hereinafter - "Migdal Insurance") is exposed to an increase in inflation rates, since most insurance liabilities in non-yield-dependent policies are CPI-linked. In addition, since the collection of variable management fees in the profit participating portfolio is dependent on the real return achieved, a higher inflation rate may have an adverse effect on Migdal Insurance's revenues from management fees.

In the reporting period and reporting quarter, the interest rate curve continued to rise, against the back of the continued rise in inflation and the expectation that future interest rate cuts will moderate; at the same time, there was an increase in the yield to maturity on government bonds. On the other hand, there was a decrease in the yield to maturity of corporate bonds due to the lower risk margin compared to the government bond yield. Abroad, share prices saw price increases while share prices in Israel showed a mixed trend.

In the reporting quarter, the interest rate curve continued to rise, leading to an increase in the yield to maturity of government bonds. The risk margin for corporate bonds increased slightly compared to government bonds, partially offsetting the decrease in risk margin in the first quarter of the year, with share prices in Israel being lower compared to price hikes abroad. Volatility in financial markets, including exchange rates, remains high, as does the State's risk premium.

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

For details, regarding the Company's sensitivity to market risks - of interest rate changes and inflation, see Note 37.b.1(a) to the 2023 Financial Statements, as well as Note 9 to the Financial Statements for the reporting period.

We note that the decrease in the risk-free interest rate curve has a negative effect on the Company's solvency ratio. For further details regarding the sensitivity of the solvency ratio to changes in the interest rate curve, see the Solvency Ratio Report for December 31, 2023.

For further details, including developments in the economic environment subsequent to the balance sheet date, see Section 3.1 below.

1.2.2. Effect of various actuarial assumptions in Migdal Insurance's various areas of activity

In Life Insurance - following the rise of the interest rate curve - the expected return on the existing and expected asset portfolio has increased. As a result, assumptions regarding the discount interest rates used to calculate contributions towards benefits were updated,[1] including the change in the discount K factor,[2] leading to a decrease in the Life Insurance reserves and an increase in comprehensive income in the reporting period and reporting quarter, respectively.

It is noted that on March 31, 2024, Migdal Insurance reached the K-value ceiling for participating policies, with no change therein during the reporting quarter. Furthermore, part of the increase in the risk-free interest rate in the reporting quarter was not reflected in the reduction of the insurance liabilities due to the maximum regulatory interest limit; therefore, even a further increase in future interest rates will not result in a decrease in the insurance liabilities compared

[1] Including the effect of the change on the reserve and revision of the cancellation rates for the "Migdal Batuach" plan. For details, see Note 9 to the Financial Statements.

[2] The provision for the supplementary retirement pension reserve is made gradually, using the K factor. For details, see Note 9 to the Financial Statements.

to their outstanding balance as of June 30, 2024. Alternatively, a decrease to the regulatory interest rate will not result in an increase in liabilities.

Regarding the revision of the set of demographic assumptions for Life Insurance following an amendment to the Provisions of the Consolidated Circular and its effect on Migdal Insurance, see Section 1.2.10 below.

In addition, in the reporting quarter, Migdal Insurance revised the actuarial assumptions of the expected retirement dates and accordingly, the benefit uptake rates were adjusted. The assumptions were revised following the maturing of the portfolio and accumulation of information and experience for ages older than the statutory retirement age. Accordingly, the insurance liabilities for pensions decreased and, at the same time, there was an increase in comprehensive income in the amount of approx. NIS 731 million before tax.

For details, see Section 2.4 below and Note 9 to the Financial Statements.

In P&C, the rise of the interest rate curve and effect of reclassifying part of the excess fair value of illiquid assets over their carrying amounts resulted in a decrease in the retention insurance liabilities and an increase in comprehensive income in the reporting period and quarter, respectively. For details, see Section 2.8 below and Note 9 to the Financial Statements.

1.2.3. Implementation of Solvency II-based economic solvency regime of an insurance company

Pursuant to the implementation provisions published as part of the Solvency Circular, Migdal Insurance is subject to a Solvency II-based economic solvency regime. This report provides data from the Solvency Ratio Report of Migdal Insurance as of December 31, 2023. The report was calculated and prepared in accordance with the Commissioner's Directives on Solvency II-based economic solvency regime of an insurance company and approved by Migdal Insurance's Board of Directors. For details, see Section 3.2 below and Note 6 in the Financial Statements.

1.2.4. Effect of the War on the Group

By virtue of its activity, the Group is exposed to financial market volatility, a slowdown in the Israeli economy and other risks arising from the War; for details, see Section 2.4.10 to the Description of the Corporation's Business in the Periodic Report.

As of the reporting period, there is no material impact on the Group's business continuity, liquidity, financial position and sources of financing, or on its underwriting results. At this stage, there is still significant uncertainty as to the development of the War, its scope and duration. Therefore, it is currently impossible to assess the full effect of the War on the Group and its results.

For developments in the economic environment subsequent to the balance sheet 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.

For details regarding regulatory provisions following the War, see Section 27.4 under Description of the Corporation's Business in the Periodic Report.

For an analysis of the Group's financial results in the respective reporting period and the reporting quarter, see Sections 2.3 and 2.4 below.

The above is based on information available to the Company as of the publication date of this report. In addition, it shall be clarified that the Group's results are largely affected by events exogenous to the Group, including capital market volatility and changes in the interest rate curve. Therefore, sharp volatility in the financial markets and the interest rate curve due to the War or due to other events may lead to a significant decrease or increase in the data detailed above. The assessments regarding the implications detailed above

on the Group's activities, including the possible consequences of the War, its development and the security situation - subsequent to the balance sheet date - on the economic activity and in general, are uncertain and their materialization or the extent of their materialization are not under the control of the Group companies and constitute "forward-looking information" as defined in the Securities Law. These assessments are based, among other things, on the information that is available to the Company and Group companies on this subject, on possible scenarios which the Company and Group companies have examined, at their discretion, including regarding the guidelines of the regulatory entities and conduct of the various sectors in which the Group operates. These assessments and scenarios may not materialize, in whole or in part, or may materialize in a different manner, including in a materially different manner than expected.

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, beginning in 2025 and its effect on the Company, see Note 9 to the Financial Statements.

1.2.6. Issuance of Bonds (Series M and N)

In June 2024, Migdal Insurance Capital Raising Ltd. (hereinafter - "**Migdal Capital Raising**") raised a total of approx. NIS 421 million in a public offering of two new series of Bonds (Series M and N) (hereinafter in this paragraph - the “**Bonds**"), according to Migdal Capital Raising's shelf offering report dated June 4, 2024 (hereinafter - the “**Shelf Offering Report**") published in accordance with Migdal Capital Raising’s shelf prospectus dated July 29, 2022 (Ref. No.: 2022-01-096607) (hereinafter - the “**Shelf Prospectus**"). The Bonds bear an annual interest rate of 6.07%. In accordance with the terms and conditions detailed in the Shelf Prospectus and Shelf Offering Report - the amount raised was deposited with Migdal Insurance for its use, at its discretion and responsibility, and Migdal Insurance has an obligation, vis a vis the trustee for the Bonds, to fulfill the Bonds’ terms and conditions. Furthermore, the Bonds issued were recognized by the Commissioner as Tier 2 capital instrument held by Migdal Insurance, subject to the restrictions placed by the Commissioner’s Directives, all as detailed in the Shelf Prospectus and Shelf Offering Report. For further details, see the Company's immediate reports dated June 4, 2024 (Ref. No.: 2024-01-056866) and of June 6, 2024 (Ref. No.: 2024-01-057784), included in this report by way of reference, as well as in Note 9 to the Financial Statements.

1.2.7. Full early redemption of the Bonds (Series E) of Migdal Capital Raising at the initiative of Migdal Capital Raising

On June 30, 2024, Migdal Capital Raising initiated the full early redemption of outstanding Bonds (Series E) totaling approx. NIS 417 million, in accordance with the Bonds’ terms and conditions. With the aforementioned early redemption of the Bonds, the Bonds were delisted from the Stock Exchange, with Migdal Capital Raising's obligations towards the bondholders being terminated. For details, see Note 9 to the Financial Statements.

1.2.8. Extending the validity of the Shelf Prospectus of the Company and of Migdal Capital Raising

On August 4, 2024, the Company published a shelf prospectus dated August 5, 2024. For further details, see the Company's immediate report dated August 4, 2024 (Ref. No. 2024-02-082765).

On July 21, 2024, Migdal Capital Raising received the approval of the Israel Securities Authority to extend the validity of its Shelf Prospectus (as defined in Section 1.2.6 above) to July 28, 2025.

1.2.9. Dividend distribution by the Company

On May 23, 2024, the Company's Board of Directors approved a dividend distribution to the Company's shareholders in the amount of NIS 25 million, which originated from a dividend from a subsidiary, Migdal Capital Markets (1965) Ltd., and on June 24, 2024, after receiving the approval of the general meeting for the dividend distribution, the Company distributed the aforementioned dividend.

For details, see the Company's immediate reports dated May 23, 2024 (Ref. No.: 2024-01-051214) and June 16, 2024 (Ref. No.: 2024-01-060442), included in this report by way of reference, as well as in Note 9 to the Financial Statements.

1.2.10. Amendment to the Provisions of the Consolidated Circular regarding Measurement of Liabilities - Revising the Demographic Assumptions in Life Insurance and Pension Funds

On July 24, 2024, the Commissioner published an amendment to the Provisions of the Consolidated Circular regarding Measurement of Liabilities - Revising the Demographic Assumptions in Life Insurance and Pension Funds" (hereinafter - the "**Circular**"). The provisions of the Circular include a revision of the default demographic assumptions used to calculate liabilities and coefficients in Life Insurance policies and pension funds. The Circular will enter into effect on its publication date; it was noted that this regulation will be reviewed by the Capital Markets, Insurance and Savings Authority (hereinafter - the "**Authority**") after five years from its effective date.

As a result, Migdal Insurance increased the provision in respect of the supplementary pension reserve and reduced the comprehensive income by approx. NIS 458 million before tax. For further details, see Note 9.A.1) to the Financial Statements.

For details regarding the expected effect of the Circular's provisions on Migdal Insurance's economic solvency ratio, see Section 3.2 below.

Furthermore, the changes detailed in the Circular are expected to affect the actuarial liabilities of the Group's pension funds and its balance by changing the benefits of all planholders of each fund, without affecting Migdal Makefet's financial statements, as from the third quarter of 2024. Migdal Makefet is examining the effect of the Circular's changes, but at this preliminary stage, is unable to assess the expected effect on the balance sheets of the funds under its management.

2. The Board of Directors' Explanations for the State of the Corporation's Affairs

2.1. Analysis of the financial position and operating results

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

	1-6/2024	1-6/2023	Difference	2023	4-6/2024	4-6/2023	Difference
Underwriting income							
Life Insurance and Long-Term Savings	179	204	(25)	265	90	122	(32)
Health Insurance	51	18	33	11	51	13	38
P&C Insurance	118	(21)	139	6	120	6	114
Financial Services	44	29	16	53	23	15	8
Agencies	80	59	21	105	42	29	13
Total underwriting income (loss)	**473**	**289**	**184**	**440**	**325**	**184**	**141**
Investment profit							
Life Insurance and Long-Term Savings	(462)	(357)	(105)	(718)	(375)	(169)	(206)
Health Insurance	(85)	(50)	(36)	(103)	(119)	(15)	(104)
P&C Insurance	(92)	(33)	(59)	(57)	(115)	(4)	(111)
Equity and Other	(229)	46	(275)	(53)	(223)	72	(295)
Total investment profit (loss)	**(869)**	**(393)**	**(475)**	**(931)**	**(832)**	**(116)**	**(716)**
Special Items							
Life Insurance and Long-Term Savings	648	213	435	1,314	581	(126)	707
Health Insurance	-	(3)	3	(37)	(0)	(3)	3
P&C Insurance	49	14	35	(8)	57	(5)	62
Equity and Other	-	-	-	27	-	-	-
Total income (loss) from Special Items	**697**	**224**	**473**	**1,296**	**638**	**(135)**	**773**
Income (loss) the areas of activity, agencies and other							
Life Insurance and Long-Term Savings	365	61	304	860	296	(174)	470
Health Insurance	(34)	(35)	0	(130)	(68)	(5)	(63)
P&C Insurance	75	(40)	115	(58)	61	(4)	65
Financial Services	44	29	16	53	23	15	8
Agencies	80	59	21	105	42	29	13
Equity and Other	(229)	46	(275)	(26)	(223)	72	(295)
Comprehensive income, before tax	**301**	**119**	**182**	**805**	**131**	**(67)**	**198**
Taxes on income (tax benefit)	(92)	(21)	(72)	(252)	(31)	26	(57)
Comprehensive income, after tax	**209**	**99**	**110**	**553**	**100**	**(41)**	**141**
Total return on equity, annualized	**4.9%**	**2.4%**		**6.8%**	**4.6%**	**(2.0%)**	

The Company reviews, during all reporting periods, the sources of its comprehensive income, according to the following breakdown:

(a) Income provided by insurance activity in the Group's main business lines, including investment income based on assumptions as to real returns (fixed for all reporting periods), which were set by Migdal Insurance and which range between 2% and 4.5% per year in the various areas of activity, and net of Special Items (hereinafter - the "underwriting income"). This metric is generally used in the industry to measure business results and is subject to the abovementioned return assumptions. In Life Insurance - the underwriting income includes variable management fees in the participating portfolio in 1992-2003 and a financial margin in guaranteed return policies, which are calculated on the basis of the abovementioned return assumptions and the total amount of fixed management fees recorded in the reporting quarter. In Health and Property and Casualty Insurance - underwriting income includes investment income based on the said assumptions regarding real returns.

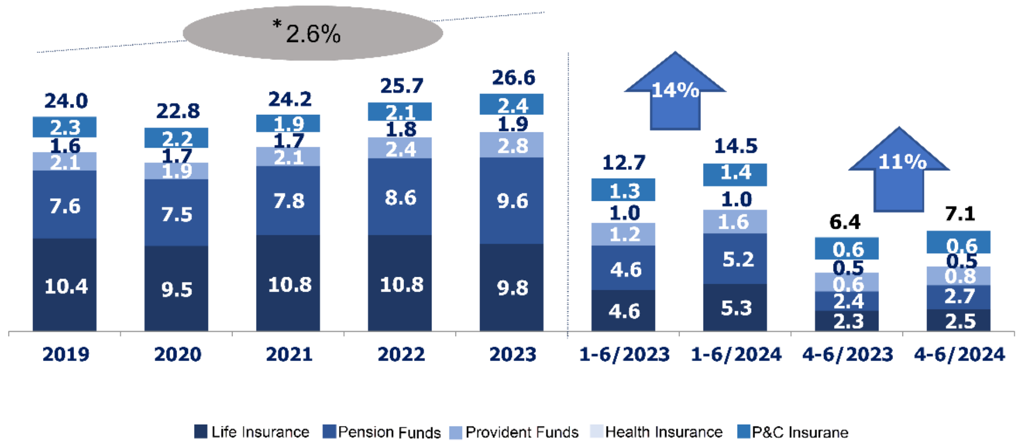
(b) Excess profit/profit shortfall from investments beyond the abovementioned return assumptions (hereinafter - the "investment profit"). Investment profit includes: excess variable management fees/shortfall of variable management fees in the participating portfolio beyond the variable management fees calculated in accordance with the return assumptions and included in the underwriting income, excess investment income or shortfall in investment income beyond the real returns in the operating segments, and investment income earmarked to capital net of finance expenses.

(c) Special Items, including the effect of changes in the interest rate curve (hereinafter - "income from Special Items").

Total comprehensive income is calculated in accordance with GAAP. However, the breakdown into the income sources mix is not based on generally accepted accounting principles and is not a substitute for the information included in the financial statements.

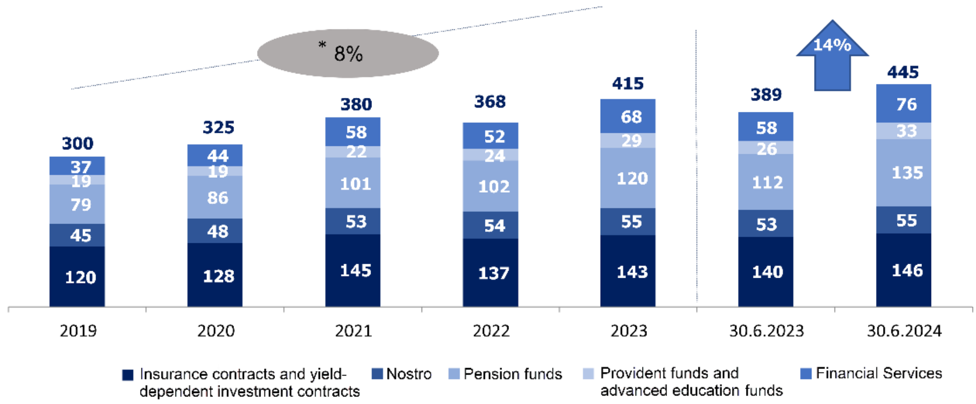
2.2. Development in the Group's scope of activity during the reporting quarter

In the reporting quarter and during the reporting period, there was an increase in premiums compared to the respective corresponding periods last year, which was manifested across all areas of activity. In Life Insurance, the increase in premiums was affected by an increase in one-off premiums for insurance contracts and one-off receipts for investment contracts, and on the other hand - there was a decrease in current premiums. Below is the development of premiums, receipts for investment contracts and contributions towards benefits in the Group (in NIS billion):



* Average annual growth.

Below is the development of total assets under management by the Group (in NIS billion):[3]

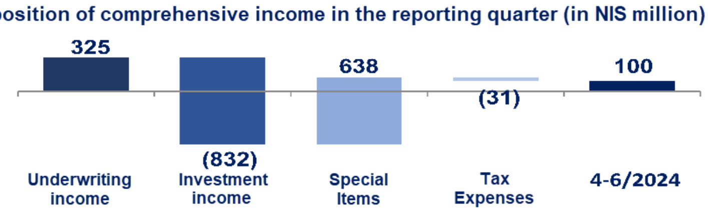


* Average annual growth.

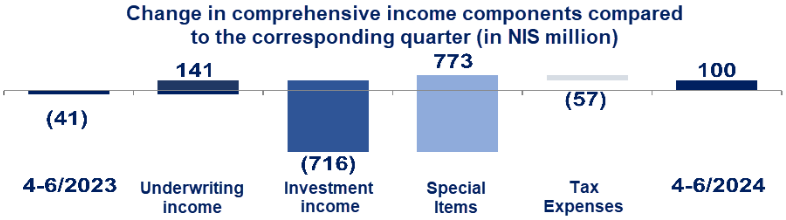
The increase in total assets under management as of June 30, 2024 compared to June 30, 2023 was affected by the positive capital market returns recorded in the past 12 months, including in the reporting period, and by an increase in net contributions of pension and provident funds. In addition, there was an increase in assets under management of Migdal Capital Markets, which was mainly affected by an increase in capital raising and capital market returns.

[3] Data regarding assets under management include nostro assets, which are earmarked in respect of capital. They also include the assets under management by pension funds, provident funds, mutual funds and portfolio management, which are not included in the Company's consolidated financial statements.

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



	Underwriting income	Investment income	Special Items	Tax expenses	Comprehensive income (after tax)
4-6/2024	325	(832)	638	(31)	100
4-6/2023	184	(116)	(135)	26	(41)
Difference	141	(716)	773	(57)	141



Underwriting income - in the reporting quarter, there was an increase in underwriting income in Health Insurance and P&C, which was partially offset by a decrease in the underwriting income in Life Insurance and Long-Term Savings. In the other areas of activity, which mainly include the operating results of the Group's insurance agencies, there was an increase due to higher revenues from fees and commissions.

Special Items in the reporting quarter amounted to an income of approx. NIS 638 million compared to a loss of approx. NIS 135 million in the corresponding quarter last year. Tax expenses in the reporting quarter amounted to approx. NIS 31 million compared to tax income of approx. NIS 26 million in the corresponding quarter last year. As a result, as of the reporting quarter, comprehensive income amounted to approx. NIS 100 million, compared to a comprehensive loss of NIS 41 million in the corresponding quarter last year. In addition, there was an increase in income from the Financial Services Segment, which is mainly due to an increase in the mutual funds' management fees.

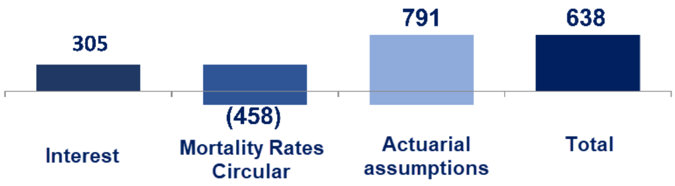
Investment profit - in the reporting quarter, there was an increase in the excess investment loss compared to the corresponding quarter last year, mainly due to lower returns achieved by the Group. The investment loss in the reporting quarter was mainly due to an excess investment loss in the nostro portfolio and collection of variable management fees in the Life Insurance profit participating portfolio, as stated below.

In participating Life Insurance policies marketed through 2004, there was a cumulative positive real return in the reporting period. However, due to a negative real return accrued as from the beginning of 2022, no variable management fees were recorded, but rather only fixed management fees. As long as the policies do not achieve a cumulative positive real return that will cover the investment losses charged to the policyholders, Migdal Insurance will not be able to collect variable management fees. As of June 30, 2024, management fees which will not be collected due to negative real returns until a cumulative positive return is achieved amounted to approx. NIS 0.7 billion before tax (compared to approx. NIS 1 billion as of December 31, 2023).

In the nostro investment portfolio, including designated bonds, approx. NIS 451 million in investment income was recorded compared to approx. NIS 1,013 million in investment income in the corresponding quarter last year.

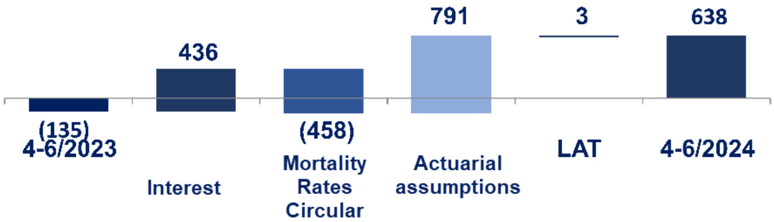
It is noted that the Group's operations and results are significantly affected by changes in capital markets, including, among other things, by changes in the interest rate, which has implications for the insurance liabilities and financial asset portfolios under the Group's management, and consequently - for management fees and financial margins from investments as well.

Special Items in the reporting quarter in respect of comprehensive income (in NIS million)



	Interest	Mortality Rates Circular	Actuarial assumptions	LAT	Total
4-6/2024	305	(458)	791	(0)	638
4-6/2023	(132)	-	-	(3)	(135)
Difference	436	(458)	791	3	773

Change in Special Items compared to the corresponding quarter (in NIS million)

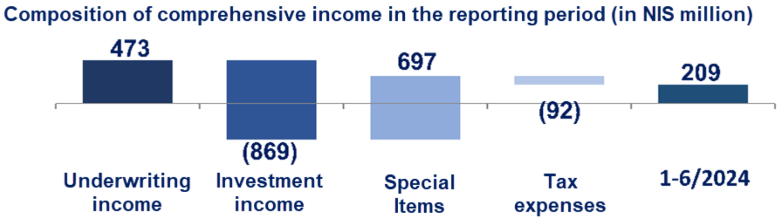


Special Items - in Life Insurance, the effect of the studies regarding the estimated annuity uptake and rise of the interest rate curve, including the change in spreads of linked bonds, offset by the effect of the revision of the default demographic assumptions (hereinafter - the "**Mortality Rates Circular**") resulted in a decrease in reserves and an increase in comprehensive income before tax. In P&C, the rise of the interest rate curve and effect of reclassifying part of the excess fair value of illiquid assets over their carrying amounts resulted in a decrease in the retention insurance liabilities and an increase in comprehensive income.

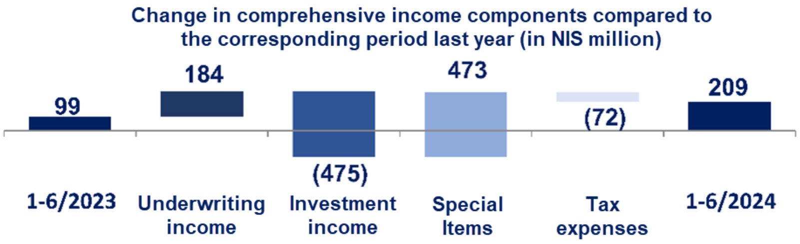
In the corresponding quarter last year, in Life Insurance, the effect of the change in the interest rate curve and the decrease in the spreads of linked bonds, offset by the change in discount K factor, led to an increase in reserves and a decrease in comprehensive income. In Health Insurance, there was an increase in the LTC LAT insurance reserves and a decrease in comprehensive income, and in P&C - there was an increase in reserves and a decrease in comprehensive income, as a result of the effect of the change in the illiquidity premium and revision of the attribution of part of the excess fair value of the illiquid assets over their carrying amounts. For details, see Note 9 to the Financial Statements.

For details regarding the development of the results in the reporting quarter, see under operating segments below.

2.4. Description of development of operating results in the reporting period



	Underwriting income	Investment income	Special Items	Tax expenses	Comprehensive income (after tax)
1-6/2024	473	(869)	697	(92)	209
1-6/2023	289	(393)	224	(21)	99
Difference	**184**	**(475)**	**473**	**(72)**	**110**
2023	440	(931)	1,296	(252)	553



Underwriting income - in the reporting period, there was an increase in underwriting income in Health Insurance and P&C, which was partially offset by a decrease in the underwriting income in Life Insurance and Long-Term Savings. In the other areas of activity, which mainly include the operating results of the Group’s insurance agencies, there was an increase due to higher revenues from fees and commissions.

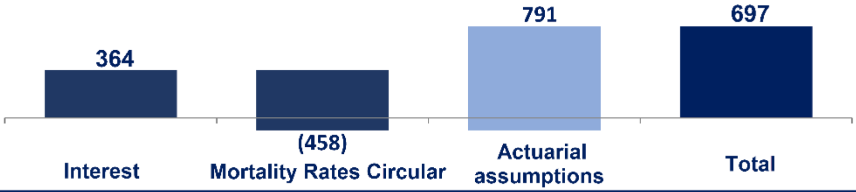
In addition, there was an increase in income from the Financial Services Segment, which is mainly due to an increase in the mutual funds’ management fees.

Investment profit - in the reporting period, there was an increase in the excess investment loss compared to the corresponding period last year, mainly due to higher returns achieved by the Group in the corresponding period last year. The investment loss in the reporting period was mainly due to an excess investment loss in the nostro portfolio and from the collection of variable management fees in the Life Insurance participating portfolio, as stated below.

In participating Life Insurance policies marketed through 2004, there was a cumulative positive real return. However, due to a negative real return accrued as from the beginning of 2022, no variable management fees were recorded, but rather only fixed management fees, as stated above.

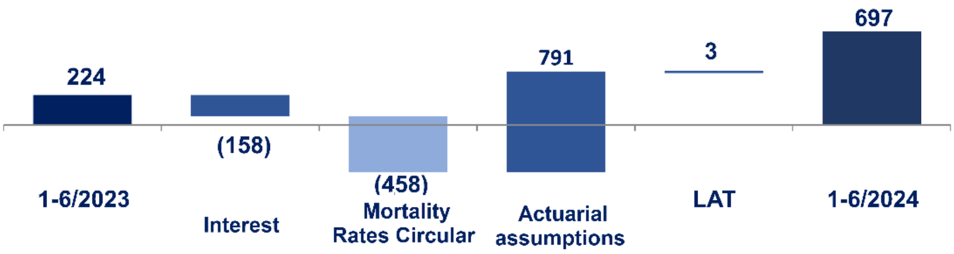
In the nostro investment portfolio, including designated bonds, approx. NIS 1,103 million in investment income was recorded compared to approx. NIS 1,758 million in investment income in the corresponding period last year.

Special Items in the reporting quarter in respect of comprehensive income (in NIS million)



	Interest	Mortality Rates Circular	Actuarial assumptions	PHI	LAT	Other	Total
1-6/2024	364	(458)	791	-	-	-	697
1-6/2023	522	-	-	-	(3)	-	224
Difference	(158)	(458)	791	-	3	-	473
2023	1,036	-	533	(280)	-	36	1,296

Change in Special Items compared to the corresponding period last year (in NIS million)



Special Items - in Life Insurance, the effect of the studies regarding the estimated annuity uptake and rise of the interest rate curve, offset by the change in spreads of linked bonds and the effect of the Mortality Rates Circular resulted in a decrease in reserves and an increase in comprehensive income before tax. In P&C, the rise of the interest rate curve and effect of reclassifying part of the excess fair value of illiquid assets over their carrying amounts resulted in a decrease in the retention insurance liabilities and an increase in comprehensive income.

In the corresponding period last year, in the Life Insurance Subsegment, the effect of the increase in the interest rate curve, including the change in the K factor triggered a decrease in reserves and an increase in comprehensive income. Furthermore, in P&C Insurance, there was a decrease in reserves and an increase in comprehensive income as a result of the rise in the interest rate curve, offset by the revised attribution of some of the excess fair value of illiquid assets over their carrying amounts. On the other hand, in Health Insurance, there was an increase in LAT reserves in LTC Insurance and a decrease in comprehensive income due to the change in the illiquidity premium. For details, see Note 9 to the Financial Statements.

For details regarding the developments in capital markets in Israel and across the world during the reporting period and subsequent to balance sheet date, see also Section 3.1 below.

2.5. Life Insurance and Long-Term Savings

2.5.1. Operating results in the reporting quarter

Development in the scope of activity

Life Insurance - in the reporting quarter, premiums (including payments in respect of investment contracts) amounted to approx. NIS 2,457 million, compared with approx. NIS 2,299 million in the corresponding quarter last year - an increase of approx. 7%.

Current premiums (including current receipts for investment contracts) amounted to approx. NIS 1,639 million, compared to approx. NIS 1,807 million in the corresponding quarter last year, a decrease of approx. 9%. Non-recurring premiums in respect of insurance contracts and non-recurring proceeds in respect of investment contracts amounted to approx. NIS 818 million compared with approx. NIS 491 million in the corresponding quarter last year - an increase of approx. 66%.

Pension funds - contributions towards benefits[4] amounted to approx. NIS 2,696 million compared with approx. NIS 2,355 million in the corresponding quarter last year - an increase of approx. 14%.

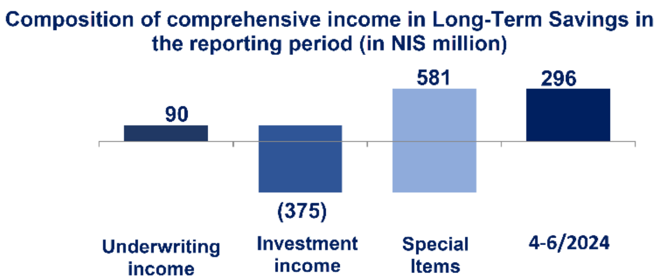
Provident funds - contributions towards benefits amounted to approx. NIS 809 million compared with approx. NIS 633 million in the corresponding quarter last year - an increase of approx. 28%.

In addition, during the reporting quarter, there was an increase in pension sales compared with the corresponding quarter last year.

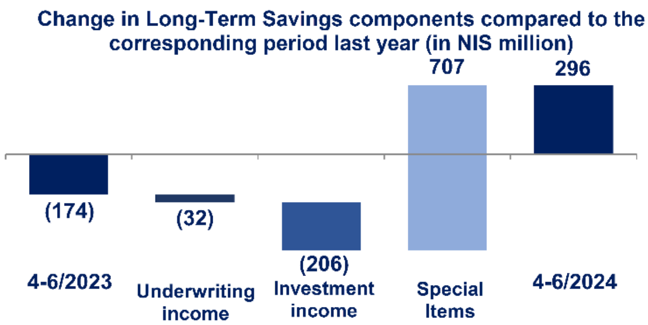
Redemptions and transfers - in the reporting quarter, the increase in net negative transfers continued, and redemptions in individual savings and executive policies in life insurance and provident funds decreased due to net positive transfers compared to the corresponding quarter last year. On the other hand, in the Pension Subsegment there were net positive transfers compared to net negative transfers in the corresponding quarter last year.

Life Insurance redemptions - the rate of redemptions (including transfers) out of the average reserve (in annual terms) amounted to approx. 5.5% in the reporting quarter compared with approx. 4.3% in the corresponding quarter last year.

Development of comprehensive income in the reporting quarter

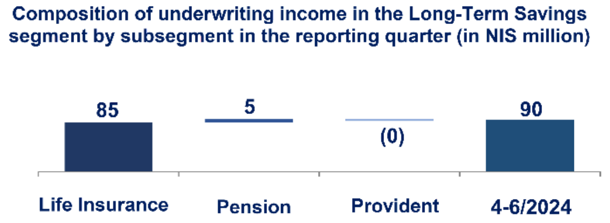


	Underwriting income	Investment income	Special Items	Comprehensive income (before tax)
4-6/2024	90	(375)	581	296
4-6/2023	122	(169)	(126)	(174)
Difference	(32)	(206)	707	470

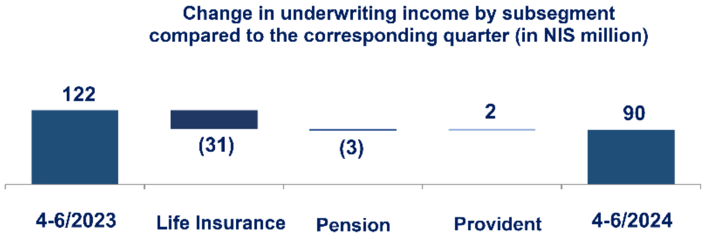


[4] Contributions towards benefits in pension and provident funds do not include funds transferred in respect of planholders transferring to the funds.

Following is an analysis of underwriting income by subsegment in the reporting quarter:



	Life Insurance	Pension	Provident	Total
4-6/2024	85	5	(0)	90
4-6/2023	116	8	(2)	122
Difference	(31)	(3)	2	(32)



Underwriting income - in the reporting quarter, in **Life Insurance**, the decrease in underwriting income compared to the corresponding quarter last year was mainly due to a decrease in income from life insurance policies, mainly due to an increase in the claim payouts for life and disability policies. In **Pension**, there was a decrease in the underwriting income mainly due to an increase in administrative and general expenses and a reduction in deferred acquisition expenses, which was partly offset by the increase in management fees. In **Provident**, there was a decrease in underwriting loss, which was mainly due to an increase in management fees and was largely offset by an increase in administrative and general expenses and a decrease in deferred acquisition expenses.

Investment profit - in the reporting quarter, there was an increase in investment loss compared to the corresponding quarter last year. The investment loss in the reporting quarter resulted mainly from a negative financial spread in Nostro Life Insurance and from collection of variable management fees in the participating portfolio.

Special Items - in the reporting quarter, the effect of the studies regarding the estimate of annuity uptake and the rise of the interest rate curve - including the change in spreads of linked bonds, offset by the effect of the Mortality Rates Circular, led to a decrease in reserves and an increase in comprehensive income before tax in Life Insurance totaling approx. NIS 581 million.

In the corresponding quarter last year, the effect of the decrease in the spreads of linked bonds, offset by an increase in the risk-free interest rate curve, mainly resulted in an increase in reserves and a decrease in the comprehensive income before tax in Life Insurance totaling approx. NIS 126 million. For details, see Note 9 to the Financial Statements.

2.5.2. Operating results in the reporting period

Development in the scope of activity

Life Insurance - in the reporting period, premiums (including receipts for investment contracts) totaled approx. NIS 5,278 million, compared to approx. NIS 4,581 million in the corresponding period last year, an increase of approx. 15%.

Current premiums (including current receipts for investment contracts) totaled approx. NIS 3,311 million, compared to approx. NIS 3,653 million in the corresponding period last year, a decrease of approx. 9%. Non-recurring premiums for insurance contracts and non-recurring proceeds in respect of investment contracts amounted to approx. NIS 1,967 million compared with approx. NIS 928 million in the corresponding period last year - an increase of approx. 112%.

Pension funds - contributions towards benefits[5] amounted to approx. NIS 5,240 million compared with approx. NIS 4,627 million in the corresponding period last year - an increase of approx. 13%.

Provident funds - contributions towards benefits amounted to approx. NIS 1,583 million compared with approx. NIS 1,229 million in the corresponding period last year - an increase of approx. 29%.

Furthermore, during the reporting period, there was an increase in pension and provident sales compared with the corresponding period last year.

Redemptions and transfers - in the reporting period, the increase in net negative transfers and redemptions in individual savings and executive life insurance policies continued, as well as a decrease in net positive transfers in the Provident Subsegment, compared to the corresponding period last year. On the other hand, in the Pension Subsegment, there were net positive transfers compared to net negative transfers in the corresponding period last year.

Life Insurance redemptions - the rate of redemptions (including transfers) out of the average reserve (in annual terms) amounted to approx. 5.5% in the reporting period, compared with 4.4% in the corresponding period last year.

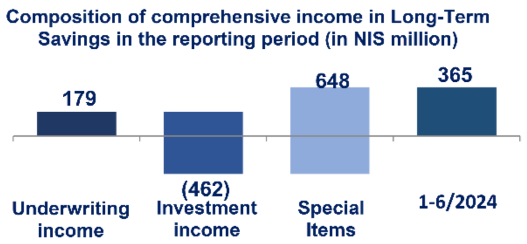
In the Group's new pension funds, the net transfer of funds to the Group[6] totaled approx. NIS 3,127 million in the reporting period, compared to net negative transfers of funds from the Group in the corresponding period last year, in the amount of approx. NIS 235 million. Transfers to the Group's pension funds totaled approx. NIS 7,136 million in the reporting period (compared to approx. NIS 3,305 million in the corresponding period last year), compared to transfers from the Group's pension funds to other funds, which totaled approx. NIS 4,009 million in the reporting period (compared to approx. NIS 3,540 million in the corresponding period last year).

In the Group's provident funds, there was a decrease in the net transfers of funds to the Group in the reporting period, compared to the corresponding period last year, which amounted to approx. NIS 1,155 million compared to approx. NIS 1,275 million in the corresponding period last year. Transfers of funds to the Group's provident funds totaled approx. NIS 2,441 million in the reporting period (compared to approx. NIS 1,998 million in the corresponding quarter last year), and on the other hand - transfers of funds from the Group's provident funds to other funds totaled approx. NIS 1,286 million in the reporting period (compared to approx. NIS 723 million in the corresponding period last year).

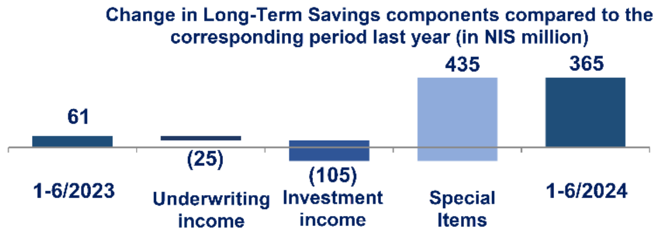
[5] Contributions towards benefits in pension and provident funds do not include funds transferred in respect of planholders transferring to the funds.

[6] The transfers of funds include intra-group transfers.

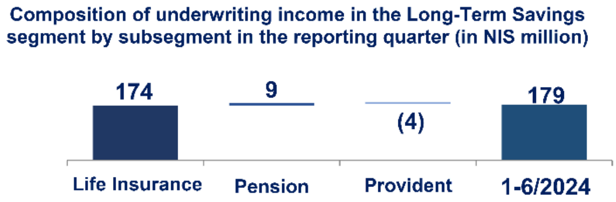
Development of comprehensive income in the reporting period



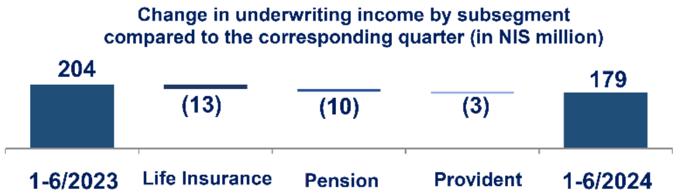
	Underwriting income	Investment income	Special Items	Comprehensive income (before tax)
1-6/2024	179	(462)	648	365
1-6/2023	204	(357)	213	61
Difference	(25)	(105)	435	304
2023	265	(718)	1,314	860



Following is an analysis of underwriting income by subsegment in the reporting period:



	Life Insurance	Pension	Provident	Total
1-6/2024	174	9	(4)	179
1-6/2023	187	19	(1)	204
Difference	(13)	(10)	(3)	(25)
2023	240	31	(6)	265



Underwriting income - in the reporting period, in **Life Insurance**, the decrease in underwriting income compared to the corresponding period last year was mainly due to a decrease in income from life insurance policies, mainly due to an increase in the claim payouts for life and disability policies. In **Pension and Provident**, there was a decrease in the underwriting income, which was mainly affected by an increase in administrative and general expenses and from an increase in the reduction of deferred acquisition expenses, which was partially offset by an increase in income from management fees.

Investment profit - in the reporting period, there was an increase in investment loss compared to the corresponding period last year. The investment loss in the reporting period was mainly due to non-collection of variable management fees in the participating portfolio and from a negative financial spread in Nostro Life Insurance.

Special Items - in the reporting period, the effect of the studies regarding the estimate of annuity uptake and the rise in the interest rate curve - offset by the change in spreads of linked bonds and the effect of the Mortality Rates Circular, led to a decrease in reserves and an increase in comprehensive income before tax in Life Insurance totaling approx. NIS 648 million.

In the corresponding period last year, the effect of the increase in the interest rate curve and increase in the spreads on 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 approx. NIS 213 million. For details, see Note 9 to the Financial Statements.

2.6. Further details regarding the development of income in Life Insurance

Weighted returns on participating policies (Fund J) (in %):

	Policies issued in 1992-2003			Policies issued as from 2004		
	1-6/2024	1-6/2023	2023	1-6/2024	1-6/2023	2023
Gross positive (negative) real return	3.0%	2.8%	5.5%	2.8%	2.6%	5.1%
Net positive (negative) real return	2.7%	2.5%	4.9%	2.3%	2.0%	3.9%
Gross positive (negative) nominal return	5.0%	5.3%	9.0%	4.8%	5.1%	8.6%
Net positive (negative) nominal return	4.7%	5.0%	8.4%	4.2%	4.5%	7.4%

	Policies issued in 1992-2003		Policies issued as from 2004	
	Q2 2024	Q2 2023	Q2 2024	Q2 2023
Gross positive (negative) real return	(1.0%)	2.0%	(1.1%)	2.0%
Net positive (negative) real return	(1.1%)	1.9%	(1.4%)	1.7%
Gross positive (negative) nominal return	0.6%	3.4%	0.5%	3.4%
Net positive (negative) nominal return	0.5%	3.3%	0.2%	3.1%

Investment profit (losses) credited to policyholders in participating policies and management fees - following are details regarding the estimated amount of investment gains (losses) carried to policyholders in Life Insurance and participating investment contracts and management fees calculated in accordance with guidelines set out by the Commissioner, based on the return and the quarterly balances of insurance reserves in the Company's business reports (in NIS million):

	1-6/2024	1-6/2023	2023	Q2 2024	Q2 2023
Investment gains (losses) carried to policyholders net of management fees	6,238	6,241	10,364	632	4,248
Management fees	530	510	1,030	265	257

2.7. Health Insurance Segment

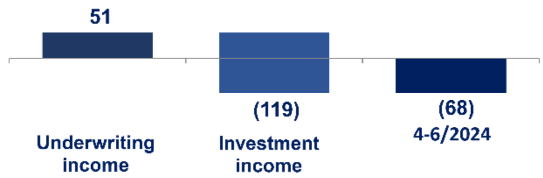
2.7.1. Operating results in the reporting quarter

Development in the scope of activity

In the reporting quarter, premiums amounted to approx. NIS 500 million, compared with approx. NIS 488 million in the corresponding quarter last year - a 3% increase. The increase in premiums in the reporting quarter compared to the corresponding quarter last year applies to most individual insurance policies, as well as collective insurance policies.

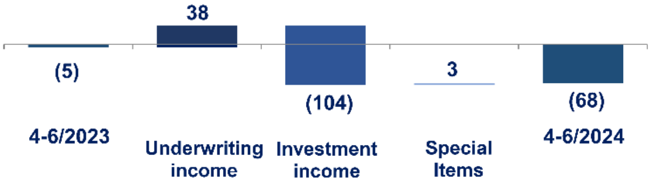
Composition of comprehensive income

Composition of comprehensive income in health in the reporting quarter (in NIS million)



	Underwriting income	Investment income	Special Items	Comprehensive income (before tax)
4-6/2024	51	(119)	(0)	(68)
4-6/2023	13	(15)	(3)	(5)
Difference	**38**	**(104)**	**3**	**(63)**

Change in components of the health income compared with the corresponding quarter (in NIS million)



Underwriting income - in the reporting quarter, there was an increase in underwriting income compared to the corresponding quarter last year, which was mainly concentrated in medical expenses insurance, among other things, due to a change in the mix of the surgery portfolio, as stated in Section 4.3.1 below, as well as an improvement in personal accidents insurance and collective insurance policies following a decrease in claims. The aforementioned increase was partly offset by a deterioration of LTC Insurance and drug insurance due to an increase in claims.

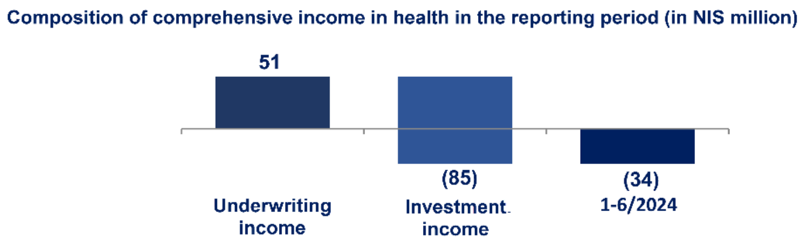
Investment profit - in the reporting quarter, there was an increase in investment loss compared to the corresponding quarter last year, which was mainly due to lower real returns in the reporting quarter.

2.7.2. Operating results in the reporting period

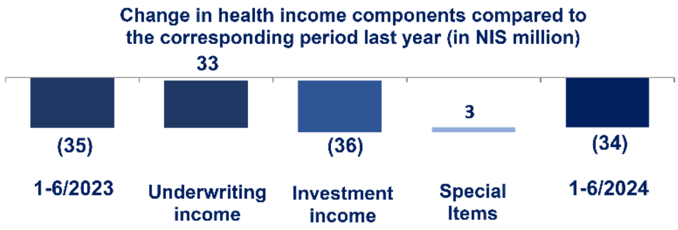
Development in the scope of activity

In the reporting period, premiums amounted to approx. NIS 995 million, compared with approx. NIS 961 million in the corresponding period last year - an increase of approx. 4%. The increase in premiums in the reporting period compared to the corresponding period last year applies to most individual insurance policies, as well as to collective insurance policies.

Composition of comprehensive income



	Underwriting income	Investment income	Special Items	Comprehensive income (before tax)
1-6/2024	51	(85)	-	(34)
1-6/2023	18	(50)	(3)	(35)
Difference	33	(36)	3	0
2023	11	(103)	(37)	(130)



Underwriting income - in the reporting period, there was an increase in underwriting income compared to the corresponding period last year which was mainly concentrated in medical expenses insurance, among other things, due to a change in the mix of the surgery portfolio, as stated above, as well as an improvement in personal and collective accidents insurance as stated above. The aforementioned increase was partly offset by a deterioration of LTC Insurance and drug insurance due to an increase in claims.

Investment profit - in the reporting period, there was an increase in investment loss compared to the corresponding period last year, which was mainly due to lower returns in the reporting period.

2.8. Property and casualty insurance

2.8.1. Operating results in the reporting quarter

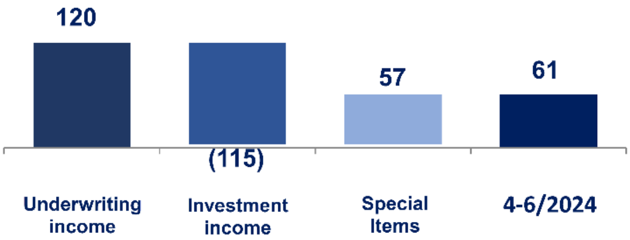
Development in the scope of activity

In the reporting quarter, premiums gross amounted to approx. NIS 629 million, compared with approx. NIS 606 million in the corresponding quarter last year - a 4% increase. The increase in premiums was mainly due to an increase in the average premium in the Motor Subsegments and was partially offset in the Other Property and Liability Segments due to a change in policy renewal dates, where the insurance coverage is longer than one year in several large businesses.

In the reporting quarter, Migdal Insurance began to issue insurance policies in accordance with the provisions of the Sale Law (Apartments) (Guaranteeing Investments of Apartment Buyers), 1974 as part of providing financing for residential construction projects; the scope of this activity, as of the end of the reporting quarter, is immaterial.

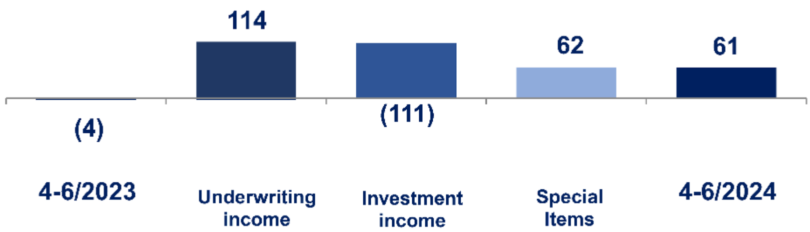
Composition of comprehensive income

Composition of comprehensive income in P&C Insurance in the reporting quarter (in NIS million)



	Underwriting income	Investment income	Special Items	Comprehensive income (before tax)
4-6/2024	120	(115)	57	61
4-6/2023	6	(4)	(5)	(4)
Difference	114	(111)	62	65

Change in income components of P&C Insurance compared with the corresponding quarter (in NIS million)



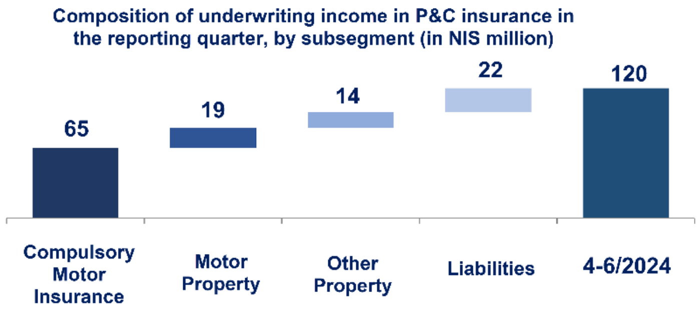
Underwriting income - the increase in underwriting income in the reporting quarter compared to the corresponding quarter last year was mainly due to breaking even to underwriting income in the motor subsegments; for details by subsegment, see below.

Investment profit - in the reporting quarter, there was an increase in investment loss compared to the corresponding quarter last year, due to lower real returns in the reporting quarter.

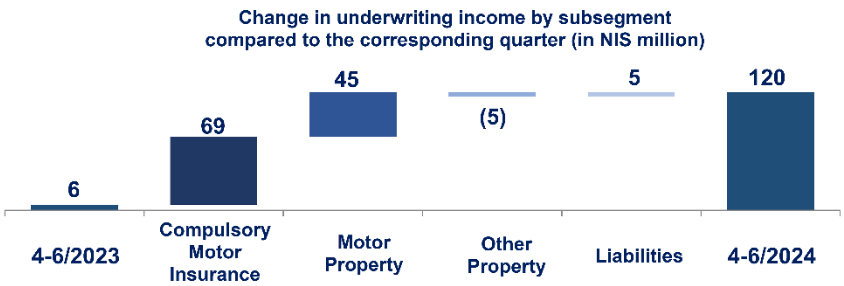
Special Items - in the reporting quarter, the rise of the interest rate curve and effect of reclassifying part of the excess fair value of illiquid assets over their carrying amounts, resulted in a decrease in the retention insurance liabilities and an increase in comprehensive income totaling approx. NIS 57 million, of which approx. NIS 36 million was in the Compulsory Motor Insurance Subsegment and approx. NIS 21 million in the Liability Subsegments. For details, see Note 9 to the Financial Statements.

In the corresponding quarter last year, the changes in the risk-free interest rate curve, net of the effect of reclassifying part of the excess fair value of the illiquid assets in excess of their carrying amounts led to an increase in insurance liabilities and a decrease of approx. NIS 5 million in the retention pre-tax comprehensive income in the Compulsory Motor Subsegment.

Following is an analysis of underwriting income by subsegment in the reporting quarter:



	Compulsory Motor Insurance	Motor Property	Other Property	Liabilities	Total
4-6/2024	65	19	14	22	120
4-6/2023	(4)	(26)	19	17	6
Difference	69	45	(5)	5	114



In the **Compulsory Motor Subsegment** - breaking even to underwriting income in the reporting quarter from an underwriting loss in the corresponding quarter last year was mainly due to a positive development in the claims experience with respect to older underwriting years. The loss for the current underwriting year remains at a level similar to the loss recorded in the corresponding quarter last year.

In the **Motor Property Subsegment -** breaking even to underwriting income in the reporting quarter from an underwriting loss in the corresponding quarter last year. The aforementioned income was affected by an increase in the average premium as well as by a positive development in claims experience.

In the **Other Property Subsegments** - there was a decrease in underwriting income in the reporting quarter compared to the corresponding quarter last year due to an increase in claims in the Home Insurance Subsegment.

In the **Liability Subsegments** - there was an increase in underwriting income compared to the corresponding quarter last year, which was mainly due to a positive development which occurred in the reporting quarter due to older underwriting years.

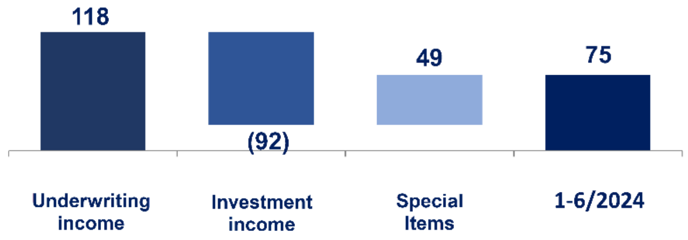
2.8.2. Operating results in the reporting period

Development in the scope of activity

In the reporting period, premiums amounted to approx. NIS 1,413 million, gross, compared with approx. NIS 1,350 million in the corresponding period last year - an increase of approx. 5% over the corresponding period last year. The increase in premiums was mainly due to an increase in the average premium in the Motor Subsegments and was partially offset in the Other Property and Liability Segments due to a change in policy renewal dates, where the insurance coverage is longer than one year in several large businesses.

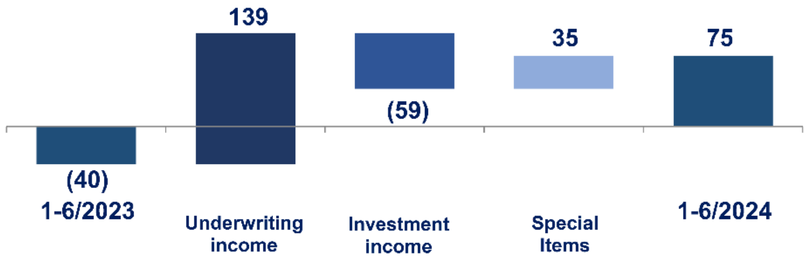
Composition of comprehensive income

Composition of comprehensive income in P&C Insurance in the reporting period (in NIS million)



	Underwriting income	Investment income	Special Items	Comprehensive income (before tax)
1-6/2024	118	(92)	49	75
1-6/2023	(21)	(33)	14	(40)
Difference	139	(59)	35	115
2023	6	(57)	(8)	(58)

Change in income components of P&C Insurance compared with the corresponding period last year (in NIS million)



Underwriting income - the increase in underwriting income in the reporting period compared to the corresponding period last year was mainly due to breaking even to underwriting income in the motor subsegments; for details by subsegment, see below.

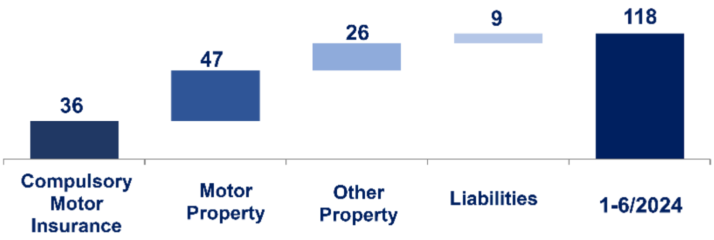
Investment profit - in the reporting period, there was an increase in investment loss compared to the corresponding period last year, due to lower real returns in the reporting period.

Special Items - in the reporting period, the rise of the interest rate curve and effect of reclassifying part of the excess fair value of illiquid assets over their carrying amounts, resulted in a decrease in the retention insurance liabilities and an increase in comprehensive income totaling approx. NIS 49 million, of which approx. NIS 29 million was in the Compulsory Motor Insurance Subsegment and approx. NIS 20 million in the Liability Subsegments. For details, see Note 9 to the Financial Statements.

In the corresponding period last year, the rise in the short- and mid-term risk-free interest rate curve, offset by the effect of the change in the illiquidity premium and effect of reclassifying some of the excess fair value of the illiquid assets over their carrying amounts, led to a decrease in insurance liabilities and to an increase of approx. NIS 14 million in the pre-tax comprehensive income, mostly in the compulsory motor subsegment (retention).

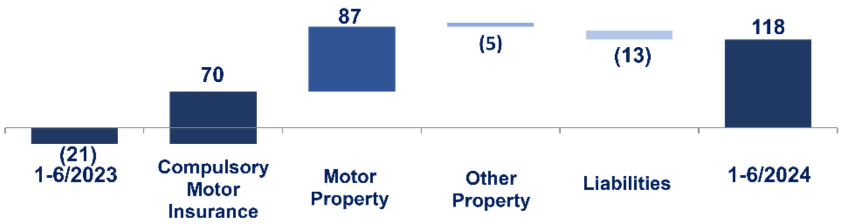
Following is an analysis of underwriting income by subsegment in the reporting period:

Composition of underwriting income in P&C Insurance in the reporting period, by subsegment (in NIS million)



	Compulsory Motor Insurance	Motor Property	Other Property	Liabilities	Total
1-6/2024	36	47	26	9	118
1-6/2023	(34)	(39)	31	22	(21)
Difference	70	87	(5)	(13)	139
2023	(74)	(13)	55	38	6

Change in the underwriting profit by subsegment compared to the corresponding period last year (in NIS million)



In the **Compulsory Motor Subsegment** - breaking even to underwriting income in the reporting period was mainly due to a positive development in the claims experience with respect to older underwriting years. The loss for the current underwriting year remains at a level similar to the loss recorded in the corresponding period last year.

In the **Motor Property Subsegment** - breaking even to underwriting income in the reporting period, from an underwriting loss in the corresponding period last year, was affected by an increase in the average premium as well as a positive development in claims experience.

In the **Other Property Subsegments** - there was a decrease in underwriting income in the reporting period compared to the corresponding period last year, due to an increase in claims in the Home Insurance Subsegment and increase in reinsurance prices.

In the **Liability Subsegments** - there was a decrease in underwriting income compared to the income in the corresponding period last year, mainly due to a higher loss in the current underwriting year in the Third Party and Employers' Liability Subsegments, as well as due to a positive development in the corresponding period last year regarding previous underwriting years.

	Motor Property Subsegment			Property Subsegments (excluding motor)		
	1-6/2024	1-6/2023	2023	1-6/2024	1-6/2023	2023
Claims rate - gross	71.2	90.8	78.9	52.1	73.4	53.7
Claims rate - retention	71.3	91.1	79.2	44.8	41.1	35.0
Claims rate and expenses - gross	92.6	113.0	103.3	77.8	98.8	81.4
Claims rate and expenses - retention	92.9	113.5	103.8	82.9	77.7	79.7

The decrease in the gross claims rate in the Motor Property Subsegment in the reporting period, compared to the corresponding period last year is mainly due to the increase in the average premium. In 2023, in the Property Subsegments (non-motor), the gross and retention claims rate, respectively, were affected by a corporation's claim, which was almost fully covered by reinsurance.

2.9. Financial Services[7]

Assets under management - on June 30, 2024, assets under management amounted to approx. NIS 76 billion compared to approx. NIS 58 billion on June 30, 2023 and compared to NIS 68 billion on December 31, 2023.

Operating results in the reporting quarter

In the reporting quarter, revenues amounted to approx. NIS 78 million compared to approx. NIS 63 million in the corresponding quarter last year. The increase in income was mainly concentrated in the Mutual Funds Subsegment, due to an increase in fixed management fees, which was mainly due to an increase in assets under management as well as an increase in variable management fees. In addition, there was an increase in underwriting activity compared to the corresponding quarter last year.

The comprehensive income amounted to approx. NIS 23 million compared to approx. NIS 15 million in the corresponding quarter last year. The increase in income was mainly affected by the abovementioned increase in revenues and was partly offset by an increase in variable expenses.

Operating results in the reporting period

In the reporting period, revenues amounted to approx. NIS 152 million, compared with approx. NIS 124 million in the corresponding period last year. The increase in income was mainly concentrated in the Mutual Funds Subsegment, due to an increase in fixed management fees, which was mainly due to an increase in assets under management as well as an increase in variable management fees. In addition, there was an increase in the market-making activity due to an increase in turnover compared to the corresponding period last year.

The comprehensive income amounted to approx. NIS 44 million compared to approx. NIS 29 million in the corresponding period last year. The increase in income was mainly affected by the abovementioned increase in revenues and was partly offset by an increase in variable expenses.

2.10. Main on-balance sheet data from the financial statements

Assets in respect of yield-dependent contracts, as of June 30, 2024, amounted to approx. NIS 146 billion, compared with approx. NIS 143 billion on December 31, 2023 - an increase of approx. 2%. The increase in total assets compared with December 31, 2023 stemmed mainly from net investment income in the capital markets.

The collectible premium balance as of June 30, 2024 amounted to approx. NIS 676 million compared with approx. NIS 588 million as of December 31, 2023 and approx. NIS 959 million as of June 30, 2023. The increase in the collectible premium balance compared to the end of December 2023 was mainly due to an increase in P&C premiums, while the decrease compared to the end of June 2023 was mainly concentrated in Life Insurance and was due to the advance current collection implemented during the fourth quarter of 2023.

The balance of capital as of June 30, 2024 totaled approx. NIS 8,785 million, compared to approx. NIS 8,599 million as of December 31, 2023. The change in capital arises from a comprehensive income of approx. NIS 209 million in the reporting period less a dividend of approx. NIS 25 million distributed in June 2024.

For details regarding the results of the calculation in accordance with the New Solvency Regime (Solvency II), see Section 3.2 below and Note 6 to the Financial Statements.

The cash and cash equivalents balances amounted to approx. NIS 22.0 billion as of June 30, 2024, compared with approx. NIS 19.5 billion as of December 31, 2023. The increase was mainly due to cash flows from operating activities, net (which was mainly affected by the timing of buying or selling financial investments) and was partially offset by cash flows used for financing activities; for details, see the cash flow statement in the Company's financial statements.

[7] The income, expenses and profit before tax figures include the results of the Financial Services Activity carried out by Migdal Capital Markets (1965) Ltd.

2.11. Financing sources

In NIS million	June 30, 2024	June 30, 2023	December 31, 2023
Financial liabilities	**7,998**	**7,983**	**7,359**
Long-term loans (Tier 2 capital)	5,851	5,178	5,832
Short-term loans (1)	839	912	928
Other(2)	1,308	1,893	599

(1) During the reporting quarter, a repurchase commitment (hereinafter - "**REPO**") was undertaken.

(2) The balance mainly includes derivatives reflecting the liability that has arisen as of balance sheet date, mainly in respect of the exposure to foreign currency and foreign shares.

3. Trends, Events and Developments in the Group's Operations and in its Business Environment

3.1. Macroeconomic environment

Following is a summary description of trends, events and developments in the Group's macroeconomic environment, which have or are expected to have an effect on the Group.[8]

Developments in the market and in employment

The Group operates in Israel, and the economic, political and security conditions in Israel impact the Group's sales in its different operating segments, the scope of insurance claims and various costs involved in its operations. The rate of employment in the Israeli economy mainly affects the scope of the Group's life insurance and long-term savings businesses.

Global environment - In the reporting period, global economic activity improved, with the US standing out with stronger growth and China seeing some recovery. On the other hand, in the Eurozone, the economic weakness continues, especially in Germany.

Israeli economy - in the reporting period, the indicators for economic activity and employment rates point to a continued gradual recovery, following the sharp decline in the fourth quarter of 2023 upon the outbreak of the War; however, the economic sectors are highly varied in this respect. The higher activity was mainly due to the recovery in demand, but the supply limit is still high in several sectors.

It is noted that, in the reporting quarter, the rate of economic recovery moderated. Supply limits are weighing down on resuming the trend which characterized the pre-War economy, and the level of ongoing geopolitical uncertainty is manifested in the economy's elevated risk premium.

According to a third estimate by the Central Bureau of Statistics for the first quarter of 2024,[9] in the first quarter of 2024, GDP was up by approx. 14.4% (annualized) compared to the fourth quarter of 2023 - in which the GDP contracted following the outbreak of the War, decreasing by approx. 1.2% compared to the corresponding quarter last year and compared to an increase of approx. 2% in 2023. The increase in GDP in the reporting quarter compared to the previous quarter reflects a significant increase in private consumption and investment in fixed assets, following substantial decreases in the fourth quarter of 2023 and a decrease goods and services exports compared to an increase in imports. The figures for private consumption and investment in fixed assets are impacted by the security situation and have not recovered to pre-War levels. Public consumption continued to grow during the quarter after a significant increase in the fourth quarter of 2023, such that the level of public consumption remained high. Per-capita GDP decreased by approx. 3% in the reporting quarter compared to the corresponding quarter last year, following a 0.2% decrease in the whole of 2023.

[8] The review is based, among other things, on the publications of the Bank of Israel and Central Bureau of Statistics.

[9] According to the National Accounts estimate for the first quarter of 2024 published on July 16, 2024.

Job market - in the reporting quarter, the unemployment rate - in its broadest definition - was down, from a level of approx. 7.5% in December 2023 - which was affected by the War, to a level of approx. 4.8% in June 2024.[10] The job market recovered against the backdrop of the increased demand for workers, with some relief in the limited job supply due to the downsizing of reserve forces.

From January to May 2024, there was an increase of approx. 3% in the average real wages (in fixed prices) compared to the corresponding period last year.

Capital market

The insurance companies, pension funds and provident funds and the companies operating within the financial services sector, invest a considerable portion of their asset portfolio in capital markets. Returns in various capital market investment channels have a material effect both on the returns achieved for the Group's customers and on the Group's earnings.

In the reporting period, inflation moderated in a considerable number of countries, albeit at a slow pace compared to previous forecasts made at the beginning of the year. In US's Federal Reserve left the interest rate unchanged, while moderating its forecast of lowering the interest rate in the future. In the Eurozone, the European Central Bank (hereinafter - "**ECB**") lowered the interest rate by approx. 0.25% in June 2024 and revised the inflation forecasts upwards for 2024 and 2025.

In January 2024, the Bank of Israel lowered the interest rate by 0.25% to 4.5%, on the back of the moderation of the inflation rate and stabilization of financial markets, including the foreign exchange market. However, against the backdrop of the Israeli economy's higher risk level, higher geopolitical uncertainty and higher inflation expectations for the coming year, no further interest rate reductions were made.

In capital markets abroad, stock indices rallied in the reporting period and quarter. On the other hand, the local capital market saw slumps during the reporting quarter, which partially offset the rallies recorded in the first quarter of the year. Government bond rates were down both in Israel and around the world, particularly long bonds. The risk level for Israeli corporate bonds increased slightly compared to government bonds, partially offsetting the decrease in risk margin in the first quarter of the year.

In February 2024, rating agency Moody's announced a downgrading of the State of Israel's debt credit rating from A1 to A2 with a negative rating outlook. The downgrading of the credit rating and change of the rating outlook to negative mainly reflected - as explained by the rating agency - the uncertainty as to the economic consequences of the War, the manner and timing by which the War will end and the change in fiscal conditions. In May 2024, Moody's reiterated the rating, including the negative rating outlook.

In April 2024, international credit rating agency S&P announced the downgrading of the sovereign rating of Israel from AA- to A+ and reiterated the rating outlook at negative. The rating downgrade was carried out against the backdrop of the escalating conflict between Israel and Iran and the geopolitical risks that Israel has faced since the outbreak of the War. It also noted at the time that a credit rating downgrade could be made if the military conflict expands substantially, increasing the security and geopolitical risks Israel faces, as well as if the impact of the military conflict on Israel's economic growth, fiscal situation and balance of payments turns out to be more significant than S&P had anticipated at the time of its announcement. In August 2024, international credit rating agency Fitch announced the downgrading of Israel's credit rating from A+ to A with a negative rating outlook.

[10] The unemployment rate under its broad definition includes unemployed persons, employed persons who have been temporarily absent from work all week due to economic reasons, and persons not participating in the workforce who ceased working due to dismissal or closure of the workplace in the past two years, as well as those who have given up on finding jobs.

Following are the key trends in the main investment channels and their implications:

Change in capital market indexes	1-6.2024	4-6.2024
Inflation (known CPI)	1.9%	1.6%
Inflation (in lieu CPI)	2.1%	1.1%
NIS government bonds with a fixed interest rate (real)	(4.6%)	(3.6%)
CPI-linked government bonds (real)	(4.7%)	(3.9%)
Corporate bonds (real)	(0.0%)	(1.5%)
TA 35 (real)	4.4%	(2.2%)
TA 125 (real)	1.6%	(5.9%)
MSCI (nominal)	10.3%	2.4%
NASDAQ 100 (nominal)	17.0%	7.8%
S&P 500	14.5%	3.9%
USD exchange rate (nominal)	3.6%	2.1%

Interest - in June 2024, Israel’s monetary interest rate was 4.5%, following two interest rate reductions by the Bank of Israel in the reporting period, compared with an interest rate of 4.75% in December 2023.

Government bonds - in the reporting period and reporting quarter, there were increases in the yields-to-maturity of NIS bonds and CPI-linked bonds in all ranges, in view of the rise in inflation expectations and the expected deferral of interest rate reductions.

Israel's risk premium, as measured by the spread between Israeli government bonds denominated in USD and US government bonds, remained high and even increased during the reporting period.

Corporate bonds - in the reporting quarter, there was an increase in the yields-to-maturity of the NIS and fixed-rate corporate bonds, which was affected by an increase in the risk margin compared to the government bonds, which partially offset the decrease in yields-to-maturity recorded in the first quarter of the year.

The changes in the interest rate and the forecast inflation led to changes in the returns on financial asset portfolios held by the insurance companies, including the asset portfolios held against the participating policies, from which the profits on the investments of the insurance companies are derived.

Interest rates have an impact on future returns when refinancing assets against the liabilities and on the embedded value of the life insurance portfolio, as well as on future returns on planholders’ funds. Moreover, a higher inflation rate has an impact on reducing the real return on the planholders’ portfolios and as such, has a derivative effect on the variable management fees Migdal Insurance may charge, as well as on the financial margin in Migdal Insurance’s nostro portfolio.

Developments in the economic environment subsequent to the balance sheet date

Subsequent to the balance sheet date, there was volatility in the share indices in Israel and around the world, as well as an increase in bond prices.

The CPI for the month of July 2024 was up by approx. 0.6%.

The War has had an impact on global financial markets, which resulted from the increase in geopolitical tensions in the Middle East. However, so far the effect is moderate. In addition, the level of geopolitical uncertainty increased and is reflected in the economy’s relatively high-risk premium.

In July 2024, the Bank of Israel revised the macroeconomic forecast, revising its growth forecasts for 2024 and 2025 downwards; the expected inflation forecast for these years was revised upwards, with the forecasted interest rate for the second quarter of 2025 increasing to 4.25%, following the higher risks due to the duration and intensity of the War and significant restraining budgetary adjustments made by the government in the 2025 budget.

It is noted that economic activity in Israel is affected by a degree of uncertainty, among other things - regarding the duration and nature of the War, including its possible escalation and possible spreading to other fronts, and regarding future decisions made by the government regarding the budgetary response to the security and civilian needs arising from the War. Various developments impacting the duration and scope of the War may have a substantial impact on economic developments. An expansion of the War to additional fronts may further harm growth

and cause disruptions to routine economic activity, and as a result - may destabilize the markets and create an upward pressure on inflation.

3.2. Capital, Economic Solvency Regime of an Insurance Company based a Solvency II and Dividend

3.2.1. Solvency Ratio Report

On May 23, 2024, Migdal Insurance published its Solvency Ratio Report for December 31, 2023, as approved by Migdal Insurance's Board of Directors. 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 data for December 31, 2023 were calculated in accordance with the Commissioner’s directives regarding economic solvency of a Solvency II-based insurance company as included in the provisions of Insurance Circular 2020-1-15 “Amendment to the Consolidated Circular concerning Implementation of a Solvency II-Based Economic Solvency Regime” (hereinafter - the “**Solvency Circular**”).

Following are data regarding Migdal Insurance’s solvency ratio and minimum capital requirement (MCR) (in NIS million):

	As of December 31, 2023	As of December 31, 2022
	Audited*	**Audited***
Shareholders equity in respect of SCR	16,466	17,748
Solvency capital requirement (SCR)	13,416	12,393
Surplus	3,050	5,355
Solvency ratio (in %)	123%	143%
Effect of material equity transactions taken in the period between the calculation date and publication date of the Solvency Ratio Report		
Raising (redemption) of capital instruments	-	(1,895)
(Deviation from quantitative limitations) / reversal of deviation from quantitative limitations	-	607
Own capital for solvency capital requirement (SCR)	16,466	16,460
Surplus	3,050	4,067
Economic solvency ratio (in %)	123%	133%

* The term “Audited” refers to an audit held in accordance International Standard on Assurance Engagement (ISAE) 3400 – “The Examination of Prospective Financial Information”.

For details regarding the economic solvency ratio without applying the Provisions for the Transitional Period and regarding dividend distribution limitations applicable to the Company, see Sections 3.2.5 and 3.2.2 below.

Main changes in the solvency ratio as of December 31, 2023 compared to December 31, 2022:

Migdal Insurance’s solvency ratio decreased from approx. 133% on December 31, 2022, to approx. 123% on December 31, 2023, in light of a significant decrease in the deduction amount, and concurrently with the increase in the solvency ratio net of the Transitional Provisions, from 72% to 78%.

The main factors affecting the decrease in the Deduction, and accordingly the decrease in the solvency ratio, were a significant decrease in the Deduction during the Transitional Period (NIS 6.7 billion in 2023, in lieu of NIS 8.5 billion in 2022), which resulted from linear amortization (after one year has elapsed in the Transition Period) and the effect of the increase in the risk-free interest rate on the Deduction during the Transitional Period.

Following is a breakdown of other main factors affecting the solvency ratio (with and without the Transitional Provisions) as of December 31, 2023:

(a) A significant increase in the risk-free interest rate curve during 2023 had a substantial positive effect on Migdal Insurance's solvency ratio, net of the Transitional Provisions, and to a lesser extent - on the solvency ratio (taking into account the Transitional Provisions), due to the effect of the interest rate increase on the reduction of the Deduction during the Transitional Period, as stated above.

(b) In 2023, there was a significant increase in the number of cancellations (including customer churn) of executive insurance policies. According to Migdal Insurance, this increase in the number of cancellations of executive insurance policies was affected, among other things, by the setting of a contribution limit for executive insurance, as described in Section 2.4.9 to the Description of the Corporation's Business in the Periodic Report. Accordingly, Migdal Insurance revised the cancellation rate assumptions of the executive insurance policies, which are used to calculate actuarial estimates for the financial statements as well as solvency calculations. Actual cancellations, including the said revisions of the cancellation assumptions, reduced Migdal Insurance's economic capital and had a material adverse effect on Migdal Insurance's solvency ratio.

(c) A study conducted by Migdal Insurance regarding annuity uptake rates and development of retirement ages had a positive effect on the economic capital. On the other hand, model revisions and actuarial assumptions, including revising expense assumptions, had a negative effect on the economic capital. In the aggregate, these changes had an immaterial negative effect on Migdal Insurance's solvency ratio.

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

(e) In July 2023, Migdal Insurance issued Tier 2 capital in the amount of approx. NIS 660 million, through Migdal Capital Raising.

The consequences of the War on the solvency ratio as of December 31, 2023:

As a direct result of the War, there was an immaterial increase in Life and Health Insurance claim payouts during the fourth quarter of 2023.

In addition, the War led to sharp fluctuations in 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 Migdal Insurance's solvency ratio, such that in the aggregate, it is impossible to determine with certainty whether the War will have had a direct and substantial effect on the solvency ratio for 2023.

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

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

	As of December 31, 2023	As of December 31, 2022
	Audited	Audited
Minimum capital requirement (MCR)	3,354	3,098
Own capital for MCR	11,508	12,171

3.2.2. Solvency ratio without applying the Provisions for the Transitional Period, and without adjusting the stock scenario

Following are data without application of the Provisions for the Transitional Period and without adjusting the stock scenario (in NIS million):

	As of December 31, 2023	As of December 31, 2022
	Audited	**Audited**
Shareholders equity in respect of SCR [1]	12,070	11,940
Solvency capital requirement (SCR)	15,486	14,998
Surplus (deficit)	(3,416)	(3,057)
Economic solvency ratio (in %)	78%	80%
Effect of material equity transactions taken in the period between the calculation date and publication date of the Solvency Ratio Report		
Own capital	12,070	11,940
Raising (redemption) of capital instruments	-	(1,895)
Deviation from quantitative limitations / reversal of deviation from quantitative limitations	-	805
Own capital for solvency capital requirement (SCR)	12,070	10,850
Surplus (deficit)	(3,416)	(4,148)
Economic solvency ratio (in %)	78%	72%

(1) This amount does not include a reduction of 35% of the original difference in a management company amounting to approx. NIS 64 million as of December 31, 2023.

3.2.3. Events subsequent to the publication date of the Solvency Ratio Report for December 31, 2023

As detailed in Section 1.2.10, on July 24, 2024, the circular entitled Revising the Default Assumptions regarding the Demographic Assumptions (the Mortality Rates Circular) was published.

In addition to the effect on the income described in the aforementioned section, the effect of the implementation of the Circular's provisions to Migdal Insurance's economic solvency ratio, as of December 31, 2023, is estimated at a decrease of approx. 2% to 4%, net of the Provisions for the Transitional Period, and of approx. 3% to 7% after implementation of the Provisions for the Transitional Period.

Despite the negative effect of the aforementioned Mortality Rates Circular, as of the publication date of this report, Migdal Insurance estimates that the economic solvency ratio as of June 30, 2024 (with and net of the Provisions for the Transitional Period) will increase compared to the economic solvency ratio as of December 31, 2023 due to, among other things, the positive effects of the rise of the risk-free interest rate curve during the reporting period, as well as due to the expected positive effect of demographic studies (including a study regarding the revision of the actuarial assumptions for the expected retirement dates as stated in Section 1.2.2 above), which, in the aggregate, are expected to have a positive effect beyond the offsetting effect of the Mortality Rates Circular. It shall be clarified that the aforementioned assessments are merely an estimate that is neither audited nor reviewed.

Update regarding the use economic scenario generators in the calculation of Migdal Insurance's economic solvency ratio

As of the report publication date, Migdal Insurance completed the calculation of the economic solvency ratio using economic scenario generators, including the completion of tests and control processes for ensuring accuracy, robustness and market compatibility, as is generally accepted in foreign companies that apply stochastic models to calculate their economic solvency ratio (hereinafter - the "**Model**" or the "**Stochastic Model**").

The Stochastic Model is used to make an optimal actuarial estimate of asymmetric insurance liability flows (including future variable management fees), whose value is not included in full in the current model for calculation of the economic solvency ratio. Both in the existing model and the Stochastic Model, the return underlying the calculation is the risk-free return. However, unlike in the case of the existing model, the calculation of the cash flows in the Stochastic Model takes into account the fluctuations in the returns on the relevant assets, according to their composition and characteristics, including the investment channels, average duration and exposure to the CPI and to the exchange rates of foreign currencies. In order to create the Stochastic Model, Migdal Insurance selected economic models that match the asset types. These models were calibrated by using relevant historical market information. In selecting, calibrating and testing these economic models, Migdal Insurance was assisted by international consulting companies. In addition, the independent auditors reviewed the calculation process and internal controls.

In Migdal Insurance's estimation, the implementation of the Stochastic Model affects the economic solvency ratio at an addition of approx. 9% and approx. 10% to the economic solvency ratio as of December 31, 2023, without taking into account and after taking into account the Transitional Provisions, respectively. It is noted that this data are neither audited nor reviewed and are also sensitive to changes in the interest rate curve and other financial and demographic assumptions; therefore, the effect of the Stochastic Model may be different, including substantially different, at the time of its actual implementation.

Against the backdrop of the Capital Market Authority's notice issued to Migdal Insurance on November 12, 2023, regarding its intention to conduct an audit regarding the implementation of the Stochastic Model, Migdal Insurance decided to postpone the model’s initial application date until the aforementioned audit has been completed and material findings have been addressed, if any, under this framework. Subject to the aforementioned regarding the audit by the Authority, and in accordance with Migdal Insurance's assessment, the model will be implemented for the first time during 2024.

3.2.4. Migdal Insurance's capital policy

On May 26, 2021, Migdal Insurance's Board of Directors examined Migdal Insurance's capital policy and set a capital policy, according to which Migdal Insurance will strive to operate at a solvency ratio in the range of 155% to 175%. In addition, Migdal Insurance's Board of Directors set a minimum solvency ratio target of 140%. These targets relate to a solvency ratio taking into account the Deduction during the Transitional Period until the end of 2032 and thereafter. According to the capital policy, Migdal Insurance’s solvency ratio, without taking into consideration the Transitional Provisions, shall be built gradually pursuant to these targets until the end of 2032.

On March 20, 2024, Migdal Insurance's Board of Directors re-examined its capital policy and left unchanged the solvency ratio at which Migdal Insurance aims to operate, in the range of 155% to 175%. In addition, taking into account the risk factors characterizing Migdal Insurance's activity - including their implicit volatility and its effect on the solvency ratio - and in order to support the achievement of Migdal Insurance's long-term goals and the measures included in its strategic plan (for details, see Section 4 of Migdal Insurance's Report of the Board of Directors for 2023), Migdal Insurance’s Board of Directors decided to revise the minimum solvency ratio target for the coming years, such that it will match Migdal Insurance’s rate of building capital gradually to support high-quality, stable and long-term growth of the solvency ratio. Accordingly, Migdal Insurance’s Board of Directors updated the minimum solvency ratio target to 115%, which will increase gradually, reaching 140% at the end of the Transitional Period (end of 2032). These targets relate to a solvency ratio taking into account the Deduction during the Transitional Period. According to the capital policy, Migdal Insurance’s solvency ratio, without taking into consideration the Transitional Provisions, shall be built gradually pursuant to these targets until the end of 2032.

3.2.5. Restrictions on dividend distribution in Migdal Insurance

According to the letter published by the Commissioner, in October 2017, an Insurance Company shall be entitled to distribute a dividend only if, following the distribution, the Company has a solvency ratio (according to the Solvency Circular) of at least 100%, calculated without taking into account the Transitional Provisions and subject to the solvency ratio target set by the Board of Directors. The aforesaid ratio is calculated without the relief granted in respect of the original difference attributed to the acquisition of the provident funds and management companies activity. In addition, the letter sets out provisions for reporting to the Commissioner. As of December 31, 2023, Migdal Insurance does not meet the conditions required for dividend distribution.

The information and estimates included in this section are based, among other things, on forecasts, assessments and estimates regarding future events whose materialization is uncertain and beyond Migdal Insurance's control, and which may materialize differently than predicted, among other things with respect to actuarial assumptions (including rates of mortality, morbidity, recovery, cancellations, expenses, annuity uptake, release rate of the risk margin and underwriting income rate), results of actuarial studies, regulatory provisions and guidance regarding the economic solvency ratio, including specific guidance issued to Migdal Insurance, assumptions regarding future measures taken by management, risk-free interest rates, capital market returns, future income and damage under catastrophe scenarios. Accordingly, these data and estimates should be considered "forward-looking information", as defined in the Securities Law, which may not materialize, in whole or in part, or materialize in a different manner, including in a substantially different manner.

4. Material Changes in Regulatory and Legislative Arrangements

The Group’s areas of activity are subject to frequent changes in legislative arrangements. Some of the material legislative arrangements published during the first quarter of 2024, commencing from January 2024, and until the date of publication of the Periodic Report, were included in the periodic report. This chapter outlines material changes in the legislative arrangements published from the periodic report publication date to the publication date of this report.

4.1. Legislative arrangements pertaining to institutional entities and general provisions

4.1.1. Call for proposals on reduction of regulatory arbitrage in short- and mid-term investment and savings instruments -

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

(a) Assembling of a team led by the Director General of the Ministry of Finance with the participation of representatives of the Capital Market Authority, Israel Securities Authority, Israel Tax Authority, Chief Economist Department, Accountant General Department and Budget Department of the Ministry of Finance, to review existing regulations on short- and mid-term investment instruments and map the regulatory and taxation gaps therein

(b) Formulation of recommendations on the appropriate regulatory outline, including legislative amendments and required regulatory provisions.

Since the inter-ministerial team's work is in preliminary stages and the team's recommendations have not yet been published, at this stage, the Company is unable to assess the degree of materiality and impact of the team's recommendations, if any, on Migdal Insurance.

4.2. Legislative arrangements pertaining to Life Insurance and Long-Term Savings

4.2.1. Investment Tracks Circular and Investment Track List

Further to that which is stated in Section 6.4.4 to the chapter Description of the Corporation's Business in the Periodic Report, in April 2024, an amendment was published to the circular entitled Investment Track List, which includes a revised list of investment tracks that an institutional entity may administer, as well as the mandatory investment policy applicable to each track. Following are details of the main changes in the list of investment tracks in relation to the circular published in December 2022: (1) Addition of an investment track entitled "Halacha for existing annuity recipients"; (2) Canceling the "specializing flexible track" in light of the Capital Market Authority's intention to examine general tracks on a broad level; (3) Updating the bylaws investment policy of the "Credit and Bonds" track; (4) Adding tracks combining bonds and shares (up to 25% in shares) in savings products not payable as annuities (advanced education fund, investment provident fund and Life Insurance policies other than insurance funds); (5) Updating the bylaws regulatory investment policy of index-tracking tracks, including setting a minimum and maximum rate of the track's total assets (at least 10% and no more than 50%), for the three main indexes in the track.

Migdal Insurance and Migdal Makefet made the required changes to the investment tracks according to the Authority's guidance, the last phase of which came into effect on July 1, 2024, including changing the names of tracks, changing investment policies, merging tracks and starting new tracks.

4.2.2. Draft Provisions Regarding Selecting Provident Funds (hereinafter - “Default")

In June 2024, the Commissioner published a draft amendment to the circular entitled Provisions Regarding Selecting Provident Funds. Under the Draft Circular, in preparation for the publication of a procedure for determining selected funds, it is proposed to provide guidance regarding the mechanism by which an employer can enlist to one of the selected funds employees who have not exercised their right to choose a provident fund; the option to convert the management fee rate of the selected funds from accrual-based to contributions-based and to update the effective period of the procedure for choosing selected funds to four years (instead of three). It is proposed that the Circular's shall become effective as of its publication date.

The Company estimates that having a procedure to determine selected funds will not result in a substantial change in the pension market. Nevertheless, following the results of this procedure, there may be changes in the market shares of the default funds.

The said assessment regarding the effect of the procedure for determining selected funds is based on the draft amendment to the Circular and its provisions, which may be subject to changes in the final published circular. This assessment is uncertain and its materialization or the extent of its materialization constitute "forward-looking information" as defined in the Securities Law. This assessment may not materialize or may materialize differently than assessed.

4.3. Legislative arrangements in Health Insurance

4.3.1. Transferring policyholders of “First Shekel” surgery insurance

Further to that which is stated in Section 9.3 to the chapter Description of the Corporation's Business in the Periodic Report, regarding the Health Insurance Reform, during the reporting quarter, the provisions regarding the transfer of holders of “From the First Shekel” surgery policies to the “Supplementary SHABAN” surgery insurance policies came into effect, and as a result - there was a considerable increase in “Supplementary SHABAN” surgery insurance policies, which affected the mix of Migdal Insurance's surgery insurance portfolio. For further details, see Section 2.7 above.

Additionally, during the reporting quarter, further regulatory implementation guidance was published for Health Insurance Reform, including draft guidance regarding the appeal procedure for insurance companies contesting payment requests by HMOs for surgeries performed by them under the SHABAN program for “From the First Shekel" surgery insurance policyholders.

As of the report publication date, the Company is unable to estimate the effect of the implementation of the Health Insurance Reform on the types of products sold by Migdal Insurance and their sales turnovers.

4.4. Legislative arrangements in P&C insurance

4.4.1. Circular of Filing of Insurance Plans in the Motor Property Subsegment

Further to that which is stated in Section 12.2.3 to the chapter Description of the Corporation's Business in the Periodic Report, on May 15, 2024, the Commissioner published the final version of the Circular entitled Filing of Insurance Plans in the Motor Property Subsegment, the main points of which are: (a) Revision of the disclosure to a policyholder in an insurance plan, such that it refers to the deduction rules of insurance benefits in case of damage mitigation. The deduction rules will be submitted for approval by the Commissioner when implementing an insurance plan and will take into account the parameters detailed in the circular. (b) In cases where a policyholder opted to repair his/her vehicle other than at an authorized auto repair shop and meets the terms and conditions detailed in the Circular, the insurance company shall apply a deductible, as if the policyholder had repaired his/her vehicle at an authorized auto repair shop; (c) An insurance plan shall not include compensation due to alleged total loss, except in cases submitted by the insurance company to the Capital Market Authority under an application to institute an insurance plan, and the Capital Market Authority did not object thereto.

The provisions of the circular will apply to motor property insurance plans marketed as from September 1, 2024. With the exception of that which is stated in Paragraph (c) above, which will enter into effect after the definition of “total loss" in the Traffic Regulations, 1961 is amended. As of the report publication date, Migdal Insurance is preparing for the implementation of the circular, including advancing the processes involved in revising the insurance plans.

4.4.2. Amending the provisions of the Consolidated Circular, Chapter 6, Part 2 - Provisions in the Motor Property Subsegment

On May 15, 2024, the Commissioner published Amendment to the Provisions of the Consolidated Circular, Chapter 6, Part 2 - Provisions in the Motor Property Subsegment regarding the Manner in which Insurance Companies Work with Appraisers and Auto Repair Shops. In accordance with the provisions of the Amendment, the lists of external appraisers will be cancelled and each insurance company will use a dynamic, extensive database of appraisers and a random selection mechanism. In addition, provisions were established with the aim of encouraging insurance companies to increase the number of existing authorized auto repair shops by establishing guidelines for authorizing auto repair shops (hereinafter - “authorized auto repair shops”) and regulating the engagement between the insurance companies and authorized auto repair shops performing repairs on their behalf, in accordance with the compensation methods provided by the policy.

The amendment will become effective as from May 1, 2025, subject to the publication of professional guidelines regarding "market price” according to Section 153 of the Licensing Services and Professions in the Automotive Industry Law, 2016. In addition, Transitional Provisions were included in the amended Transitional Provisions for the first year from the amendment’s effective date.

In view of the proximity of the publication date of the said amendment to the publication date of this report, the Company cannot fully assess the effects of the implementation of the aforementioned provisions on the activities of Migdal Insurance.

4.5. Additional regulatory aspects

4.5.1. On April 18, 2024, Migdal Insurance was informed of 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 provisions of the Prohibition on Money Laundering Law, 2000, with respect to the period between July 2018 and June 2019. For further details, see Note 8F. to the Financial Statements and the immediate report dated April 21, 2024 (Ref. No. 2024-01-039751).

4.5.2. On May 15, 2024, Migdal Insurance received a notification from the Capital Market Authority regarding its intention to impose a financial sanction on Migdal Insurance for failure to report to the Commissioner, contrary to the provisions of the Consolidated Circular. For further details, see Note 8F to the Financial Statements.

4.5.3. In July 2024, the Capital Market Authority approved for Migdal Insurance an outline for refunding premium payments to eligible policyholders due to overlapping compulsory motor insurance following the Authority's demand for refund by Migdal Insurance in March 2024. For further details, see Note 8.F to the Financial Statements.

5. Disclosure on Exposure to Market Risks and Management Thereof

Migdal Holdings

During the reporting period, there were no material changes in the exposure to market risks and management thereof in relation to that which is described in the Report of the Board of Directors for 2023.

Migdal Capital Markets

During the reporting period, there were no material changes with respect to market risks and management thereof in relation to that which is described in the Report of the Board of Directors for 2023.

6. Corporate governance aspects

6.1. Requests for approval of derivative claims against the Company's controlling shareholder

6.1.1. **As detailed in Section 41.1 in the chapter Description of the Corporation's Business in the Periodic Report and in Note 39.1.F.2 in the Financial Statements for 2023**, regarding a motion filed by a shareholder of the Company (hereinafter - the "**Movant**") to the Tel Aviv District Court to certify a derivative claim by the Company against Mr. Eliyahu, the Company's controlling shareholder, alleging that the conduct of Mr. Eliyahu constitutes a violation of the duty of care and duty of loyalty in his capacity as a director of the Company and Migdal Insurance, a violation of the duty of fairness as a controlling shareholder of the Company, as well as a denial of the directors' independent discretion, which he alleges caused damage to the Company (hereinafter - the "**First Certification Motion**") - on May 8 2024, a judgment was rendered, in which the court dismissed the motion to certify.

On July 7, 2024, the Movant appealed the ruling to the Supreme Court, requesting that it be revoked and that the motion to certify the derivative claim be granted. An appeal hearing is scheduled for May 2025.

For details, see the Company's immediate reports dated May 9, 2024 (Ref. No.: 2024-01-046099) and July 9, 2024 (Ref. No.: 2024-01-071662), included in this report by way of reference as well as in Note 8.F to the Financial Statements.

6.1.2. Further to Section 41.1 to the chapter Description of the Corporation's Business in the Periodic Report and Note 39.1.F.3 to the Financial Statements for 2023 regarding the movant's additional motion, as defined in Section 6.1.1 above, which was submitted on March 15, 2023 for certification of the Company's derivative claim against Mr. Eliyahu, on March 27, 2024, the Company submitted its response to the motion to certify, in which the court was moved to dismiss the motion to certify, based, among other things, on the report of the independent committee adopted by the Company's Board of Directors, and the movant's response to the Company's response was also submitted. On July 14, 2024, the Company filed a motion to delay the proceedings in the additional motion, pending a decision on the appeal filed by the movant against the ruling which dismissed the First Certification Motion. For further details, see Note 8.F. to the Financial Statements.

6.2. Changes in the composition of the Company’s Board of Directors

6.2.1. On February 5, 2024, Dr. Keren Bar Hava, who served as a director in the Company and Migdal Insurance, announced her resignation from all her positions in the Migdal Group. This resignation took effect on the same date. For details regarding the background to the resignation, see Section 41.4 to the chapter Description of the Corporation's Business in the periodic report.

6.2.2. On March 14, 2024, the Company's annual general meeting resolved to reappoint the current directors of the Company (who are not external directors) - Mr. Hanan Meltzer, Mr. Shlomo Eliyahu, Dr. Gavriel Picker, Mr. Carmi Gillon, Mr. Avraham Dotan and Mr. Ron Tor (the current independent director in the Company), for another term of office until the next annual general meeting. The annual general meeting also approved the reappointment of Mr. Hanan Meltzer as the Company’s Chairman of the Board. For details, see the Company's immediate reports dated February 21, 2024 (Ref. No. 2024-01-018438) and March 14, 2024 (Ref. No. 2024-01-026316), included in this report by way of reference.

6.3. Changes in the composition of Migdal Insurance’s Board of Directors

6.3.1. On January 24, 2024, the Company's Board of Directors, sitting as the general meeting of Migdal Insurance, appointed Mr. Benny Maman as an additional independent director in Migdal Insurance, subject to receiving the Commissioner’s notice of non-objection, which was received on February 13, 2024, as stated in the Company's immediate report dated February 14, 2024 (Ref. No.: 2024-01-016116), included in this report by way of reference.

6.3.2. On January 30, 2024, Migdal Insurance’s Board of Directors decided to appoint a search committee for the purpose of identifying relevant candidates to serve as independent directors in Migdal Insurance. As of the publication date of this report, the committee was not required to search for candidates in light of the discussions between Migdal Insurance and the Capital Market Authority, as detailed in Section 6.3.4 below.

6.3.3. On February 5, 2024, Dr. Keren Bar Hava, who served as a director in Migdal Insurance and the Company, announced her resignation from the Migdal Group. This resignation took effect on the same date. For details, see Section 6.2.1 above.

6.3.4. On February 19, 2024, the annual general meeting of Migdal Insurance resolved to reappoint the current directors of Migdal Insurance (who are not independent directors), Mr. Avraham Dotan and Mr. Gad Nussbaum, for another term of office until the next annual general meeting. On that date, the term of office of directors Mr. Arie Mintkevich and Mr. Carmi Gillon ended. In accordance and as of this date, Migdal Insurance’s Board of Directors consists of 7 directors, of which 4 are independent directors.

On February 19, 2024, shortly before the Company's board meeting, Migdal Insurance received a letter from the Commissioner addressed to the Chairman of the Board of Migdal Insurance, regarding the composition of Migdal Insurance’s Board of Directors. In his letter, the Commissioner raised various allegations against the conduct of Migdal Insurance and ordered it to send to him a detailed response regarding the eventual composition of the Board of Directors, the number of its members and the extent to which it complies with the provisions of the law, including the required expertise. On February 22, 2024, Migdal Insurance’s Chairman of the Board replied to the abovementioned Commissioner's letter, stating that Migdal Insurance operates with full transparency as to its intentions regarding the composition of Migdal Insurance’s board of directors, that the Commissioner was presented with a staffing plan for

Migdal Insurance's Board, and that these fall under the purview of Migdal Insurance's general meeting, that a board of directors consisting of seven members meets the specialization requirements under law, that the majority of the board (four directors) consists of independent directors (including three women), and that - in order to further strengthen its board - the Company intends to expand Migdal Insurance's Board to include nine members, with the aim of one of the additional candidates being a woman, all subject to identifying suitable candidates and approval by the Company in its capacity as an extraordinary general meeting of Migdal Insurance.

On May 15, 2024, the Commissioner sent a letter to Migdal Insurance's Chairman of the Board (hereinafter - the "**Letter Regarding the Composition of the Board**"), in which he stated, among other things, that - despite his letter dated February 19, 2024 - the General Meeting did not renew the term of office of Mr. Carmi Gillon and of Mr. Arie Mintkevich as directors in Migdal Insurance, and that he regards this conduct as a direct continuation of the marked managerial instability in Migdal Insurance.

In his letter, the Commissioner reviewed Migdal Insurance's response dated February 22, 2024, noting that he had not yet been notified of the changes that have been made and were expected to be made in the composition of Migdal Insurance's Board of Directors and mentioned the fact that, according to the regulations, Migdal Insurance's Board of Directors should determine the Board's composition, including the desired number of its members, and that an inappropriate application of the provisions of the law could contradict the aims of the Financial Services Supervision Law (Insurance), 1981 (hereinafter - the "**Supervision Law**"), including ensuring the proper management of Migdal Insurance. In the Letter Regarding the Composition of the Board, the Commissioner notified that the review of Migdal Insurance's requests to change the composition of the Board of Directors will be made by the Commissioner only after a detailed response has been submitted by Migdal Insurance regarding the eventual composition of Migdal Insurance's Board of Directors, the number of its members and the extent to which it complies with the various legal provisions.

The Company disagrees with the alleged assumptions of the Commissioner in the Letter Regarding the Composition of the Board and reserves all its rights and claims. Without detracting from the aforementioned, in the Company's position, among other things, 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 detailed in the reply letter dated February 22, 2024, even after the appointment of additional directors For Migdal Insurance, to the extent that it is appointed, Migdal Insurance will comply with all the provisions of the law and the supervisor concerning the composition of the Board of Directors that apply to it.

Further to the above, on June 3, 2024, Migdal Insurance's Chairman of the Board sent the Commissioner a letter in response to the Letter Regarding the Composition of the Board, in which it was stated that Migdal Insurance acted with complete transparency towards the Capital Market Authority, and presented to it the desired composition of Migdal Insurance's board of directors (nine members, including at least three women and four independent directors, subject to meeting the terms and conditions of professional expertise as required). Migdal Insurance's Chairman of the Board also stated in his letter that, during his term of office until February 2024, the Board of Directors of Migdal Insurance appointed nine members and that, as of this date, Migdal Insurance's Board of Directors appointed seven members, due to the recent changes in the identity of the members of the Board of Directors resulting from the non-renewal of the terms of office of two directors - as resolved by the general meeting of Migdal Insurance, the resignation of an additional director and the appointment of another independent director. According to the letter, after receiving the Capital Market Authority's decision on the two applications submitted to it (approval of the appointment of the Company's CEO as a director of Migdal Insurance and approval of the castling request (as defined in Section 41.2.2.I of the Description of the Corporation's Business in the Periodic Report), Migdal Insurance's Board of

Directors may be expanded subject to a resolution by the general meeting of Migdal Insurance and non-objection of the Capital Market Authority. The said letter also stated that the current composition of Migdal Insurance's Board of Directors is appropriate and complies with the requirements of the Law, including the Commissioner's guidance for Migdal Insurance dated July 28, 2023.

For details, see Sections 41.2.2(i) and 41.4 to the Description of the Corporation's Business in the Periodic Report and immediate reports of the Company dated February 20, 2024 (Ref. No. 2024-01-017901), May 16, 2024 (Ref. No.: 2024-01-047818), and June 4, 2024 (Ref. No.: 2024-01-056827), included in this report by way of reference.

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

Further to that which is stated in Section 32.6.2 to the chapter Description of the Corporation's Business in the Periodic Report regarding the approval of an equity compensation plan for the Group and allocation of options thereunder, on May 23, 2024, the Company's Board of Directors, in accordance with the powers conferred thereon, and subsequent to approval by the Company's Compensation Committee, decided to push forward the vesting date of the second tranche of the options allocated to an officer in the Company and Migdal Insurance (out of a total of 567,874 options allocated in three annual tranches), due to her expected departure upon reaching retirement age, after a long tenure and following a decision to further postpone the date of the actual termination of the employment relationship. The calculation of the number of the aforementioned options is based on the period in which the employee-employer relationship with the officer exists out of the entire vesting period of the second tranche of options to which she is entitled. The acceleration complies with the terms and conditions of the compensation policy and the terms and conditions of the equity compensation plan adopted by the Company and Migdal Insurance; for details, see the immediate reports of the Company dated May 23, 2024 (Ref. No.: 2024-01-051223) and from July 17, 2024 (Ref. No.: 2024-01 -074893), included in this report by way of reference.

On the same date, May 23, 2024, the Company's Board of Directors, after approval by the Compensation Committee, approved an additional allocation of 721,968 options to a officer of Migdal Insurance (who is not a director or CEO) who will serve as an officer of the Company, in accordance with the Company's compensation plan and under the same terms and conditions detailed in the private offering report (the offering is neither material nor extraordinary) dated May 23, 2024 (Ref. No.: 2024-01-051244) and the Company's immediate report regarding the offering dated July 17, 2024 (Ref. No.: 2024-01-074893), included in this report by way of reference.

For further details, see Note 9G. to the Financial Statements.

6.5. Changes in the Group's officers

6.5.1. Changes in the Company's officers

(a) In January 2024, Ms. Tali Kassif, the Company's Secretary and Secretary of Migdal Insurance, announced her wish to retire from her position upon reaching retirement age. The end date of her tenure as Corporate Secretary and Secretary of Migdal Insurance is in June 2024.

(b) On February 19, 2024, Mr. Tal Cohen, Migdal Insurance's CFO and Head of the Finance and Resources Division announced his intention to depart the Company. Moreover, on February 19, 2024, the Company's Board of Directors and Migdal Insurance's Board of Directors approved the appointment of Mr. David Saban as the Company's CFO and Head of the Finance and Resources Division at Migdal Insurance, in Mr. Cohen's place, subject to non-objection by the Commissioner. On April 18, 2024, a notice of non-objection to the appointment was received from the Commissioner, stating that Mr. Saban may sign Migdal Insurance's financial statements as from the third quarter of 2024, after working with Mr. Tal Cohen, the current CFO of the Company and of Migdal Insurance.

On August 19, 2024, Mr. Cohen will resign all his positions in the Group, as mentioned, and as from that date, Mr. David Saban will serve as the Company's CFO, Head of the Finance and Resources Division of Migdal Insurance and other positions in the Group.

For details, see the Company's immediate reports dated February 20, 2024 (Ref. No.: 2024-01-017892), April 21, 2024 (Ref. No. 2024-01-039757), and August 5, 2024 (Ref. No.: 2024- 01-083524 and 2024-01-083533), included in this report by way of reference.

6.5.2. Changes in Migdal Insurance's officers

(a) On January 31, 2024, Migdal Insurance's Board of Directors approved the appointment of Mr. David Santori as a Supervising Actuary of Life Insurance in Migdal Insurance, which came into effect on April 18, 2024, after receiving the Commissioner's notice of non-objection to the said appointment,, subject to assistance by another actuary for a period of one year from the appointment's effective date.

(b) In January 2024, Ms. Anat Atlas, Head of the Business Development, Data and Digital Division at Migdal Insurance, announced her wish to end her term of office effective January 31, 2024. For organizational changes due to the above, see Section 32.3 under Description of the Corporation's Business in the Periodic Report.

(c) Regarding the notice by Ms. Tali Kassif, the Company's Secretary and Secretary of Migdal Insurance, about her wish to retire from her position upon reaching retirement age; the notice by Mr. Tal Cohen, Migdal Insurance's Head of Finance and Resources Division and CFO of the Company, of his intention to retire; and the appointment of Mr. David Saban as Head of the Finance and Resources Division at Migdal Insurance and the Company's CFO, replacing Mr. Cohen. For details, see Section 6.5.1 above.

(d) Ms. Ron Regev, Head of the Long-Term Savings and Health Operations Division at Migdal Insurance, announced her desire to end her term of office. Ms. Regev is expected to end her term of office at the end of November 2024.

6.6. Additional changes in the Company

In July 2024, Ms. Sarit Perlmutter Sugarman was appointed as the Company's Secretary and Corporate Governance Supervisor, in place of Ms. Tali Kassif, who ended her term of office as Corporate Secretary in June 2024, as stated in Section 6.5.1(a) above.

6.7. Letters from the Capital Markets Authority

6.7.1. Further to that which is stated in Section 41.3 to the chapter Description of the Corporation's Business in the Periodic Report - regarding inquiries by the Capital Market Authority in which allegations were made regarding the stability and proper management of Migdal Insurance as well as its corporate governance, as to guidance issued by the Commissioner following written and oral discussions between the Capital Market Authority and the Company and Migdal Insurance (hereinafter - the "**Commissioner's Guidance**"), and regarding a petition filed by the Company against the Commissioner's Guidance - on February 14, 2024, the court issued a ruling reversing the guidance regarding the separation of the place of residence of the Chairman of the Company's Board of Directors from the place of residence of the officers of Migdal Insurance. In addition, the petition regarding the other guidance issued by the Commissioner - regarding which the Company notified in the hearing on the petition and after hearing the court's comments that it did not comply with the remedies pertaining thereto - was dismissed, with the court commenting that the Company's notice did not detract from the Company's ability to apply to the Commissioner in the future regarding the effective period of these provisions, without the court expressing any opinion in this regard. For details, see the Company's immediate reports dated August 30, 2023 (Ref. No.: 2023-01-100662), September 10, 2023 (Ref. No.: 2023-01-104970), September 26, 2023 (Ref. No.: 2023-01- 109452 and 2023-01-109503), February 13, 2024 (Ref. No. 2024-01-015759) and February 15, 2024 (Ref. No.: 2024-01-016485), included in this report by way of reference.

6.7.2. Further to that which is stated in Section 41.2.2(d) of the chapter Description of the Corporation's Business in the Periodic Report, regarding the Commissioner's notice dated July 28, 2023, regarding his intention to oppose the appointment of Mr. Yossi Ben Baruch, the Company's CEO, as a director in Migdal Insurance (hereinafter - the "**Pre-Hearing Letter**"), on May 15, 2024, the Commissioner sent another letter to Mr. Ben Baruch. In the letter, the Commissioner stated, among other things, that - 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 which is stated in the Letter Regarding the Composition of the Board (see Section 6.3.4 above) regarding the lack of accurate and relevant information on the expected composition of Migdal Insurance's Board of Directors, the expertise of its members and compliance with the provisions of the law, and the Commissioner's request that Migdal Insurance provide such information - it is impossible, at this time, to continue discussing the request to approve the tenure of Mr. Ben Baruch as a director at Migdal Insurance, since examining the composition of the Board of Directors is one of the key considerations in examining his suitability for the position. For details, see Section 41.2.2(d) to Chapter A of the Periodic Report and immediate reports of the Company dated July 30, 2023 (Ref. No. 2023-01-086409) and May 16, 2024 (Ref. No. 2024-01-047818), included in this report by way of reference.

The Company disagrees with the alleged assumptions of the Commissioner in said letter dated May 15, 2024 and reserves all its rights and claims. Without detracting from the aforementioned, the Company's position regarding the candidate is, among other things, that the Company selected him to serve as a director of Migdal Insurance precisely due to his skills, experience, expertise and expected contribution to Migdal Insurance's Board of Directors, and the Company believes that he meets all the requirements of the law for his appointment as a director, as stated, and that there is no conflict of interest between him and Migdal Insurance.

Further to the aforementioned, in June 2024, Mr. Ben Baruch filed a petition with the District Court in Jerusalem, sitting as an administrative court (hereinafter - the "**Petition**"), to order that the deadline for the Commissioner's objection (as defined by law) to the appointment of Mr. Ben Baruch as a director in Migdal Insurance has passed and expired, and therefore, under law, his appointment was completed both procedurally and substantively, and alternatively, that the Commissioner and the Capital Market Authority's intention to oppose the appointment of Mr. Ben Baruch as a director in Migdal Insurance did not mature into an objection as defined by law and that, in view of the Authority's reasons to conduct the hearing held for Mr. Ben Baruch and as part of the hearing, there is no longer any impediment to the immediate beginning of his term as a director in Migdal Insurance.

In the petition, the legal and factual grounds underlying the requested remedies are detailed. In addition, the petition includes detailed reasoning for dismissing the Commissioner's claims and details of Mr. Ben Baruch's rich experience, his suitability for the position of director in Migdal Insurance and his obligation to act as a director in Migdal Insurance to ensure its success and to uphold the interests of its policyholders and planholders. The Company and Migdal Insurance were added as respondents to the petition. For details, see the Company's immediate report dated June 5, 2024 (Ref. No.: 2024-01-057349), included in this report by way of reference.

After the responses of the respondents to the petition were submitted, the court decided, on August 11, 2024, to request the petitioner's response to the claim of the Authority and Commissioner, according to which the petition was premature. The court ruled that the Company and Migdal Insurance may respond to the claim.

6.7.3. In another letter sent to by the Commissioner to Migdal Insurance, on May 15, 2024, the Commissioner notified that the Capital Market Authority intends to conduct an audit at Migdal Insurance regarding corporate governance, through employees of the Capital Market Authority and an external auditor, in accordance with the power of the Commissioner according to Sections 50(a) and 97 of the Supervision Law.

On June 3, 2024, Migdal Insurance's Chairman of the Board requested that the Capital Market Authority reconsider the need for an audit at Migdal Insurance, and if the Authority deems otherwise, that the topics of the audit will be focused, that the audit period shall be limited to the current period and conducted taking into account the numerous comprehensive inspections that have been conducted at Migdal Insurance with respect to corporate governance matters as well as the various processes promoted by Migdal Insurance. The Authority did not accept the aforementioned request and began the audit.

For details, see the Company's immediate report dated June 4, 2024 (Ref. No.: 2024-01-056827), included in this report by way of reference.

7. Effectiveness of Internal Control over Financial Reporting and Disclosure

Management, under the supervision of the Board of Directors, performed an examination and assessment of the internal control over financial reporting and disclosure and their effectiveness. The assessment includes: entity-level controls (ELCs), financial statement close process controls, general IT controls (ITGCs) and controls over highly material processes (performed by Migdal Insurance).

In addition to the officers' statements and the report on the effectiveness of controls required in accordance with the Securities Regulations, attached are statements, reports and disclosures regarding internal control of the consolidated institutional entities to which the Commissioner's Directives apply. These are attached in Chapters 4 and 5 to this report.

Information required according to the Commissioner's circular

The Group's institutional entities adopted the internal control model of COSO - the Committee of Sponsoring Organization of the Treadway Commission - which is a generally accepted framework for assessment of internal controls.

7.1. Disclosure controls and procedures

Managements of the Group's institutional entities, together with their CEOs and CFOs, respectively, assessed - as of the end of the reporting period - the effectiveness of the controls and procedures concerning the said institutional entities' disclosure in their financial statements. Based on this assessment, the CEOs and CFOs of the institutional entities in the Group, respectively, concluded that, as of the end of this period, the controls and procedures as to the institutional entities' disclosure are sufficiently effective for recording, processing, summarizing, and reporting the information that the institutional entities are required to disclose in their quarterly report in accordance with the provisions of the law and the reporting provisions set by the Commissioner of the Capital Market, Insurance, and Savings and on the date set out in these provisions.

7.2. Internal controls over financial reporting

During the reporting period ending June 30, 2024, no changes took place in the internal control over financial reporting of the Group's institutional entities that had a material effect, or is expected to have a material effect, on the institutional entities' internal control over financial reporting. The statements, reports and disclosures required with reference to the relevant processes are attached to the financial statements of the Group's institutional entities.

The Board of Directors wishes to thank the managements of the Group's companies, the Group's employees and its agents for their contribution to its achievements.

Prof. Hanan Meltzer	**Yossi Ben Baruch**
Judge (Ret.)	
Chairman of the Board	CEO

August 18, 2024

Consolidated Financial Statements

Migdal Insurance and Financial Holdings Ltd.

Condensed Consolidated Interim Financial Statements

As at June 30, 2024

Unaudited

MIGDAL Insurance and finance

Migdal Insurance and Financial Holdings Ltd.

Consolidated Financial Statements as of June 30, 2024

Unaudited

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

Introduction

We have reviewed the accompanying financial information of Migdal Insurance and Financial Holdings Ltd. and its subsidiaries (hereinafter - the "**Group**"), including the Condensed Consolidated Statement of Financial Position as of June 30, 2024 and the Condensed Consolidated Statements of Profit and Loss, Comprehensive Income, Changes in Equity and Cash Flows for the six- and three-month periods then ended. The Board of Directors and management are responsible for the preparation and presentation of financial information for these interim periods in accordance with the Israel Securities Regulations (Periodic and Immediate Reports), 1970, which pertain to holding companies of insurers, as described in Note 2.A to the Financial Information. Our responsibility is to express a conclusion regarding the financial information for this interim period based on our review.

Review Scope

We performed our review pursuant to Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of inquiries, mostly of persons responsible for financial and accounting issues, and of applying analytical and other review procedures. A review is substantially smaller in scope than an audit performed pursuant to generally accepted auditing standards in Israel and, as a result, does not enable us to obtain assurance that we would become aware of all significant matters that may be identified in an audit. Consequently, we are not expressing an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the abovementioned financial information does not comply, in all material respects, with the Israel Securities Regulations (Periodic and Immediate Reports), 1970, which pertain to insurers' holding companies, as described in Note 2.A to the financial information.

Emphasis of matter

Without qualifying the above conclusion, we draw attention to that which is stated in Note 8 to the Financial Statements regarding exposure to contingent liabilities.

Tel Aviv,	Somekh Chaikin	Kost Forer Gabbay & Kasierer
August 18, 2024	CPAs	CPAs

Joint Independent Auditors

Condensed Consolidated Interim Statements of Financial Position

	As of June 30		As of December 31
	2024	2023	2023
	Unaudited		Audited
	NIS thousand		
Assets			
Intangible assets	1,635,132	1,494,475	1,570,616
Deferred tax assets	109,685	7,966	16,582
Deferred acquisition costs	2,348,220	2,203,919	2,204,801
Fixed assets	1,303,245	1,272,326	1,325,239
Investments in associates	20,350	19,144	19,097
Investment property in respect of yield-dependent contracts	9,190,005	8,617,474	8,972,287
Investment property - other	1,132,957	994,669	1,090,537
Reinsurance assets	1,557,697	1,514,877	1,548,933
Current tax assets	150,622	293,916	62,837
Receivables and debit balances	2,152,905	2,400,500	1,121,125
Premiums collectible	675,831	958,571	588,292
Financial investments in respect of yield-dependent contracts	116,551,192	112,916,622	116,891,056
Other financial investments:			
Liquid debt assets	15,027,149	15,113,387	16,032,719
Illiquid debt assets	27,769,264	26,700,699	27,065,496
Shares	291,788	252,079	258,555
Other	6,819,220	6,002,768	6,588,765
Total other financial investments	49,907,421	48,068,933	49,945,535
Cash and cash equivalents in respect of yield-dependent contracts	18,726,175	16,707,175	16,580,074
Other cash and cash equivalents	3,262,407	3,134,848	2,922,734
Total assets	208,723,844	200,605,415	204,859,745
Total assets for yield-dependent contracts in a consolidated insurance company	146,213,627	140,301,086	143,126,392

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Statements of Financial Position

	As of June 30		As of December 31
	2024	2023	2023
	Unaudited		Audited
	NIS thousand		
Equity and liabilities			
Equity			
Share capital	110,629	110,629	110,629
Share premium	273,735	273,735	273,735
Capital reserves	(427,034)	131,417	(78,784)
Retained earnings	8,817,478	7,638,875	8,283,142
Total equity attributable to Company's shareholders	8,774,808	8,154,656	8,588,722
Non-controlling interests	10,573	9,196	9,870
Total equity	8,785,381	8,163,852	8,598,592
Liabilities			
Liabilities in respect of insurance contracts and non-yield-dependent investment contracts	44,334,099	43,369,369	43,656,181
Liabilities in respect of insurance contracts and yield-dependent investment contracts	144,800,015	138,112,441	140,210,405
Liabilities in respect of deferred taxes	290,467	320,874	293,995
Liabilities for employee benefits, net	318,251	291,852	300,501
Liability for current taxes	14,166	6,576	5,335
Payables and credit balances	2,183,709	2,357,188	4,435,243
Financial liabilities	7,997,756	7,983,263	7,359,493
Total liabilities	199,938,463	192,441,563	196,261,153
Total equity and liabilities	208,723,844	200,605,415	204,859,745

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements.

August 18, 2024			
Approval date of the financial statements	Prof. Hanan Meltzer Judge (Ret.) Chairman of the Board	Yossi Ben Baruch CEO	Tal Cohen CFO

MIGDAL Insurance and finance

Condensed Consolidated Interim Statements of Profit and Loss

	For the six-month period ended June 30		For the three-month period ended June 30		For the year ended December 31
	2024	2023	2024	2023	2023
	Unaudited				Audited
	NIS thousand				
Premiums earned, gross	6,005,683	6,191,520	2,983,573	3,116,895	12,574,699
Premiums earned by reinsurers	504,936	454,268	244,403	227,637	878,336
Premiums earned - retention	5,500,747	5,737,252	2,739,170	2,889,258	11,696,363
Investment income, net and finance income	8,572,930	8,405,938	1,933,756	5,432,737	14,546,309
Income from management fees	950,863	874,072	478,241	439,747	1,775,869
Income from fees and commissions	244,774	219,790	130,410	104,430	388,564
Other income	37,547	35,577	18,535	17,731	72,966
Total revenues	15,306,861	15,272,629	5,300,112	8,883,903	28,480,071
Payments and change in liabilities in respect of insurance contracts and investment contracts, gross	12,983,724	14,079,906	3,885,324	8,422,583	24,761,243
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	296,460	365,202	170,968	143,270	692,533
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	12,687,264	13,714,704	3,714,356	8,279,313	24,068,710
Fees and commissions, marketing expenses and other purchase expenses	1,000,623	963,994	500,600	481,756	2,009,225
General and administrative expenses	639,666	594,495	320,183	308,906	1,246,032
Other expenses	8,671	17,176	4,630	12,578	26,312
Finance expenses	131,319	130,301	66,057	62,231	262,013
Total expenses	14,467,543	15,420,670	4,605,826	9,144,784	27,612,292
Share in profit (loss) of equity-accounted investees	674	(2,845)	(95)	(3,358)	(2,281)
Profit (loss) before taxes on income	839,992	(150,886)	694,191	(264,239)	865,498
Taxes (tax benefit) on income	283,711	(71,753)	233,867	(93,509)	276,770
Profit (loss) for the period	556,281	(79,133)	460,324	(170,730)	588,728
Attributable to:					
Company's shareholders	554,850	(79,978)	459,910	(170,969)	587,178
Non-controlling interests	1,431	845	414	239	1,550
Profit (loss) for the period	556,281	(79,133)	460,324	(170,730)	588,728
Basic diluted earnings (loss) per share attributable to the Company's shareholders (in NIS)	0.53	(0.08)	0.43	(0.17)	0.56

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements.

MIGDAL Insurance and finance

Condensed Consolidated Interim Statements of Comprehensive Income

	For the six-month period ended June 30		For the three-month period ended June 30		For the year ended December 31
	2024	2023	2024	2023	2023
	Unaudited				Audited
	NIS thousand				
Profit (loss) for the period	556,281	(79,133)	460,324	(170,730)	588,728
<u>Other comprehensive income (loss)</u>					
Other comprehensive income (loss) items that, subsequent to initial recognition in comprehensive income, were or will be carried to profit and loss					
Net change in fair value of available for sale financial assets, carried to other comprehensive income	(802,666)	(22,339)	(686,566)	22,810	(534,404)
Net change in fair value of available for sale financial assets carried to profit and loss	259,463	286,765	122,235	174,562	423,140
Impairment loss of available-for-sale financial assets carried to profit and loss	3,207	4,842	573	-	17,239
Foreign currency translation differences in respect of foreign operations	1,179	633	985	293	361
Tax effect on available-for-sale financial assets	192,141	(92,036)	203,250	(67,724)	32,306
Tax effect on other components of other comprehensive income	(405)	(217)	(342)	(101)	(124)
Total other comprehensive income (loss) items that, subsequent to initial recognition in comprehensive income, were or will be carried to profit and loss, net of tax	(347,081)	177,648	(359,865)	129,840	(61,482)
Other comprehensive income (loss) items not transferred to profit and loss					
Actuarial income (loss) in respect of defined benefit plans	-	-	-	-	(3,555)
Revaluation of fixed assets	-	-	-	-	36,148
Tax effect	(199)	-	(219)	-	(7,201)
Other comprehensive income (loss) for the period, not transferred to profit and loss, net of tax	(199)	-	(219)	-	25,392
Other comprehensive income (loss), net of tax	(347,280)	177,648	(360,084)	129,840	(36,090)
Comprehensive income (loss) for the period	209,001	98,515	100,240	(40,890)	552,638
Attributable to:					
Company's shareholders	207,570	97,670	99,826	(41,129)	551,119
Non-controlling interests	1,431	845	414	239	1,519
Comprehensive income (loss) for the period	209,001	98,515	100,240	(40,890)	552,638

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Statements of Changes in Equity

	Attributable to the Company's shareholders											
			Capital reserves									
	Share capital	Share premium	Available for sale financial assets	Investment revaluation sub-sequent to assuming control	Tran-sactions with non-controlling interests	Share-based payment	Tran-slation of foreign operations	Revalu-ation	Retained earnings	Total	Non-controlling interests	Total equity
	NIS thousand											
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	-	-	-	-	-	-	-	-	554,850	554,850	1,431	556,281
Other comprehensive income (loss), net of tax	-	-	(347,855)	-	-	-	774	-	(199)	(347,280)	-	(347,280)
Total comprehensive income (loss)	-	-	(347,855)	-	-	-	774	-	554,651	207,570	1,431	209,001
Share-based payment	-	-	-	-	-	5,386	-	-	-	5,386	-	5,386
Transfer from revaluation reserve in respect of revaluation of fixed assets, at the depreciation amount	-	-	-	-	-	-	-	(4,685)	4,685	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(25,000)	(25,000)	-	(25,000)
Dividend to non-controlling interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	(728)	(728)
Acquisition of non-controlling interests	-	-	-	-	(1,870)	-	-	-	-	(1,870)	-	(1,870)
Balance as of June 30, 2024 (Unaudited)	110,629	273,735	(874,404)	6,989	(3,605)	11,841	18	432,127	8,817,478	8,774,808	10,573	8,785,381

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Statements of Changes in Equity

	Attributable to the Company's shareholders											
			Capital reserves									
	Share capital	Share premium	Available for sale financial assets	Investment revaluation sub-sequent to assuming control	Tran-sactions with non-controlling interests	Share-based payment	Translation of foreign operations	Revaluation	Retained earnings	Total	Non-controlling interests	Total equity
	NIS thousand											
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
Loss for the period	-	-	-	-	-	-	-	-	(79,978)	(79,978)	845	(79,133)
Other comprehensive income, net of tax	-	-	177,232	-	-	-	416	-	-	177,648	-	177,648
Total comprehensive income	-	-	177,232	-	-	-	416	-	(79,978)	97,670	845	98,515
Share-based payment	-	-	-	-	-	838	-	-	-	838	-	838
Transfer from revaluation reserve in respect of revaluation of fixed assets, at the depreciation amount	-	-	-	-	-	-	-	(4,279)	4,279	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(32,000)	(32,000)	-	(32,000)
Balance as of June 30, 2023 (Unaudited)	110,629	273,735	(287,598)	6,989	(1,735)	838	(577)	413,500	7,638,875	8,154,656	9,196	8,163,852

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Statements of Changes in Equity

	Attributable to the Company's shareholders											
			Capital reserves									
	Share capital	Share premium	Available for sale financial assets	Investment revaluation sub-sequent to assuming control	Tran-sactions with non-controlling interests	Share-based payment	Translation of foreign operations	Re-valuation	Retained earnings	Total	Non-controlling interests	Total equity
	NIS thousand											
Balance as of April 1, 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
Income for the period	-	-	-	-	-	-	-	-	459,910	459,910	414	460,324
Other comprehensive income (loss), net of tax	-	-	(360,508)	-	-	-	643	-	(219)	(360,084)	-	(360,084)
Total comprehensive income (loss)	-	-	(360,508)	-	-	-	643	-	459,691	99,826	414	100,240
Share-based payment	-	-	-	-	-	2,559	-	-	-	2,559	-	2,559
Transfer from revaluation reserve in respect of revaluation of fixed assets, at the depreciation amount	-	-	-	-	-	-	-	(2,339)	2,339	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(25,000)	(25,000)	-	(25,000)
Dividend to non-controlling interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	(728)	(728)
Acquisition of non-controlling interests	-	-	-	-	(1,870)	-	-	-	-	(1,870)	-	(1,870)
Balance as of June 30, 2024 (Unaudited)	110,629	273,735	(874,404)	6,989	(3,605)	11,841	18	432,127	8,817,478	8,774,808	10,573	8,785,381

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Statements of Changes in Equity

	Attributable to the Company's shareholders											
			Capital reserves									
	Share capital	Share premium	Available for sale financial assets	Investment revaluation sub-sequent to assuming control	Tran-sactions with non-controlling interests	Share-based payment	Translation of foreign operations	Re-valuation	Retained earnings	Total	Non-controlling interests	Total equity
	NIS thousand											
Balance as of April 1, 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
Profit (loss) for the period	-	-	-	-	-	-	-	-	(170,969)	(170,969)	239	(170,730)
Other comprehensive income, net of tax	-	-	129,648	-	-	-	192	-	-	129,840	-	129,840
Total comprehensive income (loss)	-	-	129,648	-	-	-	192	-	(170,969)	(41,129)	239	(40,890)
Share-based payment	-	-	-	-	-	838	-	-	-	838	-	838
Transfer from revaluation reserve in respect of revaluation of fixed assets, at the depreciation amount	-	-	-	-	-	-	-	(2,150)	2,150	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(32,000)	(32,000)	-	(32,000)
Balance as of June 30, 2023 (Unaudited)	110,629	273,735	(287,598)	6,989	(1,735)	838	(577)	413,500	7,638,875	8,154,656	9,196	8,163,852

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Statements of Changes in Equity

	Attributable to the Company's shareholders											
			Capital reserves									
	Share capital	Share premium	Available for sale financial assets	Investment revaluation subsequent to assuming control	Transactions with non-controlling interests	Share-based payment	Translation of foreign operations	Re-valuation	Retained earnings	Total	Non-controlling interests	Total equity
	NIS thousand											
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 revaluation of fixed assets, at the depreciation amount	-	-	-	-	-	-	-	(8,627)	8,627	-	-	-
Dividend 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 accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Statements of Cash Flows

	Appendix	For the six-month period ended June 30		For the three-month period ended June 30		For the year ended December 31
		2024	2023	2024	2023	2023
		Unaudited				Audited
		NIS thousand				
Cash flows from operating activities	A	2,687,565	3,068,217	(107,828)	1,160,888	2,442,957
Cash flows provided by investing activities						
Proceeds from disposal of investment in associate, less transaction costs		-	5,777	-	-	7,087
Investment in fixed assets		(22,228)	(20,994)	(13,187)	(12,016)	(38,106)
Investment in intangible assets		(128,535)	(120,499)	(71,737)	(60,798)	(254,002)
Dividend received from associates		600	549	600	499	888
Proceeds from disposal of fixed assets		53	98	12	14	100
Net cash used for investing activities		(150,110)	(135,069)	(84,312)	(72,301)	(284,033)
Cash flows provided by financing activities						
Liabilities for REPO in respect of insurance contracts and non-yield-dependent investment contracts, net		(130,434)	(9,855)	771,250	-	(9,855)
Proceeds from issue of bonds		420,622	-	420,622	-	659,682
Expenses for bonds issuance		(3,742)	-	(3,742)	-	(5,631)
Repayment of lease liability principal		(17,380)	(14,716)	(9,548)	(8,992)	(32,680)
Redemption of bonds		(403,861)	(1,902,809)	(403,861)	-	(1,902,809)
Change in short-term credit from banks and others, net		45	(48)	49	48	(94)
Acquisition of non-controlling interests		(1,870)	-	(1,870)	-	-
Dividend to non-controlling interests		(728)	-	(728)	-	-
Dividend		(25,000)	(32,000)	(25,000)	(32,000)	(57,000)
Net cash provided by (used for) financing activities		(162,348)	(1,959,428)	747,172	(40,944)	(1,348,387)
Effect of exchange rate fluctuations on balance of cash and cash equivalents		110,667	121,591	55,156	48,059	(54,441)
Increase in cash and cash equivalents		2,485,774	1,095,311	610,188	1,095,702	756,096
Balance of cash and cash equivalents as of the beginning of the period	B	19,502,808	18,746,712	21,378,394	18,746,321	18,746,712
Balance of cash and cash equivalents as of the end of the period	C	21,988,582	19,842,023	21,988,582	19,842,023	19,502,808

The accompanying notes are 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 Taxes [(1)]

	For the six-month period ended June 30		For the three-month period ended June 30		For the year ended December 31
	2024	2023	2024	2023	2023
	Unaudited				Audited
	NIS thousand				
Profit (loss) for the period	556,281	(79,133)	460,324	(170,730)	588,728
Items not involving cash flows					
Company's share in results of investees, net	(674)	2,845	95	3,358	2,281
Income, net on financial investments in respect of insurance contracts and yield-dependent investment contracts	(6,154,839)	(5,981,496)	(431,839)	(3,612,767)	(10,250,407)
Losses (gains), net on other financial investments					
Liquid debt assets	(235,375)	(230,816)	(183,398)	(96,315)	(372,655)
Illiquid debt assets	(1,206,504)	(1,320,731)	(786,199)	(705,874)	(2,191,871)
Shares	(603)	(8,300)	(1,847)	(13,678)	(11,437)
Other investments	(116,959)	159,559	(3,736)	43,101	(113,644)
Finance expenses for financial and other liabilities	17,962	23,740	8,635	16,781	46,695
Realized losses (gains)					
Intangible assets	-	8,326	-	8,257	8,774
Fixed assets	477	(64)	479	(1)	3
Change in fair value of investment property in respect of yield-dependent contracts	(46,092)	(66,295)	(45,896)	(66,295)	(153,981)
Change in fair value of other investment property	1,864	1,017	1,864	1,567	(11,348)
Depreciation and amortization					
Fixed assets	43,255	38,740	22,046	19,892	80,893
Intangible assets	61,974	52,804	32,200	27,183	109,801
Change in liabilities in respect of insurance contracts and yield-dependent investment contracts	4,589,610	5,083,161	(142,061)	3,824,650	7,181,125
Change in liabilities in respect of insurance contracts and non-yield-dependent investment contracts	677,918	1,490,284	(152,904)	810,897	1,777,096
Share-based payment transactions	5,386	838	2,559	838	6,455
Change in reinsurance assets	(8,764)	(113,214)	(7,661)	4,661	(147,270)
Change in deferred acquisition costs	(143,419)	(83,985)	(64,691)	(31,451)	(84,867)
Income tax expense (tax benefit)	283,711	(71,753)	233,867	(93,509)	276,770
Changes in other on-balance sheet line items					
Financial investments and investment property in respect of yield-dependent contracts					
Acquisition of investment property	(171,626)	(422,624)	(24,976)	(180,876)	(692,411)
Sales (purchases), net of financial investments	4,985,034	(96,489)	986,597	(255,615)	(3,021,319)
Financial investments and other investment property					
Acquisition of investment property	(44,284)	(77,382)	(7,052)	(37,526)	(160,885)
Sales (purchases), net of financial investments	(190,510)	237,620	(369,390)	(629,933)	(1,886,181)
Premiums collectible	(87,539)	(194,051)	54,211	(28,659)	176,228
Receivables and debit balances	(1,031,768)	1,542,708	(506,920)	1,143,491	2,820,884
Payables and credit balances	(2,129,117)	187,160	(981,487)	(942,695)	2,326,240
Liabilities for employee benefits, net	17,750	4,997	4,070	(340)	10,091
Total adjustments required to present cash flows from operating activities	(883,132)	166,599	(2,363,434)	(790,858)	(4,274,940)
Cash paid and received during the period for					
Interest paid	(107,531)	(156,372)	(28,559)	(42,611)	(267,929)
Interest received[(2)]	1,572,124	1,562,363	1,107,910	1,111,767	3,056,053
Taxes paid, net	(267,759)	(142,037)	(114,713)	(70,968)	(178,983)
Dividend received from financial investments	1,817,582	1,716,797	830,644	1,124,288	3,520,028
Net cash provided by (used for) operating activities	2,687,565	3,068,217	(107,828)	1,160,888	2,442,957

(1) The cash flows from operating activities include net purchases and sales of financial investments and investment property, which arise mainly from the activity in respect of insurance contracts and investment contracts.

(2) Excluding interest received on account of current accounts and deposits amounting to approx. NIS 465,370 thousand and approx. NIS 240,939 thousand for the six and three-month periods ended June 30, 2024, approx. NIS 393,271 thousand and approx. NIS 217,335 thousand for the six and three-month periods ended June 30, 2023, and approx. NIS 850,461 thousand for the year ended December 31, 2023.

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Statements of Cash Flows

	For the six-month period ended June 30		For the three-month period ended June 30		For the year ended December 31
	2024	2023	2024	2023	2023
	Unaudited				Audited
	NIS thousand				
Appendix B - Cash and Cash Equivalents as of the Beginning of the Period					
Cash and cash equivalents in respect of yield-dependent contracts	16,580,074	14,715,486	19,062,040	15,742,171	14,715,486
Other cash and cash equivalents	2,922,734	4,031,226	2,316,354	3,004,150	4,031,226
	19,502,808	18,746,712	21,378,394	18,746,321	18,746,712
Appendix C - Cash and Cash Equivalents as of the End of the Period					
Cash and cash equivalents in respect of yield-dependent contracts	18,726,175	16,707,175	18,726,175	16,707,175	16,580,074
Other cash and cash equivalents	3,262,407	3,134,848	3,262,407	3,134,848	2,922,734
	21,988,582	19,842,023	21,988,582	19,842,023	19,502,808
Appendix D - Material Activity Not Involving Cash Flows					
Acquisition of fixed assets, intangible assets and investment property against payables	23,666	29,561	-	-	40,626
Recognition of right-of-use asset against a lease liability	14,324	28,001	6,429	19,641	56,675
Exchange of bonds by way of an exchange tender offer	-	-	-	-	503,027

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements.

NOTE 1 - GENERAL

A. The reporting entity

Migdal Insurance and Financial Holdings Ltd. (hereinafter - the "**Company**") is an Israeli resident company incorporated in Israel, whose official address is 4 Efal St., Kiryat Aryeh, Petah Tikva. The Company's Condensed Consolidated Interim Financial Statements as of June 30, 2024 include the financial statements of the Company and its subsidiaries and investments in associates (hereinafter, jointly – the "**Group**"). The Group is mainly engaged in insurance, pension, provident and financial services activities. The securities of the Company are listed for trading on the Tel Aviv Stock Exchange.

B. Control of the Company

Mr. Shlomo Eliahu - who, jointly with Ms. Chaya Eliahu, holds approx. 64.28% of the Company's issued and paid-up share capital, through private companies under his control (Eliyahu Issues Ltd. and Gan Ha'ir Project Ltd.) is the actual controlling shareholder of the Company.

As of the report date, Eliahu Issues Ltd. and Gan Ha'ir Project Ltd. hold approx. 58.13% and approx. 6.15% of the Company's issued and paid-up share capital, respectively.

On July 17, 2024, Eliahu Issues Ltd. (hereinafter - "**Eliahu Issues**") signed an agreement for the sale of some of the Company's shares to an institutional entity (hereinafter - the "Buyer"), under which - on September 15, 2024 - the Buyer will purchase from Eliahu Issues shares of the Company at the total amount of NIS 163 million, at a price per share equal to the average closing prices of the Company's share on the Stock Exchange on each of the trading days in the period from August 12, 2024 through September 12, 2024, but not more than 500 agorot per share, in an off-market transaction, subject to the statutory restriction on holdings in an insurer, such that the interests of the Buyer and its controlling shareholders (including their existing interests in the Company) will not exceed 4.99% of the Company's shares.

C. Effect of the Iron Swords War on the Company

On October 7, 2023, the Iron Swords War between the State of Israel and the Gaza-based "Hamas" terror organization broke out (hereinafter - the "**War**"). By virtue of its activity, the Group is exposed to financial market volatility, a slowdown in the Israeli economy and other risks arising from the War.

Further to Note 1.C to the Company's Consolidated Financial Statements as of December 31, 2023 and for the year then ended no material changes took place in the Reporting Period in connection with the effects of the War on its financial results.

At this stage, there is significant uncertainty as to the development of the War, its scope and duration. Therefore, it is currently impossible to assess the full effect of the War on the Group and its results.

NOTE 2 - BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

A. Preparation format of the Condensed Consolidated Interim Financial Statements

The Consolidated Interim Financial Statements of the Company have been drawn up in accordance with the provisions of the Securities Regulations (Periodic and Immediate Reports), 1970. In accordance with these provisions, those financial statements data that relate to a consolidated subsidiary, which falls within the scope of the definition of insurer, as defined in the Securities Regulations (Preparation of Annual Financial Statements), 2010 (hereinafter - the "**Preparation of Financial Statements Regulations**"), are drawn up in accordance with the requirements set by the Commissioner in accordance with the Financial Services Supervision Law (Insurance), 1981.

In accordance with requirements set by the Commissioner, the first-time application date of IFRS 17 regarding Insurance Contracts and IFRS 9 regarding Financial Instruments was postponed to January 1, 2025 (instead of the first-time application date that was set in the standard itself - January 1, 2023). Consequently, during the periods through the date of first-time application in Israel, those data in the financial statements that relate to a subsidiary, as stated above, continue to be drawn up in accordance with IFRS 4 regarding Insurance Contracts, and IAS 39, Financial Instruments (of 2017) - the standards superseded by IFRS 17 and IFRS 9, respectively.

For the other issues, including regarding the information in the financial statements that does not refer to said subsidiary meeting the definition of insurer, the consolidated interim financial statements are prepared in accordance with IAS 34, Interim Financial Reporting. In view of the above and in accordance with the provisions of the Preparation of Financial Statements Regulations in combination with the provisions of Staff Position No. 10-99: "Application Issues in the Application of IFRS 17", which was published by the Israel Securities Authority staff, as from January 1, 2023, the Company's Consolidated Financial Statements do not fully comply with IFRS.

In addition, the financial statements were prepared in accordance with the disclosure provisions in Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970, insofar as these regulations apply to a corporation consolidating an insurance company. The financial statements should be read in conjunction with the Company's Consolidated Financial Statements as of December 31, 2023 and for the year then ended (hereinafter - the "**Annual Financial Statements**").

B. Use of estimates and judgments

In preparing the Condensed Consolidated Interim Financial Statements in accordance with the above, the Company's management is required to exercise discretion in assessments, estimates and assumptions that affect the implementation of the policy and the amounts of assets and liabilities, revenue and expenses. It is clarified that the actual results may differ from those estimates.

The judgment of management, when applying the Group's accounting policy and the principal assumptions used in assessments that involve uncertainty, are consistent with those used in the preparation of the annual financial statements.

Regarding the revision of the assumptions and discount rates used to calculate the contributions towards benefits and the liability adequacy testing, see Note 9.A.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of these Condensed Consolidated Interim Financial Statements is consistent with those applied in the preparation of the Consolidated Annual Financial Statements, except as detailed below.

A. Disclosure of the new IFRSs in the period prior to their application

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) published IFRS 18 - Presentation and Disclosure in Financial Statements (hereinafter - the "**New Standard**") - which supersedes IAS 1 - Presentation of Financial Statements (hereinafter - "IAS 1").

The New Standard is aimed at improving the comparability and transparency of communication of financial statements.

The New Standard includes requirements previously included in IAS 1 and introduces new requirements on presentation within the statement of profit or loss, including the presentation of totals and subtotals required under the New Standard, disclosure of management-defined performance measures, and new requirements for the aggregation and disaggregation of financial information.

The New Standard does not change the provisions regarding recognition and measurement of items in the financial statements. However, since items in the statement of profit or loss must be classified into one of five categories (operating, investing, financing, income taxes, and discontinued operation), it may change the structure of the Company's statement of profit and loss. In addition, the publication of the New Standard triggered limited amendments to other accounting standards, including IAS 7 - Statement of Cash Flow - and IAS 34 - Interim Financial Reporting.

The New Standard was applied retrospectively as from annual periods beginning on January 1, 2027 or thereafter. In accordance with the resolution of the Israel Securities Authority, early application is permitted as from the period starting on January 1, 2025, provided a disclosure is made.

The Company is studying the effect - on the consolidated financial statements - of the New Standard, including the effect of consequential amendments to other accounting standards.

B. Details of the change rates in the Consumer Price Index and USD representative exchange rate

	CPI		USD representative exchange rate
	In lieu CPI	Known CPI	
		%	
For the six months ended			
June 30, 2024	2.1	1.9	3.6
June 30, 2023	2.2	2.5	5.1
For the three months ended			
June 30, 2024	1.1	1.6	2.1
June 30, 2023	1.0	1.4	2.4
For the year ended December 31, 2023	2.9	3.3	3.1

NOTE 4 - SEASONALITY

A. Life and Health Insurance

Income from life and health insurance premiums are not characterized by seasonality. However, since contributions towards life insurance and pension and provident funds benefit from tax benefits, a significant portion of the new sales take place mainly at the end of the year.

B. Property and Casualty Insurance

Gross income from premiums in property and casualty insurance is characterized by seasonality, mainly due to renewal of motor insurance policies of various groups of employees and businesses' vehicle fleets, whose renewal dates normally fall in January; seasonality is also caused by renewal of business insurance policies, which are typically renewed in January or April. The effect of this seasonality on the reported profit is neutralized through the provision for unearned premium.

Other expenses components, such as claims, and other income components, such as investment income, do not have significant seasonality, and therefore there is no significant seasonality in the income. However, it should be noted that a severe winter may trigger an increase in claims, mainly in the Motor Property subsegments, in the first and fourth quarters of the year, and as a consequence, a decrease in the reported income.

NOTE 5 - OPERATING SEGMENTS

A. General

The operating segments note includes several segments, which constitute strategic business units of the Group. These business units include a range of products; they are managed separately for the purposes of allocating resources and assessing performance. The underlying products of each segment are similar in terms of their nature, the manner of their distribution, customer mix, regulatory environment and long-term economic and demographic characteristics arising from similar exposure to insurance risks. In addition, the results of the investment portfolio held against the insurance liabilities may have a substantial effect on profitability.

The results of each segment include items allocated directly to the segment and items, which may be allocated on a reasonable basis.

The accounting principles applied in segment reporting correspond to the generally accepted accounting principles applied in the preparation and presentation of the Group's consolidated financial statements.

Inter-company movements take place between the segments, which include, among other things, interest calculated in accordance with the provisions of the law.

Migdal Insurance allocates the assets, which are not measured at fair value, in accordance with the provisions of the law regarding the allocation of assets upon calculation of LAT and in accordance with Migdal Insurance’s procedures; for details, see Note 37.B.3.b)(4) to the Annual Financial Statements. Accordingly, this allocation may have an effect on measuring investment income attributable to the various segments.

Subordinated notes, which serve Migdal Insurance’s capital requirements and finance expenses in respect thereof are allocated to the “not allocated to operating segments” column.

1. Life Insurance and Long-Term Savings Segment
   The Life Insurance and Long-Term Savings Segment includes the life insurance, pension and provident funds subsegments and focuses mainly on long-term savings (in the framework of various types of insurance policies, pension and provident funds including educational funds), as well as insurance coverage for various risks such as: death, disability, income protection, etc.

   In accordance with the Commissioner’s Directives, the Life Insurance and Long-Term Savings Segment is broken down into life insurance, pension funds and provident funds.

2. Health Insurance Segment
   The Health Insurance Segment consolidates the Group's entire activities in health insurance – the segment includes long-term care insurance, medical expense insurance, operations, transplants, dental insurance, etc.

3. Property and Casualty Segment
   The Property and Casualty Segment includes the Lability and Property subsegments. In accordance with the Commissioner’s Directives, the Property and Casualty Segment is broken down into the Compulsory Motor Insurance, Motor Property, Other Property, and Other Liability subsegments.

   - Compulsory Motor Subsegment
     The Compulsory Motor Subsegment focuses on coverage, the purchase of which by the vehicle owner or driver is mandatory, in respect of bodily injury caused as a result of the use of a motor vehicle (to the driver, passengers, or pedestrians).
   - Motor Property subsegment
     The Motor Property subsegment focuses on coverage against property damage to the policyholder’s vehicle and third-party property damage caused by the insured vehicle.
   - Other Liability subsegments
     The Liability subsegments provide coverage in respect of the policyholder’s liability for any third-party damage he/she may cause. These subsegments include:

     These subsegments include: employer liability, professional liability, third-party liability, product liability, vessel body and aircraft body insurance.
   - Property and Other Segment
     All other Property and Casualty insurance subsegments other than the Motor and Liability subsegments, including property loss insurance, comprehensive business insurance, mortgage banks, personal accidents, cargos in transit, engineering insurance and other risks.

NOTE 5 - OPERATING SEGMENTS (cont.)

A. General (cont.)

4. Financial Services Segment
   This segment mainly includes financial assets management services and investment marketing (mainly management of mutual funds and portfolio management).

5. Other Operating Segments
   Other Operating Segments include the results of the activity of insurance agencies.

6. Activity not attributed to operating segments
   This activity includes part of the Group's HQ function that is not attributed to the operating segments, activities which are ancillary/overlapping with the Group's activity and holding assets and liabilities against the share capital of Migdal Insurance.

NOTE 5 - OPERATING SEGMENTS (cont.)

B. Reportable segment

	For the six-month period ended June 30, 2024							
	Life Insurance and Long-Term Savings	Health	Property and Casualty Insurance	Financial Services	Other Operating Segments	Not attributed to operating segments	Adjustments and offsets	Total
	Unaudited							
	NIS thousand							
Premiums earned, gross	3,809,052	994,590	1,202,041	-	-	-	-	6,005,683
Premiums earned by reinsurers	124,623	84,638	295,675	-	-	-	-	504,936
Premiums earned - retention	3,684,429	909,952	906,366	-	-	-	-	5,500,747
Investment income, net and finance income	8,112,129	225,336	113,555	2,661	5,578	161,664	(47,993)	8,572,930
Income from management fees	813,915	-	-	136,948	-	-	-	950,863
Income from fees and commissions	29,489	13,692	54,433	2,308	226,298	-	(81,446) *)	244,774
Other income	-	-	71	9,818	25,248	11,974	(9,564)	37,547
Total revenues	12,639,962	1,148,980	1,074,425	151,735	257,124	173,638	(139,003)	15,306,861
Payments and change in liabilities in respect of insurance contracts and investment contracts, gross	11,299,480	866,950	825,437	-	-	-	(8,143)	12,983,724
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	74,074	59,617	162,769	-	-	-	-	296,460
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	11,225,406	807,333	662,668	-	-	-	(8,143)	12,687,264
Fees and commissions, marketing expenses and other purchase expenses	458,349	270,345	229,285	35,434	86,242	-	(79,032)	1,000,623
General and administrative expenses	352,942	49,463	36,782	71,258	88,438	48,927	(8,144)	639,666
Other expenses	1,409	-	-	461	1,133	5,668	-	8,671
Finance expenses	27,229	1,812	7,680	88	1,968	134,697	(42,155)	131,319
Total expenses	12,065,335	1,128,953	936,415	107,241	177,781	189,292	(137,474)	14,467,543
Share in profits (losses) of equity-accounted investees	(15)	-	(6)	-	695	-	-	674
Profit (loss) before taxes on income	574,612	20,027	138,004	44,494	80,038	(15,654)	(1,529)	839,992
Other comprehensive income (loss) before taxes on income	(209,648)	(54,333)	(63,035)	-	53	(211,854)	-	(538,817)
Total comprehensive income (loss) for the period before income tax	364,964	(34,306)	74,969	44,494	80,091	(227,508)	(1,529)	301,175
Liabilities in respect of insurance contracts and yield-dependent investment contracts	141,320,423	3,479,592	-	-	-	-	-	144,800,015
Liabilities in respect of insurance contracts and non-yield-dependent investment contracts	34,978,724	3,217,078	6,138,297	-	-	-	-	44,334,099

*) Arises from revenues from fees and commissions received from the agencies owned by the Group, from the Life Insurance and Long-Term Savings activity - in the amount of NIS 57,734 thousand, from Health Insurance - NIS 12,617 thousand, from Property and Casualty - NIS 10,138 thousand and from Financial Services - NIS 957 thousand.

NOTE 5 - OPERATING SEGMENTS (cont.)

B. Reportable Segment (cont.)

	For the six-month period ended June 30, 2023							
	Life Insurance and Long-Term Savings	Health	Property and Casualty Insurance	Financial Services	Other Operating Segments	Not attributed to operating segments	Adjustments and offsets	Total
	Unaudited							
	NIS thousand							
Premiums earned, gross	4,129,614	960,910	1,100,996	-	-	-	-	6,191,520
Premiums earned by reinsurers	94,760	94,032	265,476	-	-	-	-	454,268
Premiums earned - retention	4,034,854	866,878	835,520	-	-	-	-	5,737,252
Investment income, net and finance income	8,055,688	171,341	99,303	2,973	877	125,626	(49,870)	8,405,938
Income from management fees	762,942	-	-	111,130	-	-	-	874,072
Income from fees and commissions	25,505	18,947	46,692	1,666	199,789	-	(72,809) *)	219,790
Other income	11	-	101	8,139	24,748	11,820	(9,242)	35,577
Total revenues	12,879,000	1,057,166	981,616	123,908	225,414	137,446	(131,921)	15,272,629
Payments and change in liabilities in respect of insurance contracts and investment contracts, gross	12,174,701	872,958	1,040,065	-	-	-	(7,818)	14,079,906
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	58,542	55,687	250,973	-	-	-	-	365,202
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	12,116,159	817,271	789,092	-	-	-	(7,818)	13,714,704
Fees and commissions, marketing expenses and other purchase expenses	455,224	262,005	205,617	33,129	81,313	-	(73,294)	963,994
General and administrative expenses	333,103	43,734	33,889	61,630	84,950	44,945	(7,756)	594,495
Other expenses	1,611	-	8,011	506	953	6,095	-	17,176
Finance expenses	33,192	2,025	11,140	67	453	127,979	(44,555)	130,301
Total expenses	12,939,289	1,125,035	1,047,749	95,332	167,669	179,019	(133,423)	15,420,670
Share in profits (losses) of equity-accounted investees	(4,166)	-	669	-	651	1	-	(2,845)
Profit (loss) before taxes on income	(64,455)	(67,869)	(65,464)	28,576	58,396	(41,572)	1,502	(150,886)
Other comprehensive income before taxes on income	124,852	33,172	25,557	-	198	86,122	-	269,901
Total comprehensive income (loss) for the period before income tax	60,397	(34,697)	(39,907)	28,576	58,594	44,550	1,502	119,015
Liabilities in respect of insurance contracts and yield-dependent investment contracts	134,953,852	3,158,589	-	-	-	-	-	138,112,441
Liabilities in respect of insurance contracts and non-yield-dependent investment contracts	34,687,451	2,808,779	5,873,139	-	-	-	-	43,369,369

*) Arises from revenues from fees and commissions received from the agencies owned by the Group, from the Life Insurance and Long-Term Savings activity - in the amount of NIS 53,746 thousand, from Health - NIS 11,209 thousand, from Property and Casualty - NIS 7,764 thousand and from Financial Services - NIS 90 thousand.

MIGDAL Insurance and finance

NOTE 5 - OPERATING SEGMENTS (cont.)

B. Reportable Segment (cont.)

	Life Insurance and Long-Term Savings	Health	Property and Casualty Insurance	Financial Services	Other Operating Segments	Not attributed to operating segments	Adjustments and offsets	Total
	For the three-month period ended June 30, 2024							
	Unaudited							
	NIS thousand							
Premiums earned, gross	1,877,443	500,213	605,917	-	-	-	-	2,983,573
Premiums earned by reinsurers	54,581	40,063	149,759	-	-	-	-	244,403
Premiums earned - retention	1,822,862	460,150	456,158	-	-	-	-	2,739,170
Investment income, net and finance income	1,740,979	52,961	65,900	1,584	2,604	97,944	(28,216)	1,933,756
Income from management fees	407,660	-	-	70,581	-	-	-	478,241
Income from fees and commissions	15,901	5,826	29,708	1,449	116,303	-	(38,777) *)	130,410
Other income	-	-	42	4,059	13,149	6,201	(4,916)	18,535
Total revenues	3,987,402	518,937	551,808	77,673	132,056	104,145	(71,909)	5,300,112
Payments and change in liabilities in respect of insurance contracts and investment contracts, gross	3,116,980	407,563	364,987	-	-	-	(4,206)	3,885,324
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	39,421	32,764	98,783	-	-	-	-	170,968
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	3,077,559	374,799	266,204	-	-	-	(4,206)	3,714,356
Fees and commissions, marketing expenses and other purchase expenses	224,735	132,854	122,912	17,137	42,673	(1,277)	(38,434)	500,600
General and administrative expenses	171,528	24,871	18,633	37,312	45,899	26,098	(4,158)	320,183
Other expenses	704	-	-	236	546	3,144	-	4,630
Finance expenses	13,525	903	3,688	40	950	72,226	(25,275)	66,057
Total expenses	3,488,051	533,427	411,437	54,725	90,068	100,191	(72,073)	4,605,826
Share in profits (losses) of equity-accounted investees	(272)	-	(107)	-	284	-	-	(95)
Profit (loss) before taxes on income	499,079	(14,490)	140,264	22,948	42,272	3,954	164	694,191
Other comprehensive income (loss) before taxes on income	(203,039)	(53,615)	(78,917)	-	13	(227,215)	-	(562,773)
Total comprehensive income (loss) for the period before income tax	296,040	(68,105)	61,347	22,948	42,285	(223,261)	164	131,418
Liabilities in respect of insurance contracts and yield-dependent investment contracts	141,320,423	3,479,592	-	-	-	-	-	144,800,015
Liabilities in respect of insurance contracts and non-yield-dependent investment contracts	34,978,724	3,217,078	6,138,297	-	-	-	-	44,334,099

*) Arises from revenues from fees and commissions received from the agencies owned by the Group, from the Life Insurance and Long-Term Savings activity - in the amount of NIS 25,299 thousand, from Health - NIS 7,904 thousand, from Property and Casualty - NIS 4,686 thousand and from Financial Services - NIS 888 thousand.

MIGDAL Insurance and finance

NOTE 5 - OPERATING SEGMENTS (cont.)

B. Reportable Segment (cont.)

	For the three-month period ended June 30, 2023							
	Life Insurance and Long-Term Savings	Health	Property and Casualty Insurance	Financial Services	Other Operating Segments	Not attributed to operating segments	Adjustments and offsets	Total
	Unaudited							
	NIS thousand							
Premiums earned, gross	2,068,950	487,701	560,244	-	-	-	-	3,116,895
Premiums earned by reinsurers	43,340	46,745	137,552	-	-	-	-	227,637
Premiums earned - retention	2,025,610	440,956	422,692	-	-	-	-	2,889,258
Investment income, net and finance income	5,185,553	110,745	68,146	1,532	597	92,348	(26,184)	5,432,737
Income from management fees	382,187	-	-	57,560	-	-	-	439,747
Income from fees and commissions	9,652	5,732	26,325	776	97,418	-	(35,473) *)	104,430
Other income	11	-	37	3,422	12,993	5,892	(4,624)	17,731
Total revenues	7,603,013	557,433	517,200	63,290	111,008	98,240	(66,281)	8,883,903
Payments and change in liabilities in respect of insurance contracts and investment contracts, gross	7,490,870	461,344	474,283	-	-	-	(3,914)	8,422,583
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	30,295	26,907	86,068	-	-	-	-	143,270
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	7,460,575	434,437	388,215	-	-	-	(3,914)	8,279,313
Fees and commissions, marketing expenses and other purchase expenses	217,431	130,118	115,302	15,697	39,099	(547)	(35,344)	481,756
General and administrative expenses	172,344	22,699	17,456	32,236	42,956	25,103	(3,888)	308,906
Other expenses	806	-	7,642	258	447	3,425	-	12,578
Finance expenses (income)	22,424	1,406	6,286	35	(96)	55,619	(23,443)	62,231
Total expenses	7,873,580	588,660	534,901	48,226	82,406	83,600	(66,589)	9,144,784
Share in profits (losses) of equity-accounted investees	(3,809)	-	81	-	370	-	-	(3,358)
Profit (loss) before taxes on income	(274,376)	(31,227)	(17,620)	15,064	28,972	14,640	308	(264,239)
Other comprehensive income before taxes on income	100,530	25,815	14,138	-	185	56,997	-	197,665
Total comprehensive income (loss) for the period before income tax	(173,846)	(5,412)	(3,482)	15,064	29,157	71,637	308	(66,574)
Liabilities in respect of insurance contracts and yield-dependent investment contracts	134,953,852	3,158,589	-	-	-	-	-	138,112,441
Liabilities in respect of insurance contracts and non-yield-dependent investment contracts	34,687,451	2,808,779	5,873,139	-	-	-	-	43,369,369

*) Arises from revenues from fees and commissions received from the agencies owned by the Group, from the Life Insurance and Long-Term Savings activity - in the amount of NIS 26,496 thousand, from Health - NIS 5,162 thousand, from Property and Casualty - NIS 3,773 thousand and from Financial Services - NIS 42 thousand.

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NOTE 5 - OPERATING SEGMENTS (cont.)

B. Reportable Segment (cont.)

	For the year ended December 31, 2023							
	Life Insurance and Long-Term Savings	Health	Property and Casualty Insurance	Financial Services	Other Operating Segments	Not attributed to operating segments	Adjustments and offsets	Total
	Audited							
	NIS thousand							
Premiums earned, gross	8,367,162	1,949,632	2,257,905	-	-	-	-	12,574,699
Premiums earned by reinsurers	147,065	166,454	564,817	-	-	-	-	878,336
Premiums earned - retention	8,220,097	1,783,178	1,693,088	-	-	-	-	11,696,363
Investment income, net and finance income	13,801,302	350,222	194,398	6,068	6,079	295,092	(106,852)	14,546,309
Income from management fees	1,554,158	-	-	221,711	-	-	-	1,775,869
Income from fees and commissions	21,438	32,130	100,839	5,751	388,189	-	(159,783) *)	388,564
Other income	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 change 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
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	139,648	130,195	422,690	-	-	-	-	692,533
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	20,976,796	1,640,768	1,466,901	-	-	-	(15,755)	24,068,710
Fees and commissions, marketing expenses and other purchase 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
Finance 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 in profits (losses) of equity-accounted investees	(3,946)	-	781	-	883	1	-	(2,281)
Profit (loss) before taxes on income	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 income tax	860,255	(129,600)	(58,312)	52,534	105,311	(23,933)	(1,828)	804,427
Liabilities in respect of insurance contracts and yield-dependent investment contracts	136,918,092	3,292,313	-	-	-	-	-	140,210,405
Liabilities in respect of insurance contracts and non-yield-dependent investment contracts	34,715,310	3,053,433	5,887,438	-	-	-	-	43,656,181

*) Arises from revenues from fees and commissions received from the agencies owned by the Group, from the Life Insurance and Long-Term Savings activity - in the amount of NIS 118,329 thousand, from Health Insurance - NIS 22,859 thousand, from Property and Casualty - NIS 16,125 thousand and from Financial Services - NIS 2,470 thousand.

NOTE 5 - OPERATING SEGMENTS (cont.)

C.1. Additional information regarding the Life Insurance and Long-Term Savings Segment

	For the six-month period ended June 30, 2024			
	Life Insurance	Pension	Provident	Total
	Unaudited			
	NIS thousand			
Premiums earned, gross	3,809,052	-	-	3,809,052
Premiums earned by reinsurers	124,623	-	-	124,623
Premiums earned - retention	3,684,429	-	-	3,684,429
Investment income, net and finance income	8,105,114	5,131	1,884	8,112,129
Income from management fees	530,392	203,447	80,076	813,915
Income from fees and commissions	29,489	-	-	29,489
Total revenues	12,349,424	208,578	81,960	12,639,962
Payments and change in liabilities in respect of insurance contracts and investment contracts, gross	11,299,480	-	-	11,299,480
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	74,074	-	-	74,074
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	11,225,406	-	-	11,225,406
Fees and commissions, marketing expenses and other purchase expenses	333,787	83,113	41,449	458,349
General and administrative expenses	199,969	111,501	41,472	352,942
Other expenses	-	-	1,409	1,409
Finance expenses	27,225	-	4	27,229
Total expenses	11,786,387	194,614	84,334	12,065,335
Share in losses of equity-accounted investees	(15)	-	-	(15)
Profit (loss) before taxes on income	563,022	13,964	(2,374)	574,612
Other comprehensive loss before taxes on income	(208,738)	(664)	(246)	(209,648)
Total comprehensive income (loss) for the period before income tax	354,284	13,300	(2,620)	364,964

NOTE 5 - OPERATING SEGMENTS (cont.)

C.1. Additional data regarding the Life Insurance and Long-Term Savings Segment (cont.)

	For the six-month period ended June 30, 2023			
	Life Insurance	Pension	Provident	Total
	Unaudited			
	NIS thousand			
Premiums earned, gross	4,129,614	-	-	4,129,614
Premiums earned by reinsurers	94,760	-	-	94,760
Premiums earned - retention	4,034,854	-	-	4,034,854
Investment income (losses), net and finance income	8,058,455	(2,181)	(586)	8,055,688
Income from management fees	509,844	186,804	66,294	762,942
Income from fees and commissions	25,505	-	-	25,505
Other income	11	-	-	11
Total revenues	12,628,669	184,623	65,708	12,879,000
Payments and change in liabilities in respect of insurance contracts and investment contracts, gross	12,174,701	-	-	12,174,701
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	58,542	-	-	58,542
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	12,116,159	-	-	12,116,159
Fees and commissions, marketing expenses and other purchase expenses	353,248	68,585	33,391	455,224
General and administrative expenses	200,786	99,698	32,619	333,103
Other expenses	-	-	1,611	1,611
Finance expenses	33,187	5	-	33,192
Total expenses	12,703,380	168,288	67,621	12,939,289
Share in losses of equity-accounted investees	(4,166)	-	-	(4,166)
Profit (loss) before taxes on income	(78,877)	16,335	(1,913)	(64,455)
Other comprehensive income before taxes on income	117,724	5,489	1,639	124,852
Total comprehensive income (loss) for the period before income tax	38,847	21,824	(274)	60,397

NOTE 5 - OPERATING SEGMENTS (cont.)

C.1. Additional data regarding the Life Insurance and Long-Term Savings Segment (cont.)

	For the three-month period ended June 30, 2024			
	Life Insurance	Pension	Provident	Total
	Unaudited			
	NIS thousand			
Premiums earned, gross	1,877,443	-	-	1,877,443
Premiums earned by reinsurers	54,581	-	-	54,581
Premiums earned - retention	1,822,862	-	-	1,822,862
Investment income, net and finance income	1,737,402	2,469	1,108	1,740,979
Income from management fees	265,485	101,245	40,930	407,660
Income from fees and commissions	15,901	-	-	15,901
Total revenues	3,841,650	103,714	42,038	3,987,402
Payments and change in liabilities in respect of insurance contracts and investment contracts, gross	3,116,980	-	-	3,116,980
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	39,421	-	-	39,421
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	3,077,559	-	-	3,077,559
Fees and commissions, marketing expenses and other purchase expenses	162,201	41,681	20,853	224,735
General and administrative expenses	97,351	54,478	19,699	171,528
Other expenses	-	-	704	704
Finance expenses	13,523	-	2	13,525
Total expenses	3,350,634	96,159	41,258	3,488,051
Share in losses of equity-accounted investees	(272)	-	-	(272)
Profit before taxes on income	490,744	7,555	780	499,079
Other comprehensive loss before taxes on income	(202,422)	(438)	(179)	(203,039)
Total comprehensive income for the period before income tax	288,322	7,117	601	296,040

NOTE 5 - OPERATING SEGMENTS (cont.)

C.1. Additional data regarding the Life Insurance and Long-Term Savings Segment (cont.)

	For the three-month period ended June 30, 2023			
	Life Insurance	Pension	Provident	Total
	Unaudited			
	NIS thousand			
Premiums earned, gross	2,068,950	-	-	2,068,950
Premiums earned by reinsurers	43,340	-	-	43,340
Premiums earned - retention	2,025,610	-	-	2,025,610
Investment income (losses), net and finance income	5,189,018	(2,656)	(809)	5,185,553
Income from management fees	256,506	91,918	33,763	382,187
Income from fees and commissions	9,652	-	-	9,652
Other income	11	-	-	11
Total revenues	7,480,797	89,262	32,954	7,603,013
Payments and change in liabilities in respect of insurance contracts and investment contracts, gross	7,490,870	-	-	7,490,870
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	30,295	-	-	30,295
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	7,460,575	-	-	7,460,575
Fees and commissions, marketing expenses and other purchase expenses	165,874	33,302	18,255	217,431
General and administrative expenses	105,034	50,558	16,752	172,344
Other expenses	-	-	806	806
Finance expenses	22,422	2	-	22,424
Total expenses	7,753,905	83,862	35,813	7,873,580
Share in losses of equity-accounted investees	(3,809)	-	-	(3,809)
Profit (loss) before taxes on income	(276,917)	5,400	(2,859)	(274,376)
Other comprehensive income before taxes on income	93,963	5,063	1,504	100,530
Total comprehensive income (loss) for the period before income tax	(182,954)	10,463	(1,355)	(173,846)

NOTE 5 - OPERATING SEGMENTS (cont.)

C.1. Additional data regarding the Life Insurance and Long-Term Savings Segment (cont.)

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

MIGDAL Insurance and finance

NOTE 5 - OPERATING SEGMENTS (cont.)

C.2. Additional data regarding Life Insurance

	For the six-month period ended June 30, 2024						
	Policies including a savings component (including appendices) by policy issuance date				Policies without a savings component		
			From 2004		Life insurance sold as a single policy		
	Until 1990*)	Until 2003	Non-yield-dependent	Yield-dependent	Individual	Collective	Total
	Unaudited						
	NIS thousand						
Gross premiums	118,118	1,151,711	-	2,152,822	376,830	9,571	3,809,052
Proceeds in respect of investment contracts credited directly to insurance reserves	-	-	298,026	1,171,352	-	-	1,469,378
Financial margin including management fees	(165,782)	243,407	(24,462)	245,635	-	-	298,798
Payments and change in liabilities in respect of insurance contracts, gross	794,574	5,335,981	3,726	4,527,449	259,993	12,445	10,934,168
Payments and change in liabilities for investment contracts	-	16	(5,446)	370,742	-	-	365,312
Total comprehensive income (loss) from Health Insurance Business	464,712	(206,158)	(4,837)	69,791	33,009	(2,233)	354,284

Comments

1. Products issued until 1990 (including increases in respect thereof) were primarily guaranteed return policies which were mainly backed by designated bonds.
2. The financial margin does not include additional income of the Company collected as a percentage of the premium and is calculated before deducting investment management expenses.
   The financial margin in guaranteed return policies is based on actual investment income for the reporting year, less the product of the annual guaranteed rate of return, multiplied by the average reserve per year in the various insurance reserves. Regarding this matter, investment income also includes the change in the fair value of available-for-sale financial assets that is charged to the statement of comprehensive income.
   In yield-dependent contracts, the financial margin is the total fixed and variable management fees calculated on the basis of the yield and average balance of insurance reserves.

NOTE 5 - OPERATING SEGMENTS (cont.)

C.2. Additional data regarding Life Insurance (cont.)

	For the six-month period ended June 30, 2023						
	Policies including a savings component (including appendices) by policy issuance date				Policies without a savings component		
			From 2004		Life insurance sold as a single policy		
	Until 1990	Until 2003	Non-yield-dependent	Yield-dependent	Individual	Collective	Total
	Unaudited						
	NIS thousand						
Gross premiums	128,330	1,199,846	-	2,424,632	367,508	9,298	4,129,614
Proceeds in respect of investment contracts credited directly to insurance reserves	-	-	47,447	404,113	-	-	451,560
Financial margin including management fees	(91,297)	233,399	(7,989)	253,626	-	-	387,739
Payments and change in liabilities in respect of insurance contracts, gross	1,559,798	5,292,013	(10,413)	4,813,761	221,733	18,942	11,895,834
Payments and change in liabilities for investment contracts	-	40	11,615	267,212	-	-	278,867
Total comprehensive income (loss) from Health Insurance Business	(57,243)	(4,754)	8,430	37,264	55,450	(300)	38,847

Comments

1. Products issued until 1990 (including increases in respect thereof) were primarily guaranteed return policies which were mainly backed by designated bonds.
2. The financial margin does not include additional income of the Company collected as a percentage of the premium and is calculated before deducting investment management expenses.
   The financial margin in guaranteed return policies is based on actual investment income for the reporting year, less the product of the annual guaranteed rate of return, multiplied by the average reserve per year in the various insurance reserves. Regarding this matter, investment income also includes the change in the fair value of available-for-sale financial assets that is charged to the statement of comprehensive income.
   In yield-dependent contracts, the financial margin is the total fixed and variable management fees calculated on the basis of the yield and average balance of insurance reserves.

NOTE 5 - OPERATING SEGMENTS (cont.)

C.2. Additional data regarding Life Insurance (cont.)

	For the three-month period ended June 30, 2024						
	Policies including a savings component (including appendices) by policy issuance date				Policies without a savings component		
			From 2004		Life insurance sold as a single policy		
	Until 1990	Until 2003	Non-yield-dependent	Yield-dependent	Individual	Collective	Total
	Unaudited						
	NIS thousand						
Gross premiums	58,870	574,539	-	1,049,900	189,904	4,230	1,877,443
Proceeds in respect of investment contracts credited directly to insurance reserves	-	-	-	579,785	-	-	579,785
Financial margin including management fees	(207,611)	113,576	(14,230)	107,428	-	-	(837)
Payments and change in liabilities in respect of insurance contracts, gross	210,274	1,361,871	(4,024)	1,330,692	134,675	3,890	3,037,378
Payments and change in liabilities for investment contracts	-	(5)	(18,521)	98,128	-	-	79,602
Total comprehensive income (loss) from Health Insurance Business	489,099	(249,425)	14,641	14,788	19,440	(221)	288,322

Comments

1. Products issued until 1990 (including increases in respect thereof) were primarily guaranteed return policies which were mainly backed by designated bonds.
2. The financial margin does not include additional income of the Company collected as a percentage of the premium and is calculated before deducting investment management expenses.
   The financial margin in guaranteed return policies is based on actual investment income for the reporting year, less the product of the annual guaranteed rate of return, multiplied by the average reserve per year in the various insurance reserves. Regarding this matter, investment income also includes the change in the fair value of available-for-sale financial assets that is charged to the statement of comprehensive income.
   In yield-dependent contracts, the financial margin is the total fixed and variable management fees calculated on the basis of the yield and average balance of insurance reserves.

NOTE 5 - OPERATING SEGMENTS (cont.)

C.2. Additional data regarding Life Insurance (cont.)

	For the three-month period ended June 30, 2023						
	Policies including a savings component (including appendices) by policy issuance date				Policies without a savings component		
			From 2004		Life insurance sold as a single policy		
	Until 1990	Until 2003	Non-yield-dependent	Yield-dependent	Individual	Collective	Total
	Unaudited						
	NIS thousand						
Gross premiums	63,077	598,762	-	1,217,808	185,197	4,106	2,068,950
Proceeds in respect of investment contracts credited directly to insurance reserves	-	-	14,604	215,370	-	-	229,974
Financial margin including management fees	(46,396)	117,888	3,444	128,600	-	-	203,536
Payments and change in liabilities in respect of insurance contracts, gross	994,067	3,331,296	(5,412)	2,873,484	110,367	9,312	7,313,114
Payments and change in liabilities for investment contracts	-	21	(1,663)	179,398	-	-	177,756
Total comprehensive income (loss) from Health Insurance Business	(184,059)	(88,983)	13,945	45,654	31,894	(1,405)	(182,954)

Comments

1. Products issued until 1990 (including increases in respect thereof) were primarily guaranteed return policies which were mainly backed by designated bonds.
2. The financial margin does not include additional income of the Company collected as a percentage of the premium and is calculated before deducting investment management expenses.
   The financial margin in guaranteed return policies is based on actual investment income for the reporting year, less the product of the annual guaranteed rate of return, multiplied by the average reserve per year in the various insurance reserves. Regarding this matter, investment income also includes the change in the fair value of available-for-sale financial assets that is charged to the statement of comprehensive income.
   In yield-dependent contracts, the financial margin is the total fixed and variable management fees calculated on the basis of the yield and average balance of insurance reserves.

NOTE 5 - OPERATING SEGMENTS (cont.)

C.2. Additional data regarding Life Insurance (cont.)

	For the year ended December 31, 2023						
	Policies including a savings component (including appendices) by policy issuance date				Policies without a savings component		
			From 2004		Life insurance sold as a single policy		
	Until 1990	Until 2003	Non-yield-dependent	Yield-dependent	Individual	Collective	Total
	Audited						
	NIS thousand						
Gross premiums	252,483	2,382,347	-	4,969,441	741,852	21,039	8,367,162
Proceeds in respect of investment contracts credited directly to insurance reserves	-	-	174,823	1,280,663	-	-	1,455,486
Financial margin including management fees	(171,236)	478,304	(7,962)	509,424	-	-	808,530
Payments and change 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 change in liabilities for investment contracts	-	71	9,543	442,981	-	-	452,595
Total comprehensive income (loss) from Health Insurance Business	301,170	765,727	28,781	(294,220)	31,902	(6,799)	826,561

Comments

1. Products issued until 1990 (including increases in respect thereof) were primarily guaranteed return policies which were mainly backed by designated bonds.
2. The financial margin does not include additional income of the Company collected as a percentage of the premium and is calculated before deducting investment management expenses.
   The financial margin in guaranteed return policies is based on actual investment income for the reporting year, less the product of the annual guaranteed rate of return, multiplied by the average reserve per year in the various insurance reserves. Regarding this matter, investment income also includes the change in the fair value of available-for-sale financial assets that is charged to the statement of comprehensive income.
   In yield-dependent contracts, the financial margin is the total fixed and variable management fees calculated on the basis of the yield and average balance of insurance reserves.

NOTE 5 - OPERATING SEGMENTS (cont.)

C.3. Additional data regarding Health Insurance

	For the six-month period ended June 30, 2024				
	LTC		Other *)		
	Individual	Collective	Long-term	Short-term	Total
	Unaudited				
	NIS thousand				
Gross premiums	240,363	1,808	740,997	11,899	995,067
Payments and change in liabilities in respect of insurance contracts, gross	407,361	1,069	452,091	6,429	866,950
Total comprehensive income (loss) from Health Insurance Business	(66,877)	996	33,030	(1,455)	(34,306)

*) The most substantial coverage included in other long-term health insurance is medical expenses and in short-term health insurance - travel.
Of which, individual premiums in the amount of NIS 633,044 thousand and collective premiums in the amount of NIS 119,852 thousand.

	For the six-month period ended June 30, 2023				
	LTC		Other *)		
	Individual	Collective	Long-term	Short-term	Total
	Unaudited				
	NIS thousand				
Gross premiums	239,516	1,038	706,778	15,283	962,615
Payments and change in liabilities in respect of insurance contracts, gross	388,658	3,536	474,994	5,770	872,958
Total comprehensive income (loss) from Health Insurance Business	(29,953)	(1,893)	(3,556)	705	(34,697)

*) The most substantial coverage included in other long-term health insurance is medical expenses and in short-term health insurance - travel.
Of which, individual premiums in the amount of NIS 611,651 thousand and collective premiums in the amount of NIS 110,410 thousand.

	For the three-month period ended June 30, 2024				
	LTC		Other *)		
	Individual	Collective	Long-term	Short-term	Total
	Unaudited				
	NIS thousand				
Gross premiums	120,448	881	372,292	6,945	500,566
Payments and change in liabilities in respect of insurance contracts, gross	195,634	666	206,547	4,716	407,563
Total comprehensive income (loss) from Health Insurance Business	(97,934)	194	30,987	(1,352)	(68,105)

*) The most substantial coverage included in other long-term health insurance is medical expenses and in short-term health insurance - travel.
Of which, individual premiums in the amount of NIS 319,130 thousand and collective premiums in the amount of NIS 60,107 thousand.

NOTE 5 - OPERATING SEGMENTS (cont.)

C.3 Additional data regarding Health Insurance (cont.)

	For the three-month period ended June 30, 2023				
	LTC		Other *)		
	Individual	Collective	Long-term	Short-term	Total
	Unaudited				
	NIS thousand				
Gross premiums	120,155	570	359,447	8,097	488,269
Payments and change in liabilities in respect of insurance contracts, gross	221,956	1,532	234,087	3,769	461,344
Total comprehensive income (loss) from Health Insurance Business	(17,987)	(584)	13,279	(120)	(5,412)

*) The most substantial coverage included in other long-term health insurance is medical expenses and in short-term health insurance - travel.
Of which, individual premiums in the amount of NIS 309.287 thousand and collective premiums in the amount of NIS 58,257 thousand.

	For the year ended December 31, 2023				
	LTC		Other *)		
	Individual	Collective	Long-term	Short-term	Total
	Audited				
	NIS thousand				
Gross premiums	481,546	3,457	1,432,496	32,908	1,950,407
Payments and change 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 substantial coverage included in other long-term health insurance is medical expenses and in short-term health insurance - travel.
Of which, individual premiums in the amount of NIS 1,241,535 thousand and collective premiums in the amount of NIS 223,869 thousand.

NOTE 5 - OPERATING SEGMENTS (cont.)

D. Additional data regarding the Property and Casualty Segment

	For the six-month period ended June 30, 2024				
	Compulsory Motor	Motor Property	Property and Other Segment (*)	Other Liability subsegments *)	Total
			Unaudited		
			NIS thousand		
Gross premiums	231,048	545,006	395,341	241,539	1,412,934
Reinsurance premiums	2,785	4,898	254,451	48,219	310,353
Premiums - retention	228,263	540,108	140,890	193,320	1,102,581
Change in unearned premium balance, retention	(39,806)	(106,689)	(22,183)	(27,537)	(196,215)
Premiums earned - retention	188,457	433,419	118,707	165,783	906,366
Investment income, net and finance income	58,847	12,091	6,125	36,492	113,555
Income from fees and commissions	-	-	46,006	8,427	54,433
Other income	38	8	2	23	71
Total income	247,342	445,518	170,840	210,725	1,074,425
Payments and change in liabilities in respect of insurance contracts, gross	169,868	311,226	185,152	159,191	825,437
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	5,746	2,286	131,953	22,784	162,769
Payments and change in liabilities for insurance contracts - retention	164,122	308,940	53,199	136,407	662,668
Fees and commissions, marketing expenses and other purchase expenses	19,347	82,879	81,766	45,293	229,285
General and administrative expenses	7,579	10,715	9,417	9,071	36,782
Finance expenses	2,771	667	2,317	1,925	7,680
Total expenses	193,819	403,201	146,699	192,696	936,415
Share in losses of equity-accounted investees	(3)	(1)	-	(2)	(6)
Profit before taxes on income	53,520	42,316	24,141	18,027	138,004
Other comprehensive loss before taxes on income	(33,386)	(6,802)	(2,267)	(20,580)	(63,035)
Total comprehensive income (loss) for the period before income tax	20,134	35,514	21,874	(2,553)	74,969
Liabilities in respect of insurance contracts, gross, as of June 30, 2024	2,382,920	686,501	687,771	2,381,105	6,138,297
Liabilities in respect of insurance contracts - retention – as of June 30, 2024	2,292,646	680,977	230,251	1,669,633	4,873,507

*) Property and Other Insurance Subsegments mainly include results from the comprehensive home insurance, comprehensive business insurance, cargo in transit and engineering insurance, and property loss insurance subsegments, whose activity constitutes approx. 99% of total premiums in these subsegments.

Other Liability Insurance insurance subsegments mainly include results from the following insurance subsegments: liability insurance, third-party insurance, professional liability insurance and employers' liability insurance, the activity of which constitutes approx. 87% of total premiums in these subsegments.

NOTE 5 - OPERATING SEGMENTS (cont.)

D. Additional data regarding the Property and Casualty Segment (cont.)

	For the six-month period ended June 30, 2023				
	Compul-sory Motor	Motor Property	Property and Other Segment (*)	Other Liability sub-segments *)	Total
	Unaudited				
	NIS thousand				
Gross premiums	231,778	463,895	406,290	247,706	1,349,669
Reinsurance premiums	2,432	4,477	273,880	63,369	344,158
Premiums - retention	229,346	459,418	132,410	184,337	1,005,511
Change in unearned premium balance, retention	(23,996)	(103,688)	(18,072)	(24,235)	(169,991)
Premiums earned - retention	205,350	355,730	114,338	160,102	835,520
Investment income, net and finance income	48,116	9,848	9,624	31,715	99,303
Income from fees and commissions	-	-	40,901	5,791	46,692
Other income	52	11	4	34	101
Total income	253,518	365,589	164,867	197,642	981,616
Payments and change in liabilities in respect of insurance contracts, gross	279,090	325,997	238,298	196,680	1,040,065
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	7,750	1,824	191,285	50,114	250,973
Payments and change in liabilities for insurance contracts - retention	271,340	324,173	47,013	146,566	789,092
Fees and commissions, marketing expenses and other purchase expenses	22,317	70,423	73,222	39,655	205,617
General and administrative expenses	7,081	9,079	9,527	8,202	33,889
Other expenses	167	7,614	97	133	8,011
Finance expenses	2,596	555	6,266	1,723	11,140
Total expenses	303,501	411,844	136,125	196,279	1,047,749
Share in profits of equity-accounted investees	345	71	25	228	669
Profit (loss) before taxes on income	(49,638)	(46,184)	28,767	1,591	(65,464)
Other comprehensive income before taxes on income	13,195	2,694	974	8,694	25,557
Total comprehensive income (loss) for the period before income tax	(36,443)	(43,490)	29,741	10,285	(39,907)
Liabilities in respect of insurance contracts, gross, as of June 30, 2023	2,372,136	615,122	688,961	2,196,920	5,873,139
Liabilities in respect of insurance contracts - retention - as of June 30, 2023	2,280,486	611,713	200,382	1,532,118	4,624,699

*) Property and other insurance subsegments mainly include results from the comprehensive home insurance, comprehensive business insurance, cargo in transit and engineering insurance, and property loss insurance subsegments, whose activity constitutes approx. 99% of total premiums in these subsegments.

Other Liability Insurance subsegments mainly include results from the following insurance subsegments: liability insurance, third-party insurance, professional liability insurance and employers' liability insurance, the activity of which constitutes approx. 86% of total premiums in these subsegments.

NOTE 5 - OPERATING SEGMENTS (cont.)

D. Additional data regarding the Property and Casualty Segment (cont.)

	For the three-month period ended June 30, 2024				
	Compul-sory Motor	Motor Property	Property and Other Segment (*)	Other Liability subseg-ments *)	Total
	Unaudited				
	NIS thousand				
Gross premiums	86,881	236,093	198,333	107,541	628,848
Reinsurance premiums	1,392	1,990	135,477	25,079	163,938
Premiums - retention	85,489	234,103	62,856	82,462	464,910
Change in unearned premium balance, retention	2,559	(11,006)	(1,597)	1,292	(8,752)
Premiums earned - retention	88,048	223,097	61,259	83,754	456,158
Investment income, net and finance income	32,452	7,445	3,448	22,555	65,900
Income from fees and commissions	-	-	25,307	4,401	29,708
Other income	21	5	2	14	42
Total income	120,521	230,547	90,016	110,724	551,808
Payments and change in liabilities in respect of insurance contracts, gross	25,506	163,606	129,076	46,799	364,987
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	3,820	1,923	97,369	(4,329)	98,783
Payments and change in liabilities for insurance contracts - retention	21,686	161,683	31,707	51,128	266,204
Fees and commissions, marketing expenses and other purchase expenses	11,246	49,020	39,574	23,072	122,912
General and administrative expenses	3,842	5,432	4,765	4,594	18,633
Other expenses	-	-	-	-	-
Finance expenses	1,345	340	1,052	951	3,688
Total expenses	38,119	216,475	77,098	79,745	411,437
Share in losses of equity-accounted investees	(61)	(11)	(3)	(32)	(107)
Profit before taxes on income	82,341	14,061	12,915	30,947	140,264
Other comprehensive loss before taxes on income	(42,469)	(8,373)	(2,779)	(25,296)	(78,917)
Total comprehensive income for the period before income tax	39,872	5,688	10,136	5,651	61,347
Liabilities in respect of insurance contracts, gross, as of June 30, 2024	2,382,920	686,501	687,771	2,381,105	6,138,297
Liabilities in respect of insurance contracts - retention – as of June 30, 2024	2,292,646	680,977	230,251	1,669,633	4,873,507

*) Property and other insurance subsegments mainly include results from the comprehensive home insurance, comprehensive business insurance, cargo in transit and engineering insurance, and property loss insurance subsegments, whose activity constitutes approx. 99% of total premiums in these subsegments.

Other Liability Insurance subsegments mainly include results from the following insurance subsegments: liability insurance, third-party insurance, professional liability insurance and employers' liability insurance, the activity of which constitutes approx. 88% of total premiums in these subsegments.

NOTE 5 - OPERATING SEGMENTS (cont.)

D. Additional data regarding the Property and Casualty Segment (cont.)

	For the three-month period ended June 30, 2023				
	Compul-sory Motor	Motor Property	Property and Other Segment (*)	Other Liability subseg-ments *)	Total
	Unaudited				
	NIS thousand				
Gross premiums	83,794	199,392	203,281	119,452	605,919
Reinsurance premiums	1,216	1,756	140,781	39,198	182,951
Premiums - retention	82,578	197,636	62,500	80,254	422,968
Change in unearned premium balance, retention	16,411	(13,404)	(4,491)	1,208	(276)
Premiums earned - retention	98,989	184,232	58,009	81,462	422,692
Investment income, net and finance income	33,111	6,751	6,387	21,897	68,146
Income from fees and commissions	-	-	24,365	1,960	26,325
Other income	19	4	2	12	37
Total income	132,119	190,987	88,763	105,331	517,200
Payments and change in liabilities in respect of insurance contracts, gross	135,457	164,479	67,541	106,806	474,283
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	2,789	292	45,725	37,262	86,068
Payments and change in liabilities for insurance contracts - retention	132,668	164,187	21,816	69,544	388,215
Fees and commissions, marketing expenses and other purchase expenses	13,560	43,212	39,239	19,291	115,302
General and administrative expenses	3,478	4,562	5,134	4,282	17,456
Other expenses	74	7,448	53	67	7,642
Finance expenses	1,225	263	3,972	826	6,286
Total expenses	151,005	219,672	70,214	94,010	534,901
Share in profits of equity-accounted investees	40	8	4	29	81
Profit (loss) before taxes on income	(18,846)	(28,677)	18,553	11,350	(17,620)
Other comprehensive income before taxes on income	7,276	1,476	565	4,821	14,138
Total comprehensive income (loss) for the period before income tax	(11,570)	(27,201)	19,118	16,171	(3,482)
Liabilities in respect of insurance contracts, gross, as of June 30, 2023	2,372,136	615,122	688,961	2,196,920	5,873,139
Liabilities in respect of insurance contracts - retention – as of June 30, 2023	2,280,486	611,713	200,382	1,532,118	4,624,699

*) Property and other insurance subsegments mainly include results from the comprehensive home insurance, comprehensive business insurance, cargo in transit and engineering insurance, and property loss insurance subsegments, whose activity constitutes approx. 99% of total premiums in these subsegments.

Other Liability Insurance subsegments mainly include results from the following insurance subsegments: liability insurance, third-party insurance, professional liability insurance and employers' liability insurance, the activity of which constitutes approx. 87% of total premiums in these subsegments.

NOTE 5 - OPERATING SEGMENTS (cont.)

D. Additional data regarding the Property and Casualty Segment (cont.)

	For the year ended December 31, 2023				
	Compul-sory Motor	Motor Property	Property and Other Segment (*)	Other Liability subseg-ments *)	Total
	Audited				
	NIS thousand				
Gross premiums	366,745	836,047	724,381	444,825	2,371,998
Reinsurance premiums	6,245	7,546	483,342	114,428	611,561
Premiums - retention	360,500	828,501	241,039	330,397	1,760,437
Change in unearned premium balance, retention	16,359	(66,797)	(10,129)	(6,782)	(67,349)
Premiums earned - retention	376,859	761,704	230,910	323,615	1,693,088
Investment income, net and finance income	96,713	18,973	13,073	65,639	194,398
Income from fees and commissions	-	-	84,291	16,548	100,839
Other income	81	16	5	55	157
Total income	473,653	780,693	328,279	405,857	1,988,482
Payments and change in liabilities in respect of insurance contracts, gross	512,395	606,504	363,914	406,778	1,889,591
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	11,832	3,403	283,073	124,382	422,690
Payments and change in liabilities for insurance contracts - retention	500,563	603,101	80,841	282,396	1,466,901
Fees and commissions, marketing expenses and other purchase 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
Finance 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 in profits of equity-accounted investees	400	78	31	272	781
Profit (loss) before taxes on income	(95,202)	(19,081)	53,825	12,076	(48,382)
Other comprehensive loss before taxes on income	(5,092)	(995)	(389)	(3,454)	(9,930)
Total comprehensive income (loss) for the period before income tax	(100,294)	(20,076)	53,436	8,622	(58,312)
Liabilities in respect of insurance contracts, gross as of December 31, 2023	2,388,615	554,711	650,794	2,293,318	5,887,438
Liabilities in respect of insurance contracts - retention - as of December 31, 2023	2,298,975	551,881	192,659	1,583,569	4,627,084

*) Property and Other Insurance Subsegments mainly include results from comprehensive home insurance, comprehensive business insurance, cargo in transit and engineering insurance, whose activity constitutes approx. 98% of total premiums in these subsegments.

Other Liability subsegments mainly include results of the following segments: employers' liability insurance, third-party liability, and professional liability insurance, the activity of which constitutes approx. 86% of total premiums in these subsegments.

NOTE 6 - CAPITAL MANAGEMENT AND REQUIREMENTS OF THE GROUP COMPANIES

A. It is Migdal Insurance's policy to maintain a strong capital base in order to retain the Company's ability to continue its activities such that it will be able to generate returns to its shareholders and support future business activities.

B. The Group companies, which are institutional entities, are subject to capital requirements set by the Commissioner of the Capital Market, Insurance and Savings (hereinafter - the "**Commissioner**").

C. The regulatory capital regime applicable to Migdal Insurance

Migdal Insurance is subject to the Solvency II-based Economic Solvency Regime in accordance with implementation provisions as published in June 2017 and revised in October 2020 (hereinafter - the "**Solvency Circular**").

Risk-based solvency ratio

A risk-based solvency ratio is calculated as the ratio between the economic shareholders' equity of the insurance company and the solvency capital requirement.

The economic shareholders' equity is calculated based on the equity arising from the economic balance sheet (see below) plus debt instruments, which include loss absorption mechanisms (hybrid Tier 1 capital instrument, Tier 2 capital instrument, hybrid Tier 2 capital and hybrid Tier 3 capital).

Economic balance sheet items are calculated based on economic value, with insurance liabilities calculated on the basis of a best estimate of all expected future cash flows from existing businesses, without conservatism margins, and plus a risk margin.

The solvency capital requirement (SCR) is designed to estimate the economic shareholders' equity's exposure to a series of scenarios set out in the Solvency Circular, and which reflect insurance, market and credit risks as well as operating risks.

The Solvency Circular includes, among other things, Transitional Provisions in connection with compliance with capital requirements: Migdal Insurance opted for the alternative of increasing the economic capital by making a deduction from the insurance reserves; such a deduction will decrease gradually through 2032 (hereinafter - "**Deduction during the Transitional Period**").

D. Solvency ratio and Migdal Insurance's capital policy

1. In accordance with the Solvency Ratio Report as of December 31, 2023, approved on May 23, 2024, Migdal Insurance has excess capital, taking into account the Transitional Provisions in the Transitional Period. For further details, see Section 3.2.1 to the Report of the Board of Directors.

   It should be emphasized that the projections and assumptions on the basis of which the Economic Solvency Ratio Report as of December 31, 2023, are based mainly on past experience as arising from actuarial studies conducted from time to time. In view of the reforms in the capital market, insurance and savings, and the changes in the economic environment, past data do not necessarily reflect future results. The calculation is sometimes based on assumptions regarding future events, steps taken by management, and the pattern of the future development of the risk margin, that will not necessarily materialize or will materialize in a manner different than the assumptions used in the calculation. Furthermore, actual results may materially vary from the calculation, since the combined scenarios of events may materialize in a manner that is materially different than the assumptions made in the calculation.

   On July 24, 2024, the Commissioner published a circular, which includes a revision of the default assumptions used to calculate liabilities and coefficients in Life Insurance policies and pension funds.

   Regarding a preliminary estimate of the effect of this circular on the solvency ratio as of December 31, 2023, see Section 3.2.3 of the Report of the Board of Directors.

2. Migdal Insurance's capital management policy

   Migdal Insurance's policy is to have a solid capital base to ensure its solvency and ability to meet its liabilities to policyholders, to preserve Migdal Insurance's ability to continue its business activity such that it is able to provide returns to its shareholders. In its capacity as an institutional entity, the Company is subject to the capital requirements set by the Commissioner.

NOTE 6 - CAPITAL MANAGEMENT AND REQUIREMENTS OF THE GROUP COMPANIES (cont.)

D. Solvency ratio and Migdal Insurance's capital policy (cont.)

2. Migdal Insurance's capital management policy (cont.)

On May 26, 2021, Migdal Insurance's Board of Directors set a capital policy, according to which Migdal Insurance will strive to operate at a solvency ratio in the range of 155% to 175%. In addition, Migdal Insurance's Board of Directors set a minimum solvency ratio target of 140%. These targets relate to a solvency ratio taking into account the Deduction during the Transitional Period until the end of 2032.

Migdal Insurance’s solvency ratio, without taking into consideration the Transitional Provisions, shall be built gradually pursuant to these targets until the end of 2032.

On March 20, 2024, Migdal Insurance's Board of Directors re-examined its capital policy and left unchanged the solvency ratio at which Migdal Insurance aims to operate, in the range of 155% to 175%. In addition, taking into account the risk factors characterizing Migdal Insurance's activity - including their implicit volatility and its effect on the solvency ratio - and in order to support the achievement of Migdal Insurance's long-term goals and the measures included in its strategic plan, Migdal Insurance’s Board of Directors decided to revise the minimum solvency ratio target for the coming years, such that it will match Migdal Insurance’s rate of building capital gradually to support high-quality, stable and long-term growth of the solvency ratio.

Accordingly, Migdal Insurance’s Board of Directors updated the minimum solvency ratio target to 115%, which will increase gradually, reaching 140% at the end of the Transition Period (end of 2032). These targets relate to a solvency ratio taking into account the Deduction during the Transitional Period. According to the capital policy, Migdal Insurance’s solvency ratio, without taking into consideration the Transitional Provisions, shall be built gradually pursuant to these targets until the end of 2032.

3. Solvency ratio for dividend distribution purposes

According to the letter published by the Commissioner, in October 2017, (hereinafter - the "**Letter**") an insurance company shall be entitled to distribute a dividend only if, following the distribution, the company has a solvency ratio (according to the Solvency Circular) of at least 100%, calculated without taking into account the Transitional Provisions and subject to the solvency ratio target set by the Company's Board of Directors.

The aforesaid ratio shall be calculated without the relief granted in respect of the original difference attributable to the acquisition of the provident funds and management companies. In addition, the letter set out provisions for reporting to the Commissioner.

Pursuant to the solvency ratio report dated December 31, 2023, Migdal Insurance’s solvency ratio for the purpose of dividend distribution, namely, without taking into consideration the Transitional Provisions, is less than 100%.

For further details, see Section 3.2 to the Report of the Board of Directors.

E. Capital requirements of the management company

The capital requirements of the Group’s management company include capital requirements in accordance with the total assets under management and the annual expenses, but no less than a start-up capital of NIS 10 million. As of the date of this report, this company complies with the requirements of the Capital Regulations.

Consolidated companies, which manage mutual funds and investment portfolios are required to hold a minimum capital in accordance with the Israel Securities Authority’s guidance. As of the date of this report, the consolidated companies comply with those requirements.

F. Dividend distributed

On May 23, 2024, the Company's Board of Directors approved a dividend distribution in the amount of NIS 25 million, which originated from a dividend from a subsidiary, Migdal Capital Markets (1965) Ltd., to the Company’s shareholders. For further details, see Note 9.G.

NOTE 7 - FINANCIAL INSTRUMENTS

A. Assets for yield-dependent contracts

1. Breakdown of assets held against insurance contracts and investment contracts presented at fair value through profit and loss:

	As of June 30		As of December 31
	2024	2023	2023
	Unaudited		Audited
	NIS thousand		
Investment property	9,190,005	8,617,474	8,972,287
Financial investments			
Liquid debt assets	25,433,010	26,715,355	26,397,493
Illiquid debt assets *)	17,200,128	17,473,225	17,195,281
Shares	26,982,684	25,264,502	25,981,430
Other financial investments	46,935,370	43,463,540	47,316,852
Total financial investments	116,551,192	112,916,622	116,891,056
Cash and cash equivalents	18,726,175	16,707,175	16,580,074
Other	1,746,255	2,059,815	682,975
Total assets for yield-dependent contracts	146,213,627	140,301,086	143,126,392
*) Of which debt assets measured at amortized cost	22,091	33,568	28,415
Fair value of debt assets measured at amortized cost	22,710	35,647	29,731

2. Fair value of financial assets by level

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

- Level 1 - fair value measured using quoted prices (unadjusted) in an active market for identical instruments.
- Level 2 - fair value measured using observable inputs, either 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 periodically recognized at fair value, the Company estimates, at the end of each reporting period, whether transfers have been made between the various levels of the fair value hierarchy.

During the reporting periods there were no material 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 level (cont.)

	As at June 30, 2024			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Financial investments				
Liquid debt assets	20,580,949	4,852,061	-	25,433,010
Illiquid debt assets	-	11,259,067	5,918,970	17,178,037
Shares	21,850,215	-	5,132,469	26,982,684
Other financial investments	19,572,268	879,724	26,483,378	46,935,370
Total financial investments	62,003,432	16,990,852	37,534,817	116,529,101

	As at June 30, 2023			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Financial investments				
Liquid debt assets	21,095,219	5,620,136	-	26,715,355
Illiquid debt assets	-	10,517,069	6,922,588	17,439,657
Shares	20,163,084	-	5,101,418	25,264,502
Other financial investments	18,288,654	1,209,795	23,965,091	43,463,540
Total financial investments	59,546,957	17,347,000	35,989,097	112,883,054

	As of December 31 2023			
	Level 1	Level 2	Level 3	Total
	Audited			
	NIS thousand			
Financial investments				
Liquid debt assets	21,367,782	5,029,711	-	26,397,493
Illiquid debt assets	-	10,880,682	6,286,184	17,166,866
Shares	21,327,981	-	4,653,449	25,981,430
Other financial investments	18,929,269	2,876,971	25,510,612	47,316,852
Total financial investments	61,625,032	18,787,364	36,450,245	116,862,641

NOTE 7 - FINANCIAL INSTRUMENTS (cont.)

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

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

Assets measured at fair value - Level 3

	Fair value measurement at the reporting date			
	Financial assets at fair value through profit and loss			
	Illiquid debt assets	Shares	Other financial investments	Total
	Unaudited			
	NIS thousand			
Balance as of January 1, 2024	6,286,184	4,653,449	25,510,612	36,450,245
Total realized gains:				
In profit and loss *)	370,400	146,564	1,698,939	2,215,903
Proceeds from interest and dividend	(174,860)	(72,539)	(1,007,873)	(1,255,272)
Investments	75,491	404,995	1,334,833	1,815,319
Realized	(254,827)	-	(1,053,133)	(1,307,960)
Redemptions	(383,418)	-	-	(383,418)
Balance as of June 30, 2024	5,918,970	5,132,469	26,483,378	37,534,817
*) Of which Total unrealized gains for the period with respect to financial assets held as of June 30, 2024	364,399	146,564	1,651,635	2,162,598

	Fair value measurement at the reporting date			
	Financial assets at fair value through profit and loss			
	Illiquid debt assets	Shares	Other financial investments	Total
	Unaudited			
	NIS thousand			
Balance as of January 1, 2023	6,751,267	4,869,736	20,921,038	32,542,041
Total realized gains:				
In profit and loss *)	481,930	156,004	1,812,706	2,450,640
Proceeds from interest and dividend	(211,619)	(85,025)	(724,486)	(1,021,130)
Investments	317,477	217,278	2,360,138	2,894,893
Realized	-	(56,575)	(404,305)	(460,880)
Redemptions	(416,467)	-	-	(416,467)
Balance as of June 30, 2023	6,922,588	5,101,418	23,965,091	35,989,097
*) Of which Total unrealized gains for the period with respect to financial assets held as of June 30, 2023	468,824	143,151	1,790,319	2,402,294

NOTE 7 - FINANCIAL INSTRUMENTS (cont.)

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

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

Assets measured at fair value - Level 3 (cont.)

	Fair value measurement at the reporting date			
	Financial assets at fair value through profit and loss			
	Illiquid debt assets	Shares	Other financial investments	Total
	Unaudited			
	NIS thousand			
Balance as of April 1, 2024	6,035,944	4,981,411	25,756,117	36,773,472
Total realized gains:				
In profit and loss *)	196,045	91,998	870,703	1,158,746
Proceeds from interest and dividend	(90,888)	(3,274)	(463,063)	(557,225)
Investments	66,230	62,334	742,974	871,538
Realized	(174,933)	-	(423,353)	(598,286)
Redemptions	(113,428)	-	-	(113,428)
Balance as of June 30, 2024	5,918,970	5,132,469	26,483,378	37,534,817
*) Of which Total unrealized gains for the period with respect to financial assets held as of June 30, 2024	195,688	91,998	887,970	1,175,656

	Fair value measurement at the reporting date			
	Financial assets at fair value through profit and loss			
	Illiquid debt assets	Shares	Other financial investments	Total
	Unaudited			
	NIS thousand			
Balance as of April 1, 2023	6,897,801	5,067,307	22,815,298	34,780,406
Total realized gains (losses):				
In profit and loss *)	148,493	(17,668)	805,589	936,414
Proceeds from interest and dividend	(105,043)	(79,344)	(416,475)	(600,862)
Investments	60,398	158,454	1,164,984	1,383,836
Realized	-	(27,331)	(404,305)	(431,636)
Redemptions	(79,061)	-	-	(79,061)
Balance as of June 30, 2023	6,922,588	5,101,418	23,965,091	35,989,097
*) Of which Total unrealized gains (losses) for the period with respect to financial assets held as of June 30, 2023	148,492	(30,416)	783,202	901,278

NOTE 7 - FINANCIAL INSTRUMENTS (cont.)

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

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

Assets measured at fair value - Level 3 (cont.)

	Fair value measurement at the reporting date			
	Financial assets at fair value through profit and loss			
	Illiquid debt assets	Shares	Other financial investments	Total
	Audited			
	NIS thousand			
Balance as of January 1, 2023	6,751,267	4,869,736	20,921,038	32,542,041
Total realized gains (losses):				
In profit and loss *)	692,534	(339,453)	2,093,285	2,446,366
Proceeds from interest and dividend	(419,525)	(149,869)	(1,805,095)	(2,374,489)
Investments	659,823	397,677	4,705,689	5,763,189
Realized	(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 gains (losses) in profit and 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 arise from a security for which the publication of observable inputs was discontinued.

NOTE 7 - FINANCIAL INSTRUMENTS (cont.)

B. Other financial investments

1. Illiquid debt assets

	As of June 30		As of December 31	As of June 30		As of December 31
	2024	2023	2023	2024	2023	2023
	Carrying amount			Fair value		
	Unaudited		Audited	Unaudited		Audited
	NIS thousand			NIS thousand		
Government bonds - designated bonds *)	25,526,462	24,680,626	24,898,529	29,280,324	29,912,892	30,010,292
Other non-convertible debt assets						
Presented as loans and receivables, excluding deposits with banks	1,921,275	1,665,205	1,810,709	1,869,513	1,658,194	1,788,865
Deposits with banks	321,527	354,868	356,258	360,956	414,598	408,244
Total other non-convertible debt assets	2,242,802	2,020,073	2,166,967	2,230,469	2,072,792	2,197,109
Total illiquid debt assets	27,769,264	26,700,699	27,065,496	31,510,793	31,985,684	32,207,401
Impairments carried to profit and loss (cumulative)	28,339	37,878	35,963			

*) The fair value of the designated bonds was calculated according to the contractual repayment date.

NOTE 7 - FINANCIAL INSTRUMENTS (cont.)

B. Other financial investments (cont.)

2. Fair value of financial assets by level

The tables below depict an analysis of the financial instruments presented at fair value.
The balance as per the financial statements of cash and cash equivalents, collectible premiums and receivables and debit balances is equal to or approximates their fair value.

During the reporting periods there were no material transfers between Level 1 and Level 2.

	As at June 30, 2024			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Liquid debt assets	13,541,720	1,485,429	-	15,027,149
Shares	51,957	-	239,831	291,788
Other	1,826,172	247,890	4,745,158	6,819,220
Other financial investments	15,419,849	1,733,319	4,984,989	22,138,157

	As at June 30, 2023			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Liquid debt assets	13,552,118	1,561,269	-	15,113,387
Shares	5,622	-	246,457	252,079
Other	1,433,930	353,710	4,215,128	6,002,768
Other financial investments	14,991,670	1,914,979	4,461,585	21,368,234

	As of December 31 2023			
	Level 1	Level 2	Level 3	Total
	Audited			
	NIS thousand			
Liquid debt assets	14,760,605	1,272,114	-	16,032,719
Shares	14,225	-	244,330	258,555
Other	1,651,097	455,006	4,482,662	6,588,765
Other financial investments	16,425,927	1,727,120	4,726,992	22,880,039

NOTE 7 - FINANCIAL INSTRUMENTS (cont.)

B. Other financial investments (cont.)

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

Assets measured at fair value - Level 3

	Fair value measurement at the reporting date			
	Financial assets at fair value through profit and loss and available-for-sale financial assets			
	Illiquid debt assets	Shares	Other financial investments	Total
	Unaudited			
	NIS thousand			
Balance as of January 1, 2024	-	244,330	4,482,662	4,726,992
Total realized gains (losses):				
In profit and loss *)	-	498	244,006	244,504
In other comprehensive income	-	(10,631)	59,106	48,475
Proceeds from interest and dividend	-	(3,944)	(245,204)	(249,148)
Investments	-	9,578	266,623	276,201
Realized	-	-	(62,035)	(62,035)
Balance as of June 30, 2024	-	239,831	4,745,158	4,984,989
*) Of which Total unrealized gains for the period recognized in profit and loss in respect of financial assets as of June 30, 2024	-	498	249,997	250,495

	Fair value measurement at the reporting date			
	Financial assets at fair value through profit and loss and available-for-sale financial assets			
	Illiquid debt assets	Shares	Other financial investments	Total
	Unaudited			
	NIS thousand			
Balance as of January 1, 2023	-	229,709	3,711,169	3,940,878
Total realized gains (losses):				
In profit and loss *)	-	13,574	169,236	182,810
In other comprehensive income	-	(17,983)	183,185	165,202
Proceeds from interest and dividend	-	(419)	(181,849)	(182,268)
Investments	-	25,989	372,541	398,530
Realized	-	(4,413)	(39,154)	(43,567)
Balance as of June 30, 2023	-	246,457	4,215,128	4,461,585
*) Of which Total unrealized gains for the period recognized in profit and loss in respect of financial assets as of June 30, 2023	-	11,000	167,554	178,554

NOTE 7 - FINANCIAL INSTRUMENTS (cont.)

B. Other financial investments (cont.)

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

Assets measured at fair value - Level 3 (cont.)

	Fair value measurement at the reporting date			
	Financial assets at fair value through profit and loss and available-for-sale financial assets			
	Illiquid debt assets	Shares	Other financial investments	Total
	Unaudited			
	NIS thousand			
Balance as of April 1, 2024	-	240,907	4,541,831	4,782,738
Total realized gains (losses):				
In profit and loss *)	-	2,531	106,230	108,761
In other comprehensive income	-	(5,225)	59,571	54,346
Proceeds from interest and dividend	-	(3,908)	(113,993)	(117,901)
Investments	-	5,526	213,520	219,046
Realized	-	-	(62,001)	(62,001)
Balance as of June 30, 2024	-	239,831	4,745,158	4,984,989
*) Of which Total unrealized gains for the period recognized in profit and loss in respect of financial assets as of June 30, 2024	-	2,531	104,299	106,830

	Fair value measurement at the reporting date			
	Financial assets at fair value through profit and loss and available-for-sale financial assets			
	Illiquid debt assets	Shares	Other financial investments	Total
	Unaudited			
	NIS thousand			
Balance as of April 1, 2023	-	224,107	4,010,019	4,234,126
Total realized gains (losses):				
In profit and loss *)	-	13,519	102,848	116,367
In other comprehensive income	-	(3,004)	53,708	50,704
Proceeds from interest and dividend	-	(419)	(108,752)	(109,171)
Investments	-	16,667	196,459	213,126
Realized	-	(4,413)	(39,154)	(43,567)
Balance as of June 30, 2023	-	246,457	4,215,128	4,461,585
*) Of which Total unrealized gains for the period recognized in profit and loss in respect of financial assets as of June 30, 2023	-	10,945	101,166	112,111

NOTE 7 - FINANCIAL INSTRUMENTS (cont.)

B. Other financial investments (cont.)

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

Assets measured at fair value - Level 3 (cont.)

	Fair value measurement at the reporting date			
	Financial assets at fair value through profit and loss and available-for-sale financial assets			
	Illiquid debt assets	Shares	Other financial investments	Total
	Audited			
	NIS thousand			
Balance as of January 1, 2023	-	229,709	3,711,169	3,940,878
Total realized gains (losses):				
In profit and loss *)	-	14,497	380,057	394,554
In other comprehensive income	-	(22,225)	21,641	(584)
Proceeds from interest and dividend	-	(4,644)	(416,961)	(421,605)
Investments	-	38,536	829,481	868,017
Realized	-	(11,543)	(42,725)	(54,268)
Balance as of December 31 2023	-	244,330	4,482,662	4,726,992
*) Of which				
Total unrealized gains for the period included in profit and loss in respect of 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

	As of June 30		As of December 31	As of June 30		As of December 31
	2024	2023	2023	2024	2023	2023
	Carrying amount			Fair value		
	Unaudited		Audited	Unaudited		Audited
	NIS thousand			NIS thousand		
a) Financial liabilities presented at amortized cost						
Loans from banking corporations	50	51	5	50	51	5
Loans from non-bank entities	-	1,748	-	-	1,611	-
Subordinated notes (hereinafter - the "**Bonds**") *)	5,850,535	5,176,146	5,832,309	5,616,947	4,965,274	5,728,590
Liability for REPO	838,572	911,997	927,679	817,655	884,194	921,023
Total financial liabilities presented at amortized cost	6,689,157	6,089,942	6,759,993	6,434,652	5,851,130	6,649,618
b) Financial liabilities presented at fair value through profit and loss						
Derivatives held for yield-dependent contracts	1,006,976	1,568,442	310,755	1,006,976	1,568,442	310,755
Derivatives held for non-yield-dependent contracts	125,086	155,579	94,228	125,086	155,579	94,228
Short sales	41,189	44,633	56,997	41,189	44,633	56,997
Total financial liabilities presented at fair value through profit and loss	1,173,251	1,768,654	461,980	1,173,251	1,768,654	461,980
Total	7,862,408	7,858,596	7,221,973	7,607,903	7,619,784	7,111,598
Lease liabilities	135,348	124,667	137,520			
Total financial liabilities	7,997,756	7,983,263	7,359,493			

*) The fair value of the liquid bonds, which is provided for disclosure purposes only, is determined in accordance with their closing price as of the reporting date.

NOTE 7 - FINANCIAL INSTRUMENTS (cont.)

C. Financial liabilities (cont.)

2. Fair value of financial liabilities by level

The following table presents an analysis of the financial liabilities presented at fair value through profit and loss.
The balance as per the financial statements of payables and credit balances is equal to or approximates their fair value.

	As at June 30, 2024			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Derivatives	31,592	1,100,470	-	1,132,062
Short sales	41,189	-	-	41,189
Total financial liabilities	72,781	1,100,470	-	1,173,251

	As at June 30, 2023			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Derivatives	25,621	1,691,228	7,172	1,724,021
Short sales	44,633	-	-	44,633
Total financial liabilities	70,254	1,691,228	7,172	1,768,654

	As of December 31 2023			
	Level 1	Level 2	Level 3	Total
	Audited			
	NIS thousand			
Derivatives	3,191	401,792	-	404,983
Short sales	56,997	-	-	56,997
Total financial liabilities	60,188	401,792	-	461,980

D. Valuation techniques

The fair value of investments traded actively in regulated financial markets is determined based on market prices as of the reporting date. For investments where there is no active market, fair value is determined using a valuation method. Such techniques include using transactions that were recently made at fair market value, reference to the current market value of another instrument which is substantially the same, discounted cash flows, or other valuation methods.

The interest rates used in determining the fair value

The fair value of illiquid debt assets, which are measured at fair value through profit and loss, and the fair value of illiquid financial debt assets, for which fair value information is provided solely for clarification purposes, is determined by discounting the estimated future cash flows from those assets. The discount rates are based primarily on yields on government bonds and spreads of corporate bonds as measured on the TASE. The quoted prices and interest rates used for discounting purposes are determined by a company which won the tender, published by the Ministry of Finance, for the setting up and operating a database of quoted prices and interest rates for institutional entities.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS

A. Legal and other proceedings - general

Sections (b) to (e) (inclusive) below contain details regarding legal and other proceedings against the Company and/or consolidated companies. Section (b) below describes pending motions to certify lawsuits as class actions, including lawsuits that have been certified as class actions (hereinafter - "**Class Proceedings**"); Section (c) below describes Class Proceedings that have concluded during the reporting period and up to the report publication date; Section (d) below describes other legal proceedings and material lawsuits; Section (e) below presents a summary of the legal actions data; and Section (f) below describes additional legal proceedings and other proceedings, the Insurance Commissioner directives, and events and developments that create an exposure for the Company and/or its consolidated companies.

In recent years, a substantial increase has been observed in Class Proceedings brought against the Company and/or its consolidated companies. The above is in line with an upward trend in motions to certify class actions in general, and an upward trend in such motions against companies in the consolidated companies' operating segments. This trend significantly increases the Company's and/or the consolidated companies' potential exposure to losses in the event that a class action against the Company and/or consolidated companies is granted. The Class Proceedings are at different stages legal procedural stages, from the stage of adjudicating the motion to certify a class action to the stage in which the claim is certified as a class action and is adjudicated as such. Some of the class actions are under appeal.

Class actions may be brought for a variety of causes of action the law specifies for this purpose, and with respect to an insurer, they include any matter between a company and its customer, regardless of whether or not they entered into a transaction. The law stipulates procedures and restrictions regarding settlement agreements in class actions that hinder the conclusion of settlement agreements in class actions, including, among other things, the right granted to the Attorney General and others to submit their objection to the settlement agreements and the appointment of an examiner for the settlement agreement. A class action's scope is determined once it is certified, and it depends on the certified causes of action and the approved remedy for these causes.

In respect of legal proceedings or motion to certify class actions in which, in the Company's assessment, based among others on legal opinions it received, it is more likely than not (i.e. a probability of more than 50%) that the plaintiff's claims will be accepted and the case decided in his favor (or in the case of a class action certification motion – that the court will certify a class action), provisions were included in the financial statements to cover the exposure estimated by the Company and/or its consolidated companies

In respect of motions to certify lawsuits in which a class action was certified by the court, provisions were included in the financial statements to cover the exposure estimated by the Company and/or its consolidated companies, where, in management's assessment, based, among other things, on legal opinions it received, it is more likely than not that the plaintiff's claims will be accepted in the action itself. If a class action has been certified by the court and the plaintiff appeals, petitioning to extend the scope of the judgment rendered, the financial statements include provisions to cover the estimated exposure in the appeal, according to the Company and/or its consolidated companies, if, according to the management's assessment, based, among other things, on legal opinions it receives, it is more likely than not that the plaintiff's claims in the appeal would be accepted.

If there is a willingness to settle in any proceeding, a provision is made, equal to the acceptable potential settlement, even in cases in which, according to the above details, no provision would have been made in the financial statements were it not for the settlement or the willingness to settle. In cases in which, according to the above description, a provision must be made in the financial statements and there is a willingness to settle, a provision is made in the statements to cover the estimated exposure according to the Company and/or its consolidated companies, or the total acceptable settlement, whichever is higher. If a settlement agreement is approved, the statements include a provision equal to the estimated cost of the settlement agreement, according to the Company and/or the consolidated companies.

For legal and other proceedings, as described below in this note, in which the foregoing does not apply according to the management's assessment, based, among other things, on legal opinions it has received, and for proceedings in the initial stages detailed in Items 26 and 30 to 37 in the table below, whose chances cannot be estimated – no provision is made in the financial statements.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

A. Legal and other proceedings – general (cont.)

In management's assessment, which is based on, inter alia, legal opinions it received, adequate provisions were included in the financial statements, where necessary, to cover the exposure estimated by the Company and/or its consolidated companies or in respect of the amount the Company and/or its companies are prepared to pay for a settlement agreement, as the case may be.

B. Class proceedings – pending class action certification motions and certified class actions

Below is a breakdown of the motions to certify lawsuits as class actions and pending certified class actions against the Company and/or its consolidated companies, presented in chronological order according to the day they were brought:

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

B. Class proceedings – pending class action certification motions and certified class actions (cont.)

No.	Date and court[1]	Parties	Main arguments, causes and reliefs[2]	Class[3]	Details	Claimed amount[4]
1	1/2008 District Court - Tel Aviv	A life insurance policyholder v. Migdal Insurance and additional insurance companies	Unlawful collection of a premium component known as "sub-annuals" with respect to certain policy components and/or types of coverage, at an amount that exceeds the permitted amount. The remedies include a motion to order a refund of the amount the class members were unlawfully charged due to sub-annuals, as well as a mandatory injunction compelling the defendants to change their modus operandi.	Anyone who was charged a fee for the "sub-annuals" component under circumstances and at an amount that deviate from the permitted limit.	In July 2016, the court rendered a ruling that certified the lawsuit as a class action with respect to anyone who was charged a fee for sub-annuals in relation to the savings component of mixed policies or in relation to the policy factor component or in relation to policies that cover health, disability, critical illness, income protection, and long-term care. Migdal Insurance and the other defendant companies brought a motion for leave to appeal the ruling before the Supreme Court in December 2016. In May 2018, the Supreme Court granted the motion for leave to appeal and overturned the District Court's ruling in favor of certifying the class action. A motion for a further hearing of the case was brought in June 2018. In July 2019, the Supreme Court ordered a further hearing before a panel comprising 7 judges. In February 2020, the Attorney General's position was submitted, stating that insofar as the regulator's interpretation of its guidelines is acceptable according to accepted interpretation principles, it ought to be preferred, unless there are other considerations that warrant giving it less weight. It is noted that the regulator's position before the trial court was that there is no impediment to charging the sub-annuals component in relation to the collection components. In July 2021, the Supreme Court rendered a judgment in the further hearing, overturning the judgment on the motion for leave to appeal and holding that the regulator's position ought not to be preferred and that its status is the same as any administrative authority's. Accordingly, it was held that the District Court's judgment would be reinstated, and the motion to certify and the class action would be heard on their merits. In May 2023, the parties accepted the Court's recommendation and went into mediation. The parties submitted an affidavit of evidence-in-chief. An evidentiary hearing of the case was scheduled. Since the first quarter of 2024, the lead plaintiffs' representatives have been in communication with the defendants' representatives, further to the mediator's referral in the case.	Approx. NIS 2,300 million. Attributable to Migdal Insurance Approx. NIS 827 million.

1 The filing date of the lawsuits and the motions is the original lawsuit and motion filing date, and the court is the court before which the proceeding was originally brought.
2 References to statutes are according to their full title, without the year they were enacted in.
3 The class that the plaintiff seeks to represent, as requested in the original motion to certify in the proceeding, is the class that forms the basis for estimating the claimed amount in the statement of claim, unless stated otherwise.
4 The amount that the plaintiff estimated in the original lawsuit. Unless stated otherwise, the amounts are approximations.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

B. Class proceedings – pending class action certification motions and certified class actions (cont.)

No.	Date and court[1]	Parties	Main arguments, causes and reliefs[2]	Class[3]	Details	Claimed amount[4]
2	5/2013 District Court - Tel Aviv	Health insurance policyholders v. Migdal Insurance and additional insurance companies	Defaults on linkage differences and interest payments from the date of the insured event, and alternatively, payment of the interest differentials due to insurance benefits after 30 days from the lawsuit service date and until the payment date. The sought remedy is the payment of linkage differences and interest that have not been lawfully paid.	Any eligible party (policyholder, beneficiary, or third party) who received insurance benefits without lawful interest and linkage in the 7 years preceding the claim filing date and/or who receives them until a judgment is rendered.	In August 2015, a ruling was rendered, denying the motion to certify a class action with respect to linkage differences, and granting the motion to certify with respect to the interest lawsuit, starting 30 days from the day of submitting the claim for insurance benefits (as opposed to the day of delivery of the last document the insurer requires to examine its liability), for a period of 3 years prior to filing the claim and until the date of the abovementioned ruling, except with respect to insurance benefits that were paid pursuant to a court judgment. The defendants brought a motion for leave to appeal before the Supreme Court, and in a hearing held in August 2016, they withdrew their motion for leave to appeal, while preserving their claims. On February 28, 2021, a partial judgment was rendered in the lawsuit, according to which the class action against the defendants was certified (hereinafter - the "**Judgment**"), for all eligible parties (policyholders, beneficiaries, or third parties) who, during the period commencing three years before the lawsuit was brought and ending on the day the Judgment was rendered, received insurance benefits from the defendants, other than pursuant to an applicable judgment, without the lawful interest being added (hereinafter - the "**Class Members**"). It is noted that the principles according to which the class members' entitlement to interest differentials is to be calculated were specified in the Judgment. Furthermore, the court held that an expert would be appointed to implement it and calculate the restitution. In addition, the costs and legal fees payable to the lead plaintiffs and their counsel were awarded, at immaterial amounts. The payable compensation to the lead plaintiffs and their legal counsel shall be determined in the final judgment. 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 preserving the defendants' right to raise their arguments again in an appeal on the final judgment.	Approx. NIS 503 million, of which, approx. NIS 120 million with respect to Migdal Insurance.[5]

[5] In accordance with the amended statement of claim that was filed in accordance with the certification ruling.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

B. Class proceedings – pending class action certification motions and certified class actions (cont.)

No.	Date and court[1]	Parties	Main arguments, causes and reliefs[2]	Class[3]	Details	Claimed amount[4]
2 cont.					In January 2023, the court appointed an expert for the case, pursuant to the judgment. It is noted that another lawsuit and another motion to certify a class action have been brought against Migdal Insurance for the same cause of action, regarding another class of plaintiffs, with respect to the period after the certification ruling. In light of the court's decision in the judgment, to extend the class membership until the day a judgment is rendered (instead of the ruling in the certification ruling, as noted above), it is reasonable to assume that litigating this additional lawsuit and the respective motion to certify it as a class action, which was filed only for the sake of caution in the first place, in the event that the court holds otherwise for the class members, would become unnecessary. On this matter, see Claim 10 in this note below.	
3	7/2014 District Court - Central	NGOs and organizations that serve the elderly population v. Migdal Makefet and against four other pension fund management companies	Bad faith use of the right to raise the management fees to the highest permitted rate under the bylaws upon the planholder's retirement, as well as failure to give advance notice before retirement. The sought remedies are the remedy of compelling restitution of the excessive management fees that pensioners or the pension fund were, was, and/or will be unlawfully charged, and alternatively, to refund the total management fees the pensioners were charged to the pension fund and make an equitable, fair distribution of the funds the pensioners were illegally charged among all pension planholders; to prohibit the defendants from raising the management fees for each policyholder shortly before they retire; to rule that the condition in the defendants' bylaws that allows them to raise the management fees from time to time is (allegedly) an unduly disadvantageous condition in a standard contract; and to order its revocation or modification such that the alleged disadvantage is eliminated.	Each planholder in the respondents' new comprehensive pension fund who is entitled to an old-age pension and/or becomes entitled to an old-age pension.	In March 2022, the District Court approved the certification motion against Makefet and the other defendants. The court ruled that the definition of the class shall be as requested in the motion to certify and shall include anyone who is a planholder in a new comprehensive pension fund included among the defendants, and who is entitled to an old-age pension and/or becomes entitled to an old-age pension in the future. The certified causes of action are: breach of the duty of good faith; breach of fiduciary duty; and breach of the duty of proactive disclosure. The questions under discussion in the class action are whether the defendants had had to notify the planholders of the management fees they would be charged in the pension period in advance, and if so, what damage had been caused by the failure to provide such a notice. Migdal Makefet submitted its statement of defense in July 2022, and the preliminary procedures were then adjudicated. In January 2024, the parties accepted the court's recommendation and went into mediation.	At least NIS 48 million, "without quantifying the other remedies at this stage", as well as compensation for the future from all defendants.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

B. Class proceedings – pending class action certification motions and certified class actions (cont.)

No.	Date and court[1]	Parties	Main arguments, causes and reliefs[2]	Class[3]	Details	Claimed amount[4]
4	9/2015 District Court - Central	An LTC policyholder v. Migdal Insurance and other insurance companies	Breach of policy terms due to an interpretive position regarding the manner of assigning points for the "incontinence" component when examining the policyholders' eligibility for long-term care insurance benefits only when their incontinence stems from urological or gastroenterological conditions, whereas it is argued that points ought to be awarded for this component even in cases of functional lack of control, and failure to fulfill the duty of disclosure in this context before the policy is bought. The sought remedies include charging the plaintiffs damages.	Anyone who was a long-term care insurance policyholder and did not receive the appropriate points for incontinence upon an insured event because of that interpretation.	In April 2020, a ruling was rendered in favor of partially granting the motion to certify against Migdal Insurance and three other insurance companies. The class was certified with respect to any policyholder of Migdal Insurance and the other companies against whom the class action was certified, who suffered from loss of bowel or bladder control, due to a combination of incontinence that does not amount to an organic loss of control with a poor functional condition, and regardless of the aforesaid did not receive from the said insurers credit points for incontinence when examining their claim to receive long-term care insurance benefits, such that their rights to insurance benefits were impaired between September 2012 and the date of certifying the claim as a class action. An amended statement of claim was filed in accordance with the certification ruling in June 2020. The parties in the case, except for Migdal Insurance, went into mediation. Migdal Insurance will hold a direct dialogue with the plaintiff to examine how the proceeding is to be resolved with respect to it, after the mediation with the other defendants ends. The parties must advise the court whether they have reached any consents in a joint announcement by October 2024.	Tens, even hundreds of millions of shekels.
5	9/2015 District Court - Tel Aviv	A pension fund planholder v. Migdal Insurance and pension fund management companies	According to the claim, the respondents pay insurance agents fees that derive from the management fees, which puts the insurance agents in a conflict of interest and puts the planholder in a situation where they pay excessive management fees. The claimed remedies are a declaratory remedy, according to which the respondents must change their arrangement with the agents and adapt it to the law; restitution of all excessive management fees; and any other remedy the court finds equitable and suitable under the circumstances.	Planholders of provident funds of the management companies, who were charged management fees from which the agents' commission is derived based on the management fees amount.	In November 2022, the Tel Aviv District Court denied the motion to certify the claim as a class action and ruled, among other things, that the common practice at the relevant time for the purpose of the motion to certify, prior to Amendment No. 20 to the Financial Services Supervision Law (Provident Funds), 2005, was not prohibited by law. Migdal Insurance was served a statement of appeal to the Supreme Court in January 2023. In August 2023, Migdal Insurance filed its response to the appeal, and an appeal hearing was scheduled.	NIS 2 billion - probably from all the defendants.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

B. Class proceedings – pending class action certification motions and certified class actions (cont.)

No.	Date and court[1]	Parties	Main arguments, causes and reliefs[2]	Class[3]	Details	Claimed amount[4]
6	1/2016 District Court - Central	A policyholder v. Migdal Insurance	Infringement of the policyholders' rights in the implementation of Amendment No. 3 to the Financial Services Supervision (Provident Funds) Law, 2005 (hereinafter - "**Amendment 3 to the Pension Funds Law**"). According to the claim, this is because the defendant did not give the policyholders, who had held a lump-sum policy before Amendment 3 to the Pension Funds Law came into effect, the annuity conversion factors they had had according to an earlier annuity policy they had held (hereinafter - "**Earlier Annuity Policy**"). The plaintiff seeks to base its lawsuit, among other things, on the Central District Court's decision to certify a class action in Class Action 10-03-48006 Granit v. Clal Insurance (hereinafter - the "**Granit Case**"). The reliefs sued for include to order the defendant to assign to the capital (lump-sum) policies of its policyholders the annuity conversion factor they had prior to Amendment 3 to the Provident Funds Law in the earlier annuity policy with the preferable annuity conversion factor; alternatively, to order the defendant to allow the plaintiff and the other class members to deposit the full amount of the pension savings, retroactively from the date of entry of Amendment 3 to the Provident Funds Law into effect and prospectively, with the earlier annuity policy; alternatively, to order the defendant to compensate the plaintiff and the other class members in the amount of the alleged damage to their pension rights and the amount by which it became enriched at the expense of the class members due to its above policy; and regarding policyholders already retired since January 1, 2008 who began to receive a lower annuity than they were entitled to, according to the plaintiff, based on the preferable annuity – to order the defendant to reimburse to said policyholders the difference between the annuity they were entitled to receive based on the preferred factor, and the annuity actually received by them.	Anyone who, before Amendment 3 to the Pension Funds Law came into effect, had owned both a lump-sum policy issued by the defendant and an annuity policy (whether issued by the defendant or another insurance company), and who, as a result of the aforementioned amendment, did not receive an annuity conversion factor in the lump-sum policy, or received a lower annuity conversion factor than the conversion factor pursuant to their old annuity policy.	The proceeding is in the stage of the class action certification motion being reviewed. The court rendered a ruling in favor of assigning the case to the Labor Court in May 2017. The plaintiff's motion for leave to appeal that ruling to the Supreme Court was denied. In February 2018, the Labor Court denied the plaintiff's motion to certify the lawsuit as a class action based on the Granit Case and held that Migdal Insurance's conduct toward its policyholders should be examined separately. In April 2018, the Attorney General, who had submitted a position in the Granit Case, announced his decision not to appear in this case. In May 2020, after the movant had submitted his summations in the case and before Migdal Insurance had submitted its summations, the court ordered a stay of proceedings in the case until the Granit Case is resolved. In September 2021, the class action lawsuit in the Granit Case was denied and it was held, among other things, that the defendant is not obligated to give a guaranteed conversion factor to policyholder that hold a lump-sum executive insurance policy that does not have symmetrical contributions into an annuity insurance policy. In January 2022, an appeal on the Granit Case was brought before the Supreme Court. The court ordered a stay of proceedings in the case until the Supreme Court ruled on the Granit appeal. In May 2023, the judgment on the Granit Case appeal was rendered, and the appeal was denied after the appellant had withdrawn it. In March 2024, the movant submitted a motion to the court to schedule a hearing on the case, to settle the discussion of the two classes that the movant claims still merit a hearing after the judgment on the Granit Case. The court scheduled the case for a hearing in September 2024.	NIS 50 million per year. The aggregate damage would be the product of the annual damage, multiplied by the number of relevant years, as determined in the judgment.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

B. Class proceedings – pending class action certification motions and certified class actions (cont.)

No.	Date and court[1]	Parties	Main arguments, causes and reliefs[2]	Class[3]	Details	Claimed amount[4]
7	2/2017 District Court - Central	A registered NGO that caters to the elderly population v. Migdal Makefet	An allegation that Migdal Makefet charged planholders in the pension fund and provident funds it manages a fee for “direct expenses due to execution of transactions in provident fund assets” (direct expenses), in contravention of the provisions of the bylaws and contrary to its contractual and pre-contractual representations toward its planholders. Thus, Migdal Makefet is allegedly in breach of its contract with the planholders and is moreover violating the provisions of the law. The requested reliefs are: (a) to issue an order by which the conduct of Migdal Makefet is unlawful in that it breaches the contract – bylaws between it and its planholders; (b) to order Migdal Makefet to return to each one of the class members the amount that was collected and/or deducted from their account with respect to any kind of expense relating to direct expenses of executing transaction in assets of the provident funds; (c) alternatively to order Migdal Makefet to return to the assets of the pension fund and to the assets of the provident funds all the direct expenses that were unlawfully collected and to distribute these amounts justly and fairly. (d) To order Migdal Makefet that henceforth, all its sign-up forms and bylaws must clearly and explicitly state that, in addition to the management fees, an additional amount shall be charged and/or deducted in connection with direct expenses, specifying the maximum amount that may be charged.	Anyone who has any right of any kind in the funds in the pension fund managed by Migdal Makefet from July 2013 and onward, as well as anyone who has had a right in such funds in the past, as well as anyone who has a right of any kind in the funds in the provident fund managed by Migdal Makefet in the seven years preceding the submission of the motion to certify and thereafter, and anyone who has had a right in the funds in the past.	The proceeding is in the stage of the class action certification motion being reviewed. In March 2018, the case was assigned to the Regional Labor Court in Tel Aviv. In July 2018, the Labor Court contacted the Commissioner, asking him to state his opinion on whether his positions, as presented in the other cases, are applicable to this case. In November 2018, the Commissioner replied and referred to the position he had submitted in a contemporaneous case. In May 2019, the District Court granted a motion to certify a class action against other insurance companies, that alleged that they unlawfully charge direct expenses from policyholders in individual insurance policies (“savings policies”). The movants brought a motion for leave to appeal that certification ruling in the contemporaneous proceeding against other companies. In September 2020, the court ordered a stay of proceedings in this case until the motion for leave to appeal in the contemporaneous proceeding is resolved. The Supreme Court rendered its judgment in the contemporaneous proceeding in June 2023, wherein it granted the appeal and held that the insurance companies were entitled to impose the investment management expenses the savers had borne on the savers and ordered the denial of the motion to certify in the contemporaneous case. See also Claims C(3) and C(4) to this note below.	Approx. NIS 287 million.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

B. Class proceedings – pending class action certification motions and certified class actions (cont.)

No.	Date and court[1]	Parties	Main arguments, causes and reliefs[2]	Class[3]	Details	Claimed amount[4]
8	1/2019 District Court - Tel Aviv	A policyholder v. Migdal Insurance	The lawsuit concerns the allegation that the denial of claims under a personal accidents policy in cases of hospitalization in rehabilitation-centered medical facilities (hospitals), based on the policy's definition of a "hospital" to the exclusion of rehabilitation centers, is unlawful. According to the plaintiff, this is a coverage restriction that had been presented in a misleading manner and/or improperly stated.	The class that the plaintiff seeks to represent consists of Migdal customers who had purchased personal accident health insurance policies and whose claims pursuant to the compensation for hospitalization days component were denied, on the grounds that a "hospital," within the meaning thereof in the policy, is exclusively a medical institution that is recognized as a general hospital by the competent authorities in Israel or overseas, not a rehabilitation center and/or mental health facility and/or convalescent home and/or nursing care facility.	In February 2021, a ruling was issued in favor of the lawsuit's class certification, as detailed below: The class members: Migdal Insurance policyholders who had purchased personal accident health insurance policies and whose claims pursuant to the compensation for hospitalization days component were denied, on the grounds that a "hospital," within the meaning thereof in the policy, is exclusively a medical institution that is recognized as a general hospital by the competent authorities in Israel or overseas, not a rehabilitation center and/or mental health facility and/or convalescent home and/or nursing care facility, in the three years preceding the day the motion to certify the lawsuit as a class action was brought. The causes of action for which the lawsuit was certified as a class action: violation of Section 3 of the Insurance Contract Law; breach of the provisions of the Capital Market, Insurance and Savings Authority circular regarding "Full disclosure to the policyholder upon joining a health insurance policy"; breach of insurance contract. The claimed remedy: payment of insurance benefits for hospitalization days that qualify for compensation for hospitalization days, regardless of the institution the policyholder was hospitalized in; the removal of the definition of "hospital" from the policy or its revision in accordance with the law; and a declaratory judgment that states that Migdal Insurance has violated the law. In April 2021, Migdal Insurance brought a motion for leave to appeal the certification ruling to the Supreme Court. The proceedings stayed in January 2022, until a ruling was issued on the motion for leave to appeal. In July 2022, the Attorney General submitted her position on the case, according to which the definition of a "hospital" in insurance policies, that Migdal Insurance relied on when denying the insurance claims, is a restriction on liability under the policy. According to the Attorney General, that restriction was not duly emphasized, as required in the relevant legislative arrangement, and Migdal Insurance is therefore barred from relying on it. In July 2022, Migdal Insurance filed a consensual motion to strike out the motion for leave to appeal, which was granted without a costs order. The parties entered into a mediation proceeding. A settlement agreement, including an approx. NIS 3.6 million refund; provisions on Migdal Insurance's future conduct; as well as payment of the plaintiff's award and legal fees to the plaintiff's counsel, at immaterial amounts, was brought before the Tel Aviv District Court for approval in April 2023. The court ordered the settlement agreement's publication. In July 2024, the Attorney General submitted her position on the settlement agreement, stating that approving the arrangement in the current form is unjustified, on several grounds that mainly concern the future regulation and the compensation mechanism. Migdal Insurance is preparing to submit its response to the Attorney General's position; note that the court is not bound by the Attorney General's position or the parties' responses.	At this stage, it is estimated at approx. NIS 24 million.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

B. Class proceedings – pending class action certification motions and certified class actions (cont.)

No.	Date and court[1]	Parties	Main arguments, causes and reliefs[2]	Class[3]	Details	Claimed amount[4]
9	5/2019 District Court - Tel Aviv	A life insurance policyholder v. Migdal Insurance	The lawsuit concerns the allegation that in policies that stipulate a profit participation formula with an RM formula, Migdal Insurance does not pay the full amounts it must pay under the insurance policy and statutory provisions, and within this, it does not pay the full share of the profits owed to the policyholders under the policies; and the allegation of a breach of the duties of disclosure and reporting to policyholders in connection with the policy and the policyholders' rights thereunder. In the motion, the plaintiff relied on a ruling that had certified a class action against another insurance company regarding that company's policies, with similar causes of action. A similar claim was also filed against another insurance company.	The class that the plaintiff seeks to represent consists of all Migdal Insurance policyholders or former policyholders who received payments pursuant to participating life insurance policies with an RM formula.	A response has been filed to the class action certification motion. The proceeding is in the stage of the class action certification motion being reviewed. In August 2020, the movant brought a motion for a consolidation of the hearing of this lawsuit and a lawsuit he has brought against another insurance company. The insurance companies, including Migdal Insurance, objected to that motion, citing, among other things, the differences between the proceedings and the lawsuits. Migdal Insurance has submitted its response to the motion. In May 2021, the court ruled that the lawsuits would be heard before the same panel. The panel the cases were assigned to ruled that the proceedings would be stayed until the Supreme Court ruled on the appeals against the certified class action lawsuit against another insurance company. In September 2021, the other insurance company informed the court that a judgment has been rendered in the appeal. The plaintiff's appeal in that case was denied, and the insurance company's motion for leave to appeal, that focused on the definition of the class and the issue of the prescriptive period, was partially granted. In March 2022, the movant brought a motion to strike out the motion to certify described below in Section 11 of this table. In February 2024, the court ordered the consolidation of this motion to certify and the motion described below, in Section 11 of this table, and the submission of a consolidated and revised statement of claim and a consolidated and revised motion to certify. In accordance with the ruling given in June 2024 as part of a motion for leave to appeal the consolidation of the aforementioned motions, the proceedings will be discussed together, with each motion to certify being heard in accordance with the original statements of claim, which were submitted separately.	NIS 692 million.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

B. Class proceedings – pending class action certification motions and certified class actions (cont.)

No.	Date and court[1]	Parties	Main arguments, causes and reliefs[2]	Class[3]	Details	Claimed amount[4]
10	6/2019 District Court - Tel Aviv	A motor insurance policyholder's third party v. Migdal Insurance and additional insurance companies	The lawsuit concerns the allegation that Migdal Insurance does not pay interest on insurance benefits at the lapse of 30 days from the day the claim is filed. This is a follow-up lawsuit to the lawsuit described above in Section 2 (hereinafter - the "**First Lawsuit**"), and it was filed, as the movant claims, solely for the sake of caution in case the court denies his motion to extend the class until a judgment is rendered therein.	Anyone who was and/or is paid insurance benefits from Migdal Insurance in the period commencing on August 31, 2015 (after the date of the certification ruling in the First Lawsuit) and ending when a judgment is rendered on that lawsuit, without the lawful interest being added to the insurance benefits.	No response has as yet been filed with respect to the class action certification motion. In February 2021, a partial judgment was rendered on the First Lawsuit, granting the lawsuit, including the plaintiffs' motion to extend the class, until the date the judgment is rendered, as the movant in that lawsuit had petitioned. Accordingly, the adjudication of this lawsuit and the motion to certify it as a class action are likely to be rendered unnecessary. In November 2022, the Supreme Court denied the motion for leave to appeal in the abovementioned Lawsuit No. 2, while preserving Migdal Insurance's and the other respondents' right to raise the claims raised in the motion for leave to appeal again in an appeal on the final judgment in the class action, if such an appeal is brought. For details regarding the first claim and the partial ruling, see Claim No. 2 above in this section.	NIS 90 million.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

B. Class proceedings – pending class action certification motions and certified class actions (cont.)

No.	Date and court[1]	Parties	Main arguments, causes and reliefs[2]	Class[3]	Details	Claimed amount[4]
11	6/2019 Regional Labor Court - Tel Aviv	A disability insurance policyholder v. Migdal Insurance	The lawsuit concerns the allegation that Migdal Insurance unlawfully subtracts sums due to "calculative interest," starting from the 25th payment, from the insurance benefits paid under participating policies that include income protection and/or a waiver of premium. A similar claim was also filed against another insurance company.	Policyholders or former policyholders in participating life insurance policies that stipulate a mechanism for linking insurance benefits and/or the waiver of premium to the returns on the investment portfolio from the 25th payment onward, and to whom Migdal Insurance paid insurance benefits and/or applied a waiver of premium from savings appendixes for a period exceeding 24 months, and from the 25th month onward, deducted interest from the returns, except for policyholders or former policyholders whose respective policies prominently and exactly stated the interest rate that would be deducted in the linkage clause, provided that the words "according to which the monthly benefits amount is calculated" do not appear.	A response has been filed to the class action certification motion. The proceeding is in the stage of the class action certification motion being reviewed. In November 2020, a motion by the movant who had brought a motion to certify another class action against Migdal Insurance, as described in Section 9 of this table above, to assign the hearing of this class action to the panel that hears the lawsuit it has brought, was granted; accordingly, the hearing of the lawsuit would be held before the Tel Aviv District Court. In March 2022, the movant in the motion to certify described in Section 9 above brought a motion to strike out the motion to certify. Migdal Insurance and the movant responded to the motion to strike out. In February 2024, the court ordered the consolidation of this motion to certify and the motion described above, in Section 9 of this table, and the submission of a consolidated and revised statement of claim and a consolidated and revised motion to certify. In accordance with the ruling given in June 2024 as part of a motion for leave to appeal the consolidation of the aforementioned motions, the proceedings will be discussed together, with each motion to certify being heard in accordance with the original statements of claim, which were submitted separately.	NIS 1.5 billion.

MIGDAL Insurance and finance

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

B. Class proceedings – pending class action certification motions and certified class actions (cont.)

No.	Date and court[1]	Parties	Main arguments, causes and reliefs[2]	Class[3]	Details	Claimed amount[4]
12	2/2020 Regional Labor Court - Tel Aviv	A life insurance policyholder v. Migdal Insurance	The lawsuit concerns the allegation that Migdal Insurance raised the movant's management fees over the agreed-upon rate, unilaterally and without consent, and that Migdal Insurance must refund the management fees it had overcharged. The motion stated that there is a pending motion to certify against another insurance company because of an identical practice, in which a settlement agreement has been submitted to the court, wherein the insurance company pledged to reinstate the class members' management fees had originally agreed upon, as well as to refund the class members a total of 67.5% of the management fees it had overcharged. The main alleged causes of action are: the contractual causes of breach of contract and breach of the duty of good faith when performing a contract; unjust enrichment; breach of duties of trust; deception; and breach of statutory duty. The main claimed remedy in the lawsuit is a monetary remedy to refund the full amount Migdal had charged to the class members due to management fees in excess of the specified management fees under the policy and/or in contrast with the competent authority's instructions and/or in contravention of the law.	All of Migdal Insurance's customers under executive insurance policies, who had been charged management fees at a rate that exceeds the specified rate in the policy and/or the insurance schedule and/or in contravention of the directives issued by the Commissioner of the Capital Market, Insurance and Savings (or any other relevant competent authority) and/or in contravention of the Insurance Contract Law (or any other relevant statutory provision).	The proceeding is in the stage of the class action certification motion being reviewed. A response to the class action certification motion has been filed. An evidentiary hearing of the case was scheduled. In January 2023, a revised motion to certify was submitted. The parties conducted a mediation proceeding that was unsuccessful. In June 2024, Migdal Insurance submitted its response to the revised motion to certify.	Was not estimated by the movant.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

B. Class proceedings – pending class action certification motions and certified class actions (cont.)

No.	Date and court[1]	Parties	Main arguments, causes and reliefs[2]	Class[3]	Details	Claimed amount[4]
13	4/2020 District Court - Haifa	A motor insurance (compulsory and property) policyholder v. Migdal Insurance and additional insurance companies	The lawsuit concerns the allegation that the defendants, in alleged contravention of their legal obligation, do not reduce the insurance premiums in motor insurance policies (compulsory and property), despite the highly material decrease in the risk that the defendants are exposed to, as alleged in the lawsuit, due to the movement restrictions that have been imposed because of the outbreak of the coronavirus in Israel, that had led to a dramatic drop in travel volumes, from March 8, 2020, to the absolute and total removal of the aforementioned movement restrictions (hereinafter - the "**Effective Period**"). The main alleged causes of action are: unjust enrichment; violation of the Insurance Contract Law; the contractual causes of breach of the duty of good faith when performing a contract; the tort of breach of statutory duty; and the tort of negligence. The main claimed remedies are: restitution of the excess premium that the defendants had charged to the class members during the Effective Period; a mandatory injunction compelling the defendants to adjust the insurance premiums they charge to the actual risk that the defendants were exposed to during the Effective Period; and/or a declaratory judgment that states that a material reduction in car usage in circumstances like those of events described in the lawsuit calls for an adjustment to the premium (reduction).	Anyone who had been a policyholder of one or more of the defendants, under compulsory motor insurance and/or comprehensive insurance and/or third-party insurance, during the Effective Period or part thereof.	In April 2020, three motions to certify a class action lawsuit against Migdal Insurance and other insurance companies were brought, that raised similar allegations. The motion was submitted for adjudication before the Tel Aviv District Court, before the panel that had heard the other two motions. One motion to certify regarding motor insurance policies (insofar as it concerns Migdal Insurance) has been stricken out, and the two remaining motions have been consolidated and resubmitted in April 2021. In January 2023, a pre-trial hearing was held, during which the court suggested that the parties in this case go into mediation. The defendants informed the court that they are not interested in mediation. The parties submitted summations on their behalf.	NIS 125 million.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

B. Class proceedings – pending class action certification motions and certified class actions (cont.)

No.	Date and court[1]	Parties	Main arguments, causes and reliefs[2]	Class[3]	Details	Claimed amount[4]
14	5/2020 District Court - Tel Aviv	A planholder of an advanced education fund v. Migdal Makefet and other management companies	The motion to certify concerns the allegation that the defendants allegedly classify some of the contributions for planholders as taxable, even though they are not taxable, and/or that the records about them are false. The alleged causes of action are, among other things, breach of the fund bylaws; breach of the duty of good faith; violation of the Financial Services Supervision Law (Provident Funds), the Wage Protection Law, and the Income Tax Ordinance; breach of statutory duty; unjust enrichment; negligence; breach of autonomy; theft; and violation of the Consumer Protection Law. The main remedies: compelling the defendants to cease the unlawful denial of the tax benefit; compelling restitution and/or payment, as detailed in the lawsuit, to all class members and/or the public; and compelling the defendants to revise the annual statements in which the contributions were incorrectly classified.	All of the defendants' past and present clients, for whom the defendants managed and/or manage an advanced education fund, and for whom, the defendants unlawfully classified the contributions made for them as taxable and/or regarding whose contributions that records are incorrect (whether tax has already been deducted because of them or not).	A response to the class action certification motion has been filed. Migdal Makefet filed a motion to file a third-party notice against the Israel Tax Authority. In June 2020, the court expressed its position that the manner in which the motion was filed, against 14 different respondents and 34 different movants with different factual claims, is prima facie unreasonable and inefficient. In August 2021, the Israel Tax Authority submitted its response to the third-party notice, stating that it accepts the respondents' position on the interpretation of the law regarding the classification of taxable contributions to an advanced education fund, noting that the respondents are a mere conduit for transferring funds to the Israel Tax Authority. The Authority's position is that the main allegation in the proceeding is against the Authority's guidelines on implementing the provisions of the law regarding setting the tax benefit ceiling, and therefore, it should be joined to the proceeding as a respondent, as an "indispensable party," not as a third party. In January 2022, the court decided to join the Israel Tax Authority as a respondent in the motion and advised the parties to go into mediation. In August 2022, the Israel Tax Authority submitted its response to the motion brought against it in the motion to certify, stating that it believes that the motion to certify a class action lawsuit ought to be denied. The parties are conducting a mediation procedure.	Cannot be estimated.

MIGDAL Insurance and finance

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

B. Class proceedings – pending class action certification motions and certified class actions (cont.)

No.	Date and court[1]	Parties	Main arguments, causes and reliefs[2]	Class[3]	Details	Claimed amount[4]
15	5/2020 Regional Labor Court - Tel Aviv	An executive insurance policyholder v. Migdal Insurance	The motion to certify concerns the allegation that Migdal has allegedly made excessive deductions from employer contributions, compared to the permitted rate under the law for the purpose of buying life insurance coverage, and moreover, that it purchased non-life insurance coverage for the policyholders that may not be purchased out of employer contributions, with respect to policyholders whose insurance policies were issued between August 1999 and December 2003 (hereinafter - the "**Relevant Period**"). The alleged causes of action are, among other things, breach of statutory duty (the Income Tax Regulations) and unjust enrichment. The main remedies claimed in the lawsuit are mandatory injunctions compelling Migdal to transfer the excessive funds it had collected into the class members' savings account kept at the insurance fund/s registered to them that it manages, or into the class members' or their heirs' respective bank accounts, with the accrued returns in the fund from the date each excess payment was deposited to the day they are refunded, and from here on out, to terminate the collection that exceeds the rate set out in the Income Tax Regulations (Provident Fund Approval and Management Rules), 1964 (hereinafter - the "**Income Tax Regulations**").	All of the respondent's policyholders whose insurance fund was opened during the Relevant Period, and for whom Migdal deducted a sum that exceeds 10% of the total employer contribution portion of these contributions for the purpose of insurance coverage, starting seven years before the motion was brought and until Migdal discontinues the wrongful deductions or the day the lawsuit is certified as a class action, whichever is earliest. The above – except for such policyholders who had asked that Regulation 45 of the Income Tax Regulations be applied to them.	The proceeding is in the stage of the class action certification motion being reviewed. In July 2021, the Commissioner presented his position on the case, that supports Migdal Insurance's position regarding the purchase of death benefit coverage out of the employee contributions. The position noted that it is prohibited to purchase any other insurance coverage (such as income disability) out of the contributions, unless the employee has consented after the start of the year 2004, in accordance with Regulation 45 of the Income Tax Regulations, as applicable on January 1, 2004. In addition, the Commissioner asked the court to reconsider the continued adjudication of the class proceeding, in light of the Commissioner's intention to carry out a comprehensive regulatory process addressing this subject. In December 2021, the Commissioner sent a demand for information notice to Migdal Insurance regarding the collection of insurance coverage in accordance with the limitations under Regulation 45 of the Income Tax Regulations, that contained instructions to carry out restitution if it is found that Migdal Insurance has acted in contravention of the rules set out in the notice (hereinafter - the "**Demand**"). The Demand stipulated that Migdal Insurance must submit a detailed outline of the measures it will take to execute the restitution of the funds it had charged unlawfully to the Commissioner. In March 2022, Migdal Insurance submitted its position about the Demand to the Capital Market Authority and held a meeting on the subject with the Capital Market Authority. The Authority has not yet addressed Migdal Insurance's abovementioned position. Regarding this matter, see Section F(7) to this note below.	Cannot be estimated.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

B. Class proceedings – pending class action certification motions and certified class actions (cont.)

No.	Date and court[1]	Parties	Main arguments, causes and reliefs[2]	Class[3]	Details	Claimed amount[4]
15 cont.					A ruling that partially granted the motion to certify against Migdal Insurance was rendered in January 2024. The lawsuit's certification relates to any policyholder who had contracted with the respondent to purchase executive insurance during the relevant period and with respect to whom, in the seven years preceding the date the case in question was brought, funds contributed for them due to provident or severance pay had been designated to purchase disability income insurance. Furthermore, in the motion, the movant's allegation regarding death benefit coverage was dismissed (including the allegation that for policies bought in the relevant period, only 1.3% of the wages could be designated for the purchase of death risk). The plaintiffs brought a motion for leave to appeal before the National Labor Court in January 2024, with respect to these allegations' dismissal. The National Court held that the motion for leave to appeal would be heard as an appeal. The Regional Court proceeding is stayed until the appeal is decided. The appeal is currently at the stage of filing the parties' summations.	

MIGDAL Insurance and finance

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

B. Class proceedings – pending class action certification motions and certified class actions (cont.)

No.	Date and court[1]	Parties	Main arguments, causes and reliefs[2]	Class[3]	Details	Claimed amount[4]
16	6/2020 District Court - Central	A planholder of a pension fund v. Migdal Insurance, Migdal Makefet, and other insurance companies	The class action certification motion involves an allegation that in CPI-linked loan agreements the defendants supposedly adopted an unlawful practice that is purportedly a depriving condition in a contract, in view of the one-way linkage mechanism – by which when the Consumer Price Index is lower at the time of making a loan payment (hereinafter - the "**new index**") than the index that was known at the time the loan was granted (hereinafter - the "**base index**"), the planholder does not receive the difference, contrary to the opposite situation (where the new index is higher than the base index) where the payment is raised by the rate at which the new index is higher than the base index. The alleged causes of action are, among other things, an unduly disadvantageous condition in a standard contract under the Standard Contracts Law, 1982, and unjust enrichment. The main remedies claimed in the lawsuit are: a declaratory order according to which the defendants' actions within index-linked loan agreements, as described above, are contrary to the law; a mandatory injunction compelling the defendants to establish a two-way linkage mechanism and allow borrowers to benefit from decreases in the new index, compared to the base index, in index-linked loans; and damages in favor of the class members. As claimed in the motion to certify, there are pending motions to certify against two other insurance companies that raise common factual and legal issues, as detailed in the motion to certify.	All the defendants' customers who had borrowed index-linked loans of any kind, in which an unduly disadvantageous condition was set, according to which a decrease in the index compared with the base index would not benefit the customer.	A response to the class action certification motion has been filed. The proceeding is in the stage of the class action certification motion being reviewed. The parties conducted a mediation proceeding that was unsuccessful. The Attorney General has announced that he does not believe that the state ought to present its position on this case. The Commissioner of the Capital Market, Insurance and Savings presented the position that, among other things, the question of the condition's being an unduly disadvantageous condition is a legal question that the court has jurisdiction over, and to the extent that the court grants the lawsuit, the restitution ought to be made out of the planholders' funds. In April 2023, a decision was made to assign the adjudication of the case to the Labor Court. In December 2023, there was a hearing in which the court proposed a settlement outline to conclude the proceeding to the parties.	Over NIS 3 million.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

B. Class proceedings – pending class action certification motions and certified class actions (cont.)

No.	Date and court[1]	Parties	Main arguments, causes and reliefs[2]	Class[3]	Details	Claimed amount[4]
17	7/2020 District Court - Central	A health and income protection policyholder v. Migdal Insurance and additional insurance companies	The motion to certify concerns the allegation that in cases of insurance policies that stipulate that an event / injury / illness, or any materialized risk that arose from and/or were related to the policyholder's pre-existing medical condition on the policy purchase date are not covered under the policy (hereinafter - "**Exclusion**"), the defendants charged premiums unlawfully, as they did not lower the premiums on such policies in proportion to the reduced risk following the Exclusion. The alleged causes of action include, among other things, contravention of the Equal Rights of People with Disabilities Law, 1998; the Prohibition of Discrimination in Products, Services, and Entry to Places of Entertainment and Public Places Law, 2000; bad faith; violation of the provisions of the Financial Services Supervision Law (Insurance), 1981; breach of statutory duty; negligence; and unjust enrichment. The sought remedies are the restitution of the excess premiums that had been allegedly charged, as well as a mandatory injunction compelling the defendants to rectify their conduct and lower the premium when an Exclusion applies.	Anyone who was a policyholder during the period beginning 7 years before the day of filing the claim and ending on the day of its certification as a class action, by one or more of the defendants, under an insurance policies for disability, long-term care, life, income protection, personal accidents, health (including critical illness, surgeries in Israel or abroad, transplants in Israel or abroad, medications, ambulatory procedures or any other medical coverage) that contains an exclusion.	The proceeding is in the stage of the class action certification motion being reviewed. A response to the class action certification motion has been filed. In January 2022, the movant replied to the response to the motion. In August 2022, Migdal Insurance and the other respondents submitted supplemental statements of claim. Following the parties' consent, a consensual expert was appointed.	NIS 228 million.

MIGDAL Insurance and finance

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

B. Class proceedings – pending class action certification motions and certified class actions (cont.)

No.	Date and court[1]	Parties	Main arguments, causes and reliefs[2]	Class[3]	Details	Claimed amount[4]
18	3/2021 District Court - Tel Aviv	Health insurance policyholders v. Migdal Insurance and additional insurance companies	The motion to certify concerns the allegation that the defendants are in breach of the terms of the insurance contract, as they refuse to fund the plaintiffs' medical cannabis purchase expenses, despite the fact that medical cannabis is an approved medical indication in several Western countries that the insurance contract terms referenced. The alleged causes of action include, among other things, breach of agreement, bad faith, unjust enrichment, and the tort of negligence. The claimed remedies in the lawsuit are a declaratory remedy, stating that the defendants must reimburse the non-Healthcare Services Basket pharmaceuticals insurance coverage policyholders for expenses incurred for the purchase of medical cannabis; and a monetary remedy, within which the defendants would be compelled to reimburse the value of the economic damage resulting from their faulty conduct and the breach of the insurance contract to all class members.	The class on whose behalf the motion to certify is brought encompasses anyone who was the defendants' policyholder under a non-Healthcare Services Basket pharmaceuticals insurance, and who was not reimbursed for their medical cannabis purchase expenses.	A response to the class action certification motion has been filed. In March 2022, the court advised the parties to go into mediation. Accordingly, the parties went into mediation.	Approx. NIS 79 million from all the defendants.
19	4/2021 District Court - Tel Aviv	A planholder of an advanced education fund v. Migdal Insurance, as well as against institutional entities, banks, and credit card companies	The motion to certify mainly concerns the allegation that when the defendants' customers surf their account/personal area on the defendants' websites and applications, the defendants' customers' private, personal, and confidential information is disclosed to third parties without the customers' express consent, while committing a serious and unprecedented violation of their right to privacy and the defendants' legal obligations. The alleged causes of action are, among other things, infringement of privacy, breach of the duties of confidentiality and trust, unjust enrichment, bad faith in the performance of an agreement and breach of agreement, deception, negligence, breach of statutory duty, and breach of autonomy. The main sought remedies in the lawsuit are, among other things, to compel the defendant to refrain from transferring and/or sharing and/or disclosing, or otherwise revealing, information about the defendants' customers and the activity in their account to third parties, and to Google in particular; to act in accordance with the law to protect and safeguard their customers' privacy; and to compensate the class members for the damage they incurred.	Any person who uses and/or used the defendants' and/or any defendant's digital services in the 7 years preceding the motion's submission, and whose private and/or personal and/or confidential information has been transferred to a third party.	A response to the class action certification motion has been filed. In November 2022, a hearing took place in which the court suggested that the parties go into mediation, but the mediation ultimately failed. The evidentiary stage of the case has ended. In July 2024, a hearing was held, in which it was decided that the parties would discuss the issues among themselves and advise the court on whether they have reached a consensual outline. At the same time, the court instructed the parties to file their summations.	The class members' total damage was not estimated, and the movants estimate it in millions of shekels, and more than NIS 2.5 million in any case.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

B. Class proceedings – pending class action certification motions and certified class actions (cont.)

No.	Date and court[1]	Parties	Main arguments, causes and reliefs[2]	Class[3]	Details	Claimed amount[4]
20	7/2021 District Court - Tel Aviv	Executive insurance policyholders v. Migdal Insurance and additional insurance companies	The motion to certify mainly concerns the allegation that upon receiving a pension, the defendants deduct annual interest at a rate of 2.5% (or any other rate) from the monthly return that accrues on the outstanding cash surrender value, unlawfully and without a contractual basis in the policy terms. The alleged causes of action are, among other things, breach of contract, breach of statutory duty, breach of the defendants' heightened duties as insurance companies, breach of the duty of disclosure, unjust enrichment, and an unduly disadvantageous condition in a standard contract. The main remedies sought in the lawsuit are a declaratory order, stating that the interest deduction from the monthly return, as described above, is a breach of the policies the defendants had issued, a breach of a statutory duty, unjust enrichment, and more; a mandatory injunction compelling the defendants to rectify the breach in the future; restitution of the full amounts that were unlawfully deducted from the class members' monthly return, plus linkage differences and interest, from the deduction date to the actual compensation, starting seven years before the motion to certify was filed. The total pecuniary damage to the plaintiff is estimated at NIS 1,000.	All the defendants' policyholders who purchased from them a life insurance policy that includes accrued savings, issued between 1991 and 2004, and from which interest was and/or will be deducted at a rate not specified in the policy, based on the provision in the policy, according to which the amount of the monthly pension will change "each month according to the results of the investments net of the interest according to which the amount of the monthly pension was calculated, and the appropriate provisions for this matter in the insurance plan" and/or any other similar provision.	A response to the class action certification motion has been filed. It is noted that two lawsuits and motions to certify lawsuits as class actions were filed against Migdal Insurance with respect to similar issues; see Item 9 and Item 11, above in the table. In June 2023, Migdal Insurance and the other companies brought a motion to strike out the response to the answer, and an answer to the motion and a response to the answer to the motion were submitted as well. In March 2024, the motion to strike out the response to the answer was denied.	The total claimed damage amount for the class members was not assessed and was estimated by the movants at more than NIS 2.5 million.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

B. Class proceedings – pending class action certification motions and certified class actions (cont.)

No.	Date and court[1]	Parties	Main arguments, causes and reliefs[2]	Class[3]	Details	Claimed amount[4]
21	8/2021 District Court - Central	A motor property insurance policyholder v. Migdal Insurance	The motion to certify mainly concerns the allegation that Migdal Insurance does not pay insurance benefits for diminution of value to policyholders who had purchased a non-regulated insurance policy and whose vehicle was hit in the accident and incurred damage in the form of diminution of value, claiming that the policy does not indemnify against such damage. The main causes of action are: violation of the provisions of the Insurance Contract Law, 1981; breach of the duty of good faith in the performance of contracts; an unduly disadvantageous condition in a standard contract; breach of statutory duty; and unjust enrichment. The main sought remedies are an order that states that the policyholders in the policies the motion to certify contemplates must be paid for the diminution in value, and payment of diminution in value damages to the class members. The pecuniary damage to the plaintiff is estimated to be approx. NIS 20,061. The lawsuit seeks to add interest and linkage to that sum.	Any policyholder or third party (including their heirs) who, in the three years preceding the submission of the motion to certify and until its certification as a class action, has not been paid for the diminution of value of their vehicle as a result of an insured event that is covered by a Migdal Insurance non-regulated insurance policy.	In August 2023, a settlement agreement was submitted to the court for approval, which includes paying immaterial damages to the class, as well as an immaterial payment of the award and legal fees. In October 2023, the court ordered that the settlement agreement must be published.	The class members' total damage was not estimated, and the movant estimates it in many millions of shekels.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

B. Class proceedings – pending class action certification motions and certified class actions (cont.)

No.	Date and court[1]	Parties	Main arguments, causes and reliefs[2]	Class[3]	Details	Claimed amount[4]
22	5/2022 District Court - Central	A home insurance policyholder v. Migdal Insurance	The motion to certify mainly concerns the allegation that Migdal Insurance chooses to transfer insurance benefits or money their customers have paid to the customers by check, in contrast with the provisions of Institutional Entities Circular 9-9-2016, regarding clarifying and settling claims and handling public inquiries, that stipulate that funds must be transferred to customers via wire transfer or credit card.	Migdal Insurance customers who received money from Migdal Insurance through checks, and not by crediting their credit card or a wire transfer. Subgroup 1: Customers who cashed the checks and suffered damages. Subgroup 2: Customers who did not cash the checks.	No response has as yet been filed with respect to the motion to certify. The parties entered into a mediation proceeding. In May 2024, the court received a motion to approve a settlement agreement; the settlement agreement sets out the restitution outline for Migdal Insurance's property and casualty insurance customers who had been credited for insurance premiums through uncashed checks. Pursuant to the settlement agreement, Migdal Insurance would refund the full restitution amount to policyholders whose restitution amount exceeds the amount specified in the settlement agreement, subject to the terms specified therein. In addition, the settlement agreement defines the percentage of the restitution amounts that would be transferred to a funds management and distribution fund, for funds that are awarded as a remedy in favor of the public, with respect to policyholders who did not respond to Migdal Insurance's notifications, according to the outline set out in the settlement agreement, and with respect to policyholders whose specific restitution amount is lower than the stipulated amount under the settlement agreement. Moreover, the settlement agreement addresses the matter of regulating future conduct regarding premium refunds and the payable award to the lead plaintiff and its counsels' legal fees. The court ordered the settlement agreement's publication in June 2024.	The total claimed damage amount for the class members was estimated by the plaintiff at more than NIS 3 million.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

B. Class proceedings – pending class action certification motions and certified class actions (cont.)

No.	Date and court[1]	Parties	Main arguments, causes and reliefs[2]	Class[3]	Details	Claimed amount[4]
23	8/2022 District Court - Central	A health insurance policyholder v. Migdal Insurance	The motion to certify mainly concerns the allegation that a Migdal Insurance advertisement promised a full discount for the youngest child in a family with four children or more, until they reach adulthood; and that the plaintiff had relied on this advertisement, whereas Migdal Insurance had explained to the plaintiff that the discount would only apply to the adult child, and only after they had contracted.	The class on whose behalf the motion to certify was brought consists of all Migdal Insurance health insurance policy customers who had been exposed, directly or indirectly, to Migdal Insurance advertisements that indicate "free from the fourth child onward," and had contracted with Migdal Insurance, as they allege, in accordance with the offer in these advertisements.	A response to the class action certification motion has been filed. An evidentiary hearing of the case was scheduled.	The total claimed damage amount for the class members was estimated by the plaintiff at more than NIS 5.5 million.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

B. Class proceedings – pending class action certification motions and certified class actions (cont.)

No.	Date and court[1]	Parties	Main arguments, causes and reliefs[2]	Class[3]	Details	Claimed amount[4]
24	9/2022 District Court - Central	A health insurance policyholder v. Migdal Insurance	The motion to certify mainly concerns the allegation that Migdal Insurance does not compensate its policyholders for half the actual cost of surgery in a private hospital, but rather pays according to the Ministry of Health's price list index; moreover, it alleges that Migdal Insurance does not indemnify policyholders for the deductible they had paid for the surgery, in alleged contravention of the policy's terms.	The classes on whose behalf the motion to certify is submitted: 1. All past and present Migdal Insurance policyholders who had bought personal or collective health insurance policies from it that stipulate a compensation arrangement that is identical or similar to the arrangement the movant's policy stipulates, and who have experienced an insured event that is subsidized by a health maintenance organization via Form 17 (or an equivalent form), from the date the policies were marketed and until Migdal Insurance discontinues the alleged breach of insurance contracts and/or until a final, irreversible decision is made on the class action. 2. All past and present Migdal Insurance policyholders who had bought personal or collective health insurance policies from Migdal Insurance, that stipulate a compensation arrangement that is identical or similar to the arrangement the movant's policy stipulates, and who have experienced an insured event that is subsidized by a health maintenance organization via Form 17 (or an equivalent form), for which the policyholders had paid the deductible and were allegedly not refunded by Migdal Insurance, from the date the policies were marketed and until Migdal Insurance discontinues the alleged breach of insurance contracts and/or until a final, irreversible decision is made on the class action.	A response to the class action certification motion has been filed. The movant filed a response to the answer to the motion to certify. Evidentiary hearings were held and the parties submitted their summations.	The total claimed damage amount for the class members was estimated by the movant at more than NIS 2.5 million.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

B. Class proceedings – pending class action certification motions and certified class actions (cont.)

No.	Date and court[1]	Parties	Main arguments, causes and reliefs[2]	Class[3]	Details	Claimed amount[4]
25	9/2022 District Court - Tel Aviv	A health insurance policyholder v. Migdal Insurance and additional insurance companies	The motion to certify mainly concerns the allegation of wrongful discrimination by Migdal Insurance and other defendants against men who are covered under their health insurance policies, based solely on their gender. Accordingly, it was argued that the defendants deny men who pay an additional premium for the ambulatory services appendix reimbursement for expenses they incur for their infant, claiming that only women are entitled to be reimbursed for pregnancy-, childbirth-, and newborn care-related expenses.	The class on whose behalf the motion to certify is brought is all policyholders under the defendants' health insurance policies, whose policies (or the appendixes thereto) include coverage for services in connection with pregnancy, childbirth, and newborn care, and who have been denied coverage because they are men and/or because they had used a surrogate's services for the pregnancy and childbirth; as well as all of the defendants' policyholders under health insurance policies, or any person who had sought to obtain health insurance from one or more of the defendants and who had been exposed to the defendants' discriminatory policy in connection with coverage for pregnancy-, childbirth-, and newborn care-related services for women only, and suffered harm because of this, in the form of humiliation and violation of dignity due to the discrimination, among other things.	A response to the class action certification motion has been filed. In June 2024, the respondents announced that they did not reach consensus with the movants regarding going into mediation.	The total claimed damage amount for the class members was estimated by the movant at more than NIS 2.5 million.
26	6/2023 District Court - Central	A policyholder under a mortgage insurance policy v. Migdal Insurance	The motion to certify mainly concerns the allegation that Migdal Insurance automatically renews the mortgage insurance policy without informing the customer and obtaining their consent, on new conditions that allegedly include an insurance premium increase. As alleged, this price increase exceeds the index increase and reflects, among other things, the revocation of the first-year bonus to policyholders.	The class on whose behalf the motion to certify was brought consists of the respondent's customers for whom the respondent had extended the apartment insurance policy while raising the premiums disproportionately to the index increase, including by way of revoking the benefit, without duly informing them and/or duly obtaining their consent, subject to the prescription period.	No response has as yet been filed with respect to the motion to certify. The parties are conducting a mediation procedure.	The total claimed damage amount for the class members was estimated by the movant at more than NIS 2.5 million.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

B. Class proceedings – pending class action certification motions and certified class actions (cont.)

No.	Date and court[1]	Parties	Main arguments, causes and reliefs[2]	Class[3]	Details	Claimed amount[4]
27	7/2023 Regional Labor Court - Tel Aviv	A pension fund planholder v. Migdal Makefet	The motion to certify mainly concerns the allegation that Migdal Makefet customarily has some of its planholders sign an insurance extension arrangement that allows an automated deduction of the risk cost from the remaining accrued pension savings when they join the pension funds it manages, ahead of time, for a period that may not exceed 24 months overall, in alleged contrast with the statutory arrangement.	The class on whose behalf the motion to certify is brought includes anyone from whose accrued remaining pension savings the respondent had unlawfully deducted the risk cost in the last 7 years.	A response to the class action certification motion has been filed.	The total claimed damage amount for the class members was estimated by the movant at more than NIS 4 million.
28	9/2023 District Court - Tel Aviv	A motor insurance policyholder v. Migdal Insurance and additional insurance companies	The motion to certify mainly concerns the allegation that in the event of a malfunction that requires lifting to tow front-wheel drive or all-wheel drive vehicles, whether they are hybrid, electric, or controlled by a computer, Migdal Insurance refuses to provide the service and demands an additional fee.	The class on whose behalf the motion to certify is brought is the class of customers that holds, or has held in the past 7 years, riders on behalf of the respondent, whose vehicle requires towing by lifting when it is immobilized (and must be towed to an auto repair shop).	A response to the class action certification motion has been filed.	The movant estimates the total damage to the class members in the aggregate, and for all sued insurance companies in the motion to certify, at NIS 80 million.
29	11/2023 District Court - Tel Aviv	A motor insurance policyholder v. Migdal Insurance and additional insurance companies	The motion to certify concerns the allegation that in an extreme event such as the Iron Swords War, insurance companies anticipate a sharply reduced risk in life insurance, health insurance, and property and casualty insurance policies, which was not taken into account when setting the premium when the insurance was bought. Therefore, per the plaintiffs, the premium ought to be partially or fully refunded in policies whose risk-weighted components have decreased significantly (or eliminated altogether).	The class on whose behalf the motion to certify is brought is "the policyholders under the respondents' various insurance policies who, faced with the sudden attack on Simchat Torah on Saturday, October 7, 2023, did not and will not receive all insurance services and/or coverage from any of the respondents until the War is over – in a state of emergency in accordance with the ever-changing, ever-shifting emergency rules and instructions" (verbatim from the motion). Moreover, the motion itself names several sub-classes.	A response to the class action certification motion has been filed. In May 2024, a pretrial hearing was held in which the court ordered the movants to announce whether they intend to continue the case's litigation, noting its likelihood of success. In June 2024, the movants announced their intent to proceed with the case's litigation.	The claimed damage amount for the class members with respect to all defendants was assessed at more than NIS 2.5 million. As for one of the defined subclasses in the motions to certify – reservists who had been called up for duty – the alleged damage for all defendants was estimated at approx. NIS 10 million.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

B. Class proceedings – pending class action certification motions and certified class actions (cont.)

No.	Date and court[1]	Parties	Main arguments, causes and reliefs[2]	Class[3]	Details	Claimed amount[4]
30	2/2024	A motor insurance policyholder v. Migdal Insurance	The motion to certify concerns the allegation that when paying insurance benefits under a comprehensive motor insurance policy in a total loss, Migdal Insurance subtracts funds due to “reducing variables” or “special variables,” even though these variables were not disclosed to the policyholders in the pre-contractual stage, in contravention of the “Motor insurance (Property) – Insurance Benefits in a Total Loss” circular.	Anyone who has received or receives reduced insurance benefits under a comprehensive motor insurance policy issued by Migdal Insurance, including through Respondent 1 (an insurance agency), in cases of a “total loss” or a “constructive total loss,” because of “reducing/special variables,” while these variables had not been disclosed to them in the pre-contract stage, in the last 3 years and until the class action is certified.	No response has as yet been filed with respect to the motion to certify.	The claimed damage amount for the class members was assessed at more than NIS 2.5 million.
31	4/2024	A former pension fund planholder v. Migdal Makefet	The motion to certify concerns the allegation that when the employer makes retroactive contributions, Migdal Makefet deducts the cost of the insurance coverage for income protection or death out of the contributions or the planholders’ pension savings funds in the pension funds under its management retroactively, without this having granted these planholders any insurance benefits and without Migdal Makefet having assumed any risk. The above is allegedly in contravention of the law, including the Supervision of Financial Services Regulations (Provident Funds) (Insurance Coverages in a Provident Fund), 2013, and the pension bylaws.	Any present or former Migdal Makefet pension fund planholder, from whose pension contributions or pension savings Migdal Makefet had deducted funds to buy insurance coverages unlawfully in the last 7 years.	No response has as yet been filed with respect to the motion to certify.	The claimed damage amount for the class members was assessed at more than NIS 2.5 million.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

B. Class proceedings – pending class action certification motions and certified class actions (cont.)

No.	Date and court[1]	Parties	Main arguments, causes and reliefs[2]	Class[3]	Details	Claimed amount[4]
32	4/2024	A life and health insurance policyholder v. Migdal Insurance	The motion to certify concerns the allegation that the Migdal Insurance website does not feature accessibility adaptations for people with disabilities to enable proper use of the website, in violation of the provisions of the Equal Rights of People with Disabilities Law, 1998, and the Equal Rights for People with Disabilities Regulations (Service Accessibility Adaptations), 2013.	Any person with disabilities who may have needed the information on the Migdal Insurance website, who surfed and/or sought to surf the Migdal Insurance's website directly or through another using a computer and/or a mobile phone, whether they had used any service owned and/or maintained and/or operated by Migdal Insurance and/or anyone on its behalf, and who has been completely or partially denied the option to surf Migdal Insurance website, as described above. The above, as Migdal Insurance did not provide internet services accessibility adaptations pursuant to Israeli Standard 5568, Part 1, and Israeli Standard 5568, Part 2, at the AA tier, and subject to the provisions of Title C of the Equal Rights for People with Disabilities Regulations (Service Accessibility Adaptations), 2013, from the date the regulations came into effect and until this legal proceeding concludes.	No response has as yet been filed with respect to the motion to certify.	The claimed damage amount for the class members was assessed at NIS 2.5 million.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

B. Class proceedings – pending class action certification motions and certified class actions (cont.)

No.	Date and court[1]	Parties	Main arguments, causes and reliefs[2]	Class[3]	Details	Claimed amount[4]
33	5/2024	Movant v. Migdal Insurance and additional insurance companies	The motion to certify concerns the movant's allegation of discrimination in providing services or products in travel insurance policies that do not provide insurance coverage for "mental illnesses" (the term appearing in the motion to certify).	The class on whose behalf the motion to certify is brought "is estimated at approx. 600,000 members with a mental disability or a mental illness."	No response has as yet been filed with respect to the motion to certify. At this preliminary stage, Migdal Insurance is reviewing the motion to certify and the lawsuit; however, regarding the sought remedy for punitive damages, it is already worth noting that Migdal Insurance considers it without merit.	Monetary damages to the movant and the class members, totaling NIS 250 thousand, and punitive damages totaling NIS 26 billion.
34	5/2024	A travel insurance policyholder v. Migdal Insurance	The motion to certify concerns the allegation that Migdal Insurance offers a discount on the purchase of travel insurance to members of the "Behatzda'a" and "Beyachad Bishvilcha" loyalty programs, yet Migdal Insurance does not provide the discount in practice, and even charges loyalty program members a higher price compared to the price it charges the general public.	All loyalty program members, and anyone who was entitled to receive the benefit Migdal Insurance has been offering in the past 7 years, who had purchased travel insurance or any other insurance product based on the said benefit, and did not receive the discount Migdal Insurance had announced in practice.	No response has as yet been filed with respect to the motion to certify.	The total claimed damage amount for the class members was assessed at more than NIS 2.5 million.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

B. Class proceedings – pending class action certification motions and certified class actions (cont.)

No.	Date and court[1]	Parties	Main arguments, causes and reliefs[2]	Class[3]	Details	Claimed amount[4]
35	6/2024	Movants v. Migdal Insurance and additional insurance companies	The motion to certify concerns the allegation that the windshield installers operating on behalf of the defendants under a "windshield insurance" rider do not calibrate the safety systems installed on the front vehicle's front windshield when dismantling the broken windshield and installing the new (spare) windshield. The defendants allegedly do not order the installers to perform the calibration, as noted above, and even refrain from disclosing to the policyholders, when they buy the rider or after the vehicle is delivered, that the coverage does not include inspection and calibration of the safety system when replacing the front windshield, despite the manufacturer's instructions and the risk this entails.	The three classes on whose behalf the lawsuit was brought include the category of consumers who hold or have held windshield riders/insurance issued by the defendants, whose vehicles' safety systems were not inspected and/or calibrated when exercising the rider (Class A); the category of consumers who hold or have held windshield riders/insurance issued by the defendants, whose vehicles' safety systems were inspected and/or calibrated when exercising the rider, and the installer on the defendants' behalf charged them an extra fee for the inspection and/or calibration (Class B); the category of consumers who own a vehicle that features a safety system, who bought the defendants windshield rider/insurance, and were not told that the coverage does not include the safety system's inspection and calibration when replacing the front windshield when they bought the rider (Class C).	No response has as yet been filed with respect to the motion to certify.	The total claimed damage amount for the class members was assessed at more than NIS 2.5 million.
36	6/2024	A life insurance policyholder v. Migdal Insurance	The motion to certify concerns the allegation that Migdal Insurance acts unlawfully and harms policyholders as it allegedly unilaterally changes the end of the policy period for income protection coverage, thus cutting the policy period short, without the policyholder's knowledge and without full disclosure.	All of the respondent's income protection policyholders whose policy period the respondent had changed from the date specified in the insurance offer and/or such policyholders whose policy period end date the respondent set unilaterally, before they turned 65 or 67, respectively, starting seven years before the motion was filed.	No response has as yet been filed with respect to the motion to certify.	The total claimed damage amount for the class members was assessed at more than NIS 2.5 million.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

B. Class proceedings – pending class action certification motions and certified class actions (cont.)

No.	Date and court[1]	Parties	Main arguments, causes and reliefs[2]	Class[3]	Details	Claimed amount[4]
37	7/2024	A former life insurance policyholder and a former pension fund planholder v. Migdal Insurance	The motion to certify concerns the allegation that Migdal Insurance acts unlawfully by increasing the total debt owed by customers who had borrowed loans from it and defaulted on the repayments, by not seizing the collateral it has recourse to as a "secured creditor" out of the pension savings funds accrued to these customers' credit within a reasonable time.	Anyone who defaulted on loan repayments owed to Migdal Insurance in the past 7 years and who overpaid, under execution procedures or otherwise. The above, because Migdal Insurance, which is defined as a "secured creditor" under the parties' loan agreement, did not seize the collateral it had had recourse to, i.e., the pension funds it holds, within a reasonable time.	No response has as yet been filed with respect to the motion to certify.	The total claimed damage amount for the class members was assessed at more than NIS 50 million.

MIGDAL Insurance and finance

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

C. Class actions that ended during the reporting period and up to the report publication date

No.	Date and court	Parties	Main points of claim	Amount	Details
1	5/2016 District Court - Central	Policyholders v. Migdal Insurance	Allegations that Migdal Insurance divides the premiums it receives arbitrarily, in contrast with the instructions it receives, and contrary to contractual and statutory provisions; that Migdal Insurance transfers some of the overcharged amounts to another insurance plan that the policyholder never asked for; that Migdal Insurance charges the policyholders premiums for non-existent risks and makes retroactive corrections to reports it issues, thus misleading the policyholders; and that Migdal Insurance does not implement review mechanisms that could flag potential errors and prevent unlawful charges. The main sought remedies are: (a) damages to the class members for the pecuniary and non-pecuniary damage they incurred; (b) to compel Migdal Insurance to adjust the premiums it charges to what it should have charged, and compel Migdal Insurance to correct the statements; (c) to compel Migdal Insurance to refund premiums it had received without a legal right and that exceed the agreed-upon premiums, and to refund the gains and management fees it had accrued on the overcharged amounts; (d) to declare that Migdal Insurance charged funds unlawfully and must take action to rectify the situation; (e) to issue a mandatory injunction on changing the work procedures and systems and on the policies' wording.	Was not estimated by the plaintiff.	At the court's recommendation, the parties underwent mediation with consensual disputes, drafted a settlement agreement, and submitted it to the court for approval in February 2022. The agreement stipulated that Migdal Insurance would carry out several reviews of executive insurance policies to detect discrepancies, to the extent possible, in the class members' policies, and resolve them insofar as discrepancies are detected, in accordance with the provisions of the settlement agreement. Among other things, it was stipulated that overcharge examinations would be carried out regarding the difference between the actual premium and the consensual premium, as well as examinations regarding employer underpayments due to the income protection component. In November 2022, the Attorney General presented her position that the settlement agreement, in its current form, did not merit approval. In November 2022, the court decided to appoint an examiner for the settlement agreement. The examiner's report was submitted in July 2023. The parties and the examiner submitted comments and suggestions to amend the settlement agreement, most recently in December 2023, along with an amended settlement agreement. In January 2024, a ruling was handed down confirming the amended settlement agreement. Migdal Insurance will seek to take measures in accordance with the settlement agreement.

MIGDAL Insurance and finance

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

C. Class actions that ended during the reporting period and up to the report publication date (cont.)

No.	Date and court	Parties	Main points of claim	Amount	Details
2	7/2019 District Court - Tel Aviv	A third party who was hit by a motor insurance policyholder v. Migdal Insurance	The lawsuit concerns the allegation that when a third party chooses to exercise their right and not repair the damaged vehicle, Migdal Insurance makes arbitrary and disparate deductions out of the amounts specified in the appraiser expert opinion for the damaged parts that need to be replaced and that have not been replaced in practice, according to the value of the remaining salvage, without presenting an opposing expert opinion on its behalf, and despite the salvage being of no value.	NIS 11.5 million.	The parties underwent mediation, as per the court's recommendation. In May 2023, a settlement agreement was filed, according to which Migdal Insurance would pay the class members approx. NIS 1.1 million, as well as immaterial legal fees, award, and costs. It was, furthermore, agreed that in the future, Migdal would attach to its position letters the appraiser's assessments concerning the deduction of the salvage value from here on out; such assessments shall be drafted in accordance with the claim investigation and settlement circular. In October 2023, the Attorney General's position on the settlement agreement was received, proposing that the refund to the class members would be carried out via wire transfer or using the method by which the policyholder had paid the company. In January 2024, a judgment was rendered, confirming the settlement agreement. Migdal Insurance will seek to take measures in accordance with the settlement agreement.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

C. Class actions that ended during the reporting period and up to the report publication date (cont.)

No.	Date and court	Parties	Main points of claim	Amount	Details
3	10/2016 Regional Labor Court - Jerusalem	An advanced education fund planholder v. Migdal Makefet	An allegation that investment management expenses were charged without an applicable contractual provision. The sought remedy is full restitution of the investment management expenses/fees charged to the class members in the seven years prior to the date of filing the lawsuit, plus shekel-denominated interest as per the law, as well as to compel Migdal Makefet to refrain from charging any amounts to the class members' account due to investment management expenses/fees.	Approx. NIS 94 million.	In June 2023, the Supreme Court ruled on a contemporaneous proceeding, in which an appeal brought by four insurance companies against the District Court's ruling in favor of certifying class actions against the insurance companies was heard, alleging unlawful collection of investment management expenses from individual insurance policyholders. The Supreme Court granted the appeal and ruled that the insurance companies were entitled to charge policyholders investment management costs, dismissing the motion to certify. The parties submitted supplemental summations regarding the effect of the Supreme Court's judgment in the contemporaneous proceeding on the proceeding herein. In March 2024, a consensual motion to withdraw the motion to certify was submitted to the court, moving with the court to strike out the lawsuit and the motion to certify and to order the denial of the plaintiffs' individual claims, without a costs order; the court granted the motion. See also Claim B(7) and 4 above in this section.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

C. Class actions that ended during the reporting period and up to the report publication date (cont.)

No.	Date and court	Parties	Main points of claim	Amount	Details
4	12/2016 Regional Labor Court - Tel Aviv	Executive insurance policyholders v. Migdal Insurance	An allegation that investment management expenses were charged without a contractual provision that allows this in the policies. The sought remedy is full restitution of the investment management expenses charged to the class members in the seven years prior to the date of filing the lawsuit, plus shekel-denominated interest as per the law, as well as to compel Migdal Insurance to refrain from charging any amounts to the class members' account due to investment management expenses.	NIS 567 million.	In June 2023, the Supreme Court ruled on a contemporaneous proceeding, in which an appeal brought by four insurance companies against the District Court's ruling in favor of certifying class actions against the insurance companies was heard, alleging unlawful collection of investment management expenses from individual insurance policyholders. The Supreme Court granted the appeal and ruled that the insurance companies were entitled to charge policyholders investment management costs, dismissing the motion to certify. The parties submitted supplemental statements of claim regarding the effect of the Supreme Court's judgment in the contemporaneous proceeding on the proceeding herein. In April 2024, a consensual motion to withdraw the motion to certify was submitted to the court, moving with the court to strike out the lawsuit and the motion to certify and to order the denial of the plaintiffs' individual claims, without a costs order; the court granted the motion. See also Claim B(7) and 3 above in this section.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

C. Class actions that ended during the reporting period and up to the report publication date (cont.)

No.	Date and court	Parties	Main points of claim	Amount	Details
5	1/2017 District Court - Central	Two motor insurance policyholders v. Migdal Insurance; and additional insurance companies	An allegation that Migdal Insurance refrains from disclosing to its policyholders that, according to its prevailing practice (that the other insurance companies practice as well), they are entitled to a lower premium when they reach the applicable age and/or driving experience bracket. The sought remedies are to compel Migdal Insurance to refund the class members for the unlawfully overcharged insurance premium following its above-described conduct, and a mandatory injunction compelling Migdal Insurance to rectify its conduct, as described above.	Approx. NIS 62 million.	In March 2022, the movants brought a motion to stay the proceedings in ligh of the denial of a similar motion against another insurance company, until ruling was issued on the appeal they would submit on the denied motion t certify in that proceeding. The motion to stay the proceedings was grantec The appeal that had been brought in the contemporaneous proceeding wa denied in March 2024. The case was scheduled for a hearing in June 2024 regarding the ramifications of the judgment rendered in the appeal in th abovementioned contemporaneous proceeding. In May 2024, the court rendered its ruling, after the parties had put thei arguments regarding the abovementioned contemporaneous proceeding i writing, according to which, the parties in the case were advised to discus things amongst themselves before the hearing, in order to reach consensu regarding a potential withdrawal from the case and what it would entail, whil if no such consensus is reached, the dispute surrounding the expenses woul be left to the court. In July 2024, the movants who had filed the lawsuit and the motion to certif against Migdal Insurance brought a motion to approve their withdrawal fron the motion to certify and the denial of their personal lawsuits. The cou granted the motion. The legal proceeding thus concluded.
6	12/2017 District Court - Jerusalem	Candidates who sought to obtain insurance v. Migdal Insurance, other insurance companies, and the Maccabi and Clalit Healthcare Services health maintenance organizations	An allegation that Migdal Insurance refuses to provide long-term care insurance to the movants and other individuals on the autism spectrum, while setting impossible and unreasonable conditions for them without providing any explanation or justification for their conduct. Moreover, complaints were raised about the failure to offer the insurance candidate a detailed and respectful response regarding the refusal and the detailed justifications for the refusal, and that the refusal is not based on relevant statistical, actuarial, or medical data, in alleged contrast with the Equal Rights for People with Disabilities Law, 1998, and the Equal Rights for People with Disabilities Regulations (Insurer's Notice of Different Treatment of One or of Refusal to Insure), 2016.	According to the movants, the personal damage they incurred sums up to tens of thousands of shekels per movant. The total damage to all class members cannot be estimated accurately at this stage; the amount in question gives the District Court jurisdiction.	In February 2023, a hearing took place in which the court informed th plaintiff, among other things, that it does not accept the plaintiff's arguments In February 2023, a judgment was rendered, denying the motion to certify. In April 2023, the movants appealed the judgment to the Supreme Court. I January 2024, Migdal Insurance submitted its response to the appeal. In July 2024, an appeal hearing took place, and a Supreme Court judgmer was rendered, denying the appeal, based on the appellants' announcemer that they were withdrawing the appeal. The proceeding was thus concluded

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

C. Class actions that ended during the reporting period and up to the report publication date (cont.)

No.	Date and court	Parties	Main points of claim	Amount	Details
7	4/2011 District Court - Central	A life insurance policyholder v. Migdal Insurance and additional insurance companies	Charging funds due to a "policy factor," that can amount to a sizable portion of the premium payments, without consent in the contract and without full disclosure. The sought benefits include paying damages/restitution equal to the total "policy factor" charged to the class members in practice, including the return they had been denied on that sum, and a mandatory injunction ordering that these sums may no longer be charged.	Approx. NIS 1,470 million (over a period of 7 years), of which, a total of approx. NIS 522 million is attributable to Migdal Insurance.	In June 2015, a settlement agreement was filed, under which the parties agreed upon a cash refund totaling NIS 100 million; Migdal Insurance's share of the above is NIS 44.5 million. A future 25% discount on the actually collected policy factor was agreed on. The consensual fees are approx. NIS 43 million, plus VAT; Migdal's share of the above is 44.5%. In November 2016, a ruling was issued in favor of denying the settlement agreement and partially granting the motion to certify a class action regarding the charged policy factor, starting seven years before the lawsuit filing date (April 2004), as charged to policyholders holding combined life insurance and savings policies that were issued between 1982 and 2003, whose accrued savings were diminished because of the policy factor charged to them. The sought remedies in the motion to certify the claim as a class action were an update to the accrued savings in favor of the policyholders according to the additional savings amount they would have accrued had the policy factor not been charged, or damages to the policyholders according to that amount, and the discontinuation of the policy factor collection henceforth. In May 2017, Migdal Insurance and the other sued insurance companies brought a motion for leave to appeal the District Court's above ruling to the Supreme Court. In February 2019, Migdal and the other defendants withdrew the motion for leave to appeal, while preserving their claims, and the case was remanded to the District Court. After the evidentiary stage had concluded, the parties went into mediation. In September 2022, the court issued a ruling stating that the bottom threshold for settlement purposes must be set at 40%. In June 2023, the defendants brought a motion to approve a settlement agreement, whose main terms were restitution of 42% of the total policy factor charges that should have allegedly been transferred to the savings but were not, starting from seven years before the motion to certify was filed. The parties to the settlement agreement disagree on the revaluation of the total restitution (the plaintiffs argue that it should be revalued by adding the returns on the savings to the policy, and the other defendants argue that it should be revalued by linking it to the index, and at the very least, using interest and linkage); the parties agreed that the court would decide the matter. The parties further agreed that future policy factor charges would be reduced by 50%. The parties to the agreement agreed on legal fees and compensation in accordance with the common increments in case law. In June 2023, Migdal Insurance submitted a notice stating that it did not sign the settlement agreement because of specific circumstances that Migdal Insurance believes warrant some adjustments to the settlement agreement. In a discussion held in July 2023, the parties (Migdal Insurance and the lead plaintiff) had reached consents that had been validated as a ruling, according to which the parties would seek out a legal expert (hereinafter - the "**Deciding Entity**") who would issue a binding and irreversible decision on whether, noting the wording of two Migdal Insurance individual policies (hereinafter - the "**Unique Policies**"), they ought to be subject to the settlement agreement the other defendants had signed, and at what rate, and a settlement agreement would then be signed, with the necessary adjustments.

[1] According to the amended statement of claim that the movant had brought after the lawsuit's class certification.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

C. Class actions that ended during the reporting period and up to the report publication date (cont.)

No.	Date and court	Parties	Main points of claim	Amount	Details
7 cont.					On August 1, 2023, the Deciding Entity's decision was issued, whose consequences with regard to the settlement agreement and the two Unique Policies, are as follows: (1) for one type of policy, the restitution rate would be 23.1% (instead of 42%), and future charges would be reduced by 27.5% (instead of 50%); (2) for the second type of policy, the restitution rate would be 36.4% (instead of 42%), and future charges would be reduced by 43.3% (instead of 50%). On August 21, 2023, the signed settlement agreement between Migdal Insurance and the lead plaintiff was submitted to the District Court for approval, including the aforementioned arrangement regarding the two Unique Policies; as for the other policies, the provisions of the settlement agreement concluded with the other defendants would apply, as described above. According to the estimate, the settlement agreement stipulates a total nominal restitution of NIS 120 million to NIS 147 million. To clarify, this estimate does not include the returns on the collected amounts, some of which are subject to a supplementary court ruling, and the lead plaintiff's award and their counsel's legal fees, which are subject to the court's approval as well. Moreover, these amounts do not include the reduced charge in the future. On May 5, 2024, the Attorney General submitted her position on the settlement agreement, whose highlights are: non-objection to the restitution rate in favor of the class members for the past (42%), including the individual restitution rates (that are lower than 42%) with respect to the Migdal Insurance Unique Policies, provided that the court rules in favor of restitution, including the actual returns on the policies, from 2013 and onward too (the Attorney General holds that the decision on this issue should not be decided in the manner that the settlement agreement stipulates, i.e., in the form of a decision under Section 79A of the Courts Law); non-objection to the future regulation method and the continued reduced policy factor charge, which the Attorney General leaves this decision to the court. That said, the Attorney General believes that the reduction in the cost of the policy factor ought to be applied only towards savings (rather than proportionately to the policy's risk and savings components, as the settlement agreement proposes); an objection and comments on other elements of the settlement agreement, including regarding the legal fees payable to the plaintiffs' counsel and the settlement agreement implementation method. On June 23, 2024, a court hearing was held, in which the parties presented their positions regarding the Attorney General's position. At the end of the hearing, the court ordered the parties to submit a supplementary notice to the settlement agreement to address several aspects, following which the motion to approve the settlement agreement would be decided. On July 31, 2024, the parties submitted their consensual supplementation regarding these aspects of the settlement agreement. On August 15, 2024, the court approved the settlement agreement and validated it as a judgment (hereinafter - the "**Judgment**"); with respect to the manner of revaluating the total refunds to policyholders from 2013 to the "Reduction Date" (as defined in the Judgment), the court ruled, in accordance with Section 79A of the Courts Law, without an explanation, according to the consents in the settlement agreement, and ruled that 90% of the returns would be added to the refund to policyholders. In addition, the court approved the legal fees and the award stipulated in the settlement agreement and ruled that the legal fees shall be calculated separately for each defendant, out of each defendant's respective total refund, in accordance with the rates stipulated in the settlement agreement. The legal proceeding thus concluded, and the Company must implement the settlement agreement.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

D. Legal and other proceedings

No.	Date and court	Parties	Main points of claim	Amount	Details
1	10/2018 District Court - Tel Aviv	Luxury Apartments Ltd. v. Migdal Insurance Migdal Makefet Pension and Provident Funds Migdal Real Estate Holdings and Pel-Hamagen House Ltd.	An allegation of non-compliance with a contractual obligation and harm caused to the plaintiff in Rishon LeZion's Gold Mall, held (75%) by Migdal Insurance and Migdal Makefet, in a partnership with Luxury Apartments, Ltd., who holds 25% of the rights in the Gold Mall. According to Luxury Apartments, the non-compliance with contractual obligations torpedoed the construction of a culinary recreational complex, i.e., the Mall's "Golden Market" project, among other things. This lawsuit was preceded by Luxury Apartments' prior lawsuit for declaratory orders regarding the food market, that culminated in the court issuing a ruling on May 3, 2018, in favor of striking it out and imposing the movant's costs, NIS 7,500.	NIS 800 million.	A statement of defense was filed in January 2019. In November 2019, Migdal Insurance filed a pecuniary lawsuit against the defendant, Luxury Apartments, suing for approx. NIS 60 million. According to Migdal Insurance, Luxury Apartments violated its undertakings pursuant to the set of agreements between the parties, by not fully exercising all its approved increased rights, much less constructing, building, and leasing out the mall's first underground floor as a typical retail floor according to the building permit that had already been authorized in 2015, until the permit expired. Accordingly, the investment funds Migdal Insurance was supposed to invest in the mall were never invested, and the return thereon, which is equal to the claimed amount, never yielded. The plaintiff breached its undertakings in the way it had managed the Golden Market project in the mall, thus causing loss of returns. Furthermore, Migdal Insurance brought a motion to consolidate the hearing with a pending lawsuit against it. In August 2024, a judgment was rendered ordering the denial of the lawsuit against the defendants and accepting the counter-claim they had filed. The total pecuniary remedy to be paid to the defendants due to the counter-claim has not yet been determined.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

E. Lawsuit Data – Summary

1) The following table summarizes the amounts claimed in pending motions to certify class actions, claims certified as class actions and other material claims, as noted by the plaintiffs in the statements of claim filed on their behalf. It is hereby clarified that the amount claimed does not necessarily constitute a quantification of the exposure amount assessed by the Company and/or consolidated companies, since these are assessments on behalf of the plaintiffs which will be litigated as part of the legal proceedings. It is further clarified that the table below does not include proceedings that have been concluded.

Type	No. of lawsuits	Amount claimed, in NIS thousand [(1)]
Certified class actions	5	1,018,778
Stated amount attributed to the Group	4	1,018,778
No claim amount was specified.	1	-
Pending motions to certify claims as class actions	32	31,018,860
Stated amount attributed to the Group	8	2,929,555
The claim pertains to several companies and no specific amount was attributed to the Group	4	28,089,305
No claim amount was specified.	20	-

(1) All amounts are stated in NIS thousands and as approximations, as of the motions' or the lawsuits' filing date, as applicable.

2) The total amount of the provision in respect of class actions and other material claims that were filed against the Group, as detailed in the summary table in Section 1) above, is approx. NIS 424 million (as of December 31, 2023 – approx. NIS 381 million).

3) The total provision amount in respect of all proceedings against the Group, including class actions and other material claims, including in respect of the proceedings detailed in Section F below, is approx. NIS 431 million (as of December 31, 2023 – approx. NIS 384 million).

F. Additional legal proceedings and other proceedings, Insurance Commissioner directives, events and developments in respect of which the Company and/or its consolidated companies are subject to exposure

Additional legal proceedings and other proceedings against the Company and/or its consolidated companies are described below:

1) In 2023, several letters were received from the Commissioner of the Capital Market, Insurance and Savings (hereinafter - the "**Commissioner**"), addressed to the Company's directors and Migdal Insurance's directors; in these letters, the Commissioner raised, among other things, claims regarding Migdal Insurance's stability and proper management, and its corporate governance. The Company and Migdal Insurance held discussions with the Capital Market, Insurance and Savings Authority (hereinafter - the "**Capital Market Authority**" or the "**Authority**"), in writing and orally, regarding the claims the letters had raised.

After these discussions, on July 28, 2023, a letter was received from the Commissioner, ordering Migdal Insurance to take various measures, including regarding the number of independent directors; the duration of the Chairman of the Migdal Insurance Board of Directors' term; establishing a procedure for transferring information between Migdal Insurance and its shareholders and a controlling shareholder procedure; as well as separating the Chairman of the Company's Board of Directors' seat from that of the other Migdal Insurance officers (hereinafter - the "**Commissioner's Directives**").

On August 30, 2023, the Company petitioned the Jerusalem District Court (in session as the Court of Administrative Affairs) to order the revocation of the Commissioner's Directives.

For further details – see Note 39 to the Company's Consolidated Financial Statements as of December 31, 2023.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

F. Additional legal proceedings and other proceedings, Insurance Commissioner directives, events and developments in respect of which the Company and/or its consolidated companies are subject to exposure (cont.)

1) (cont.)

On February 14, 2024, the court issued its judgment. The judgment held that the directive regarding the separation of the Company's Board of Directors Chairman's seat from that of the other Migdal Insurance officers is annulled. In addition, the petition regarding the other guidance issued by the Commissioner - regarding which the Company notified in the hearing on the petition and after hearing the court's comments that it did not comply with the remedies pertaining thereto - was dismissed, with the court commenting that the Company's notice did not detract from the Company's ability to apply to the Commissioner in the future regarding the effective period of these provisions, without the court expressing any opinion in this regard.

For further details on the hearing of the petition and the court's judgment, see Note 39 to the Company's Consolidated Financial Statements as of December 31, 2023, and the Company's immediate report dated February 15, 2024 (Ref. No. 2024-01-016485).

2) On July 28, 2023, another notice from the Commissioner was received regarding his intention to object to Company CEO Mr. Yossi Ben Baruch's appointment as a director of Migdal Insurance. Mr. Ben Baruch presented his arguments to the Authority. On May 15, 2024, the Commissioner sent Mr. Ben Baruch another letter, stating, among other things, that due to developments that had occurred in Migdal Insurance since the hearing, and further to the Letter Regarding the Composition of the Board (see below) on the lack of accurate, relevant information about the forthcoming composition of Migdal Insurance's Board of Directors, it is impossible, at this time, to continue discussing the request to approve Mr. Ben Baruch's directorship in Migdal Insurance, since, according to the Commissioner, the examination of the Board of Directors' composition is one of the key considerations when examining suitability for the position. The Company disagrees with the alleged assumptions of the Commissioner in his said letter dated May 15, 2024 and reserves all its rights and claims.

Further to the aforementioned, in June 2024, Mr. Ben Baruch filed a petition with the District Court in Jerusalem, sitting as an administrative court (hereinafter - the "**Petition**"), to order that the deadline for the Commissioner's objection (as defined by law) to the appointment of Mr. Ben Baruch as a director in Migdal Insurance has passed and expired, and therefore, under law, his appointment was completed both procedurally and substantively, and alternatively, that the Commissioner and the Capital Market Authority's intention to oppose the appointment of Mr. Ben Baruch as a director in Migdal Insurance did not mature into an objection as defined by law and that, in view of the Authority's reasons to conduct the hearing held for Mr. Ben Baruch and as part of the hearing, there is no longer any impediment to the immediate beginning of his term as a director in Migdal Insurance.

In the petition, the legal and factual grounds underlying the requested remedies are detailed. In addition, the petition includes detailed reasoning for dismissing the Commissioner's claims and details of Mr. Ben Baruch's rich experience, his suitability for the position of director in Migdal Insurance and his obligation to act as a director in Migdal Insurance to ensure its success and to uphold the interests of its policyholders and planholders. The Company and Migdal Insurance were added as respondents to the petition. After the responses of the respondents to the petition were submitted, the court decided, on August 11, 2024, to request the petitioner's response to the claim of the Authority and Commissioner, according to which the petition was premature. The court ruled that the Company and Migdal Insurance may respond to the claim.

For further details, see the Company's immediate reports dated May 16, 2024 (Ref. No. 2024-01-047818) and June 5, 2024 (Ref. No. 2024-01-057349).

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

F. Additional legal proceedings and other proceedings, Insurance Commissioner directives, events and developments in respect of which the Company and/or its consolidated companies are subject to exposure (cont.)

3) On February 19, 2024, the annual general meeting of Migdal Insurance resolved to reappoint the current directors of Migdal Insurance, Mr. Avraham Dotan and Mr. Gad Nussbaum, for another term of office. On that date, the term of office of directors Mr. Arie Mintkevich and Mr. Carmi Gillon ended. In accordance and as of this date, Migdal Insurance’s Board of Directors consists of 7 directors, of which 4 are independent directors. On February 19, 2024, shortly before the Company's board meeting, Migdal Insurance received a letter from the Commissioner addressed to the Chairman of the Board of Migdal Insurance, regarding the composition of Migdal Insurance’s Board of Directors. In his letter, the Commissioner raised various allegations against the conduct of Migdal Insurance and ordered it to send to him a detailed response regarding the eventual composition of the Board of Directors, the number of its members and the extent to which it complies with the provisions of the law, including the required expertise. On February 22, 2024, Migdal Insurance’s Chairman of the Board replied to the abovementioned Commissioner's letter, stating that Migdal Insurance operates with full transparency as to its intentions regarding the composition of Migdal Insurance’s board of directors, that the Commissioner was presented with a staffing plan for Migdal Insurance’s Board, and that these fall under the purview of Migdal Insurance’s general meeting, that a board of directors consisting of seven members meets the specialization requirements under law, that the majority of the board (four directors) consists of independent directors, and that - in order to further strengthen its board - the Company intends to expand Migdal Insurance’s Board to include nine members, with the aim of one of the additional candidates being a woman, all subject to identifying suitable candidates and approval by the Company in its capacity as an extraordinary general meeting of Migdal Insurance. On May 15, 2024, the Commissioner sent a letter to Migdal Insurance’s Chairman of the Board (hereinafter - the "**Letter Regarding the Composition of the Board**”), in which he stated, among other things, that - despite his letter dated February 19, 2024 - the General Meeting did not renew the term of office of Mr. Carmi Gillon and of Mr. Arie Mintkevich as directors in Migdal Insurance, and that he regards this conduct as a direct continuation of the marked managerial instability in Migdal Insurance. In his letter, the Commissioner reviewed Migdal Insurance's response dated February 22, 2024, noting that he had not yet been notified of the changes that have been made and were expected to be made in the composition of Migdal Insurance's Board of Directors and mentioned the fact that, according to the regulations, Migdal Insurance's Board of Directors should determine the Board’s composition, including the desired number of its members, and that an inappropriate application of the provisions of the law could contradict the aims of the Insurance Supervision Law, including ensuring the proper management of Migdal Insurance. In the letter regarding the composition of the Board of Directors, the Commissioner notified that the review of Migdal Insurance's requests to change the composition of the Board of Directors will be made by the Commissioner only after a detailed response has been submitted by Migdal Insurance regarding the eventual composition of Migdal Insurance’s Board of Directors, the number of its members and the extent to which it complies with the various legal provisions.

The Company disagrees with the alleged assumptions of the Commissioner in his letter and reserves all its rights and claims. Without detracting from the aforementioned, in the Company's position, among other things, 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 detailed in the reply letter dated February 22, 2024, even after the appointment of additional directors For Migdal Insurance, to the extent that it is appointed, Migdal Insurance will comply with all the provisions of the law and the supervisor concerning the composition of the Board of Directors that apply to it.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

F. <u>Additional legal proceedings and other proceedings, Insurance Commissioner directives, events and developments in respect of which the Company and/or its consolidated companies are subject to exposure</u> (cont.)

3) (cont.)

On June 3, 2024, Migdal Insurance's Chairman of the Board sent the Commissioner a letter in response to the Letter Regarding the Composition of the Board, in which it was stated that Migdal Insurance acted with complete transparency towards the Capital Market Authority, and presented to it the desired composition of Migdal Insurance's board of directors (nine members, including at least three women and four independent directors, subject to meeting the terms and conditions of professional expertise as required). Migdal Insurance's Chairman of the Board also stated in his letter that, during his term of office until February 2024, the Board of Directors of Migdal Insurance appointed nine members and that, as of this date, Migdal Insurance's Board of Directors appointed seven members, due to the recent changes in the identity of the members of the Board of Directors resulting from the non-renewal of the terms of office of two directors - as resolved by the general meeting of Migdal Insurance, the resignation of an additional director and the appointment of another independent director. As said in the letter, after receiving the Capital Market Authority's decision on the two applications it had received (to approve the appointment of the Company's CEO as a director of Migdal Insurance and to approve the appointment of an independent director of Migdal Insurance as an independent director of Makefet, instead of an independent director of Makefet who would be appointed as an independent director of Migdal Insurance), the expansion of Migdal Insurance's Board of Directors could be expedited, subject to a resolution by the general meeting of Migdal Insurance and the Capital Market Authority's non-objection. The said letter also stated that the current composition of Migdal Insurance's Board of Directors is appropriate and complies with the requirements of the Law, including the Commissioner's guidance for Migdal Insurance dated July 28, 2023.

4) Proceedings pursuant to Sections 198 and 198A of the Companies Law, 1999 (hereinafter - the "**Companies Law**") to certify derivative lawsuits against the Company's controlling shareholder, in light of his conduct.

On November 22, 2020, a motion to certify a derivative lawsuit against the Company's controlling shareholder, Mr. Shlomo Eliahu (hereinafter - the "**First Motion to Certify a Derivative Lawsuit**"), was filed with the Economic Department of the Tel Aviv District Court.

The First Motion to Certify a Derivative Lawsuit concerns the allegation that Mr. Eliahu's conduct constitutes a breach of his duty of loyalty as a director of the Company and Migdal Insurance; a breach of the duty of care; a breach of the duty of fairness as the Company's controlling shareholder; as well as causing and assisting in a breach of the directors' duty of loyalty in the Company and Migdal Insurance.

For further details – see Note 39 to the Company's Consolidated Financial Statements as of December 31, 2023.

In response to Mr. Eliahu's inquiry and in accordance with the letter of indemnity he had been issued, the Audit Committee authorized an interim payment for the expert's fees in connection with the above lawsuit, including the independent committee's deliberations, up to the total deductible under the D&O liability insurance policy (USD 150 thousand). The interim payment is subject to a duty to repay, if and to the extent that liability is established in accordance with causes that are not covered under the letter of indemnity.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

F. Additional legal proceedings and other proceedings, Insurance Commissioner directives, events and developments in respect of which the Company and/or its consolidated companies are subject to exposure (cont.)

4) (cont.)

On May 8, 2024, a judgment was rendered on the First Motion to Certify a Derivative Lawsuit, in which the court denied the motion to certify (hereinafter - the "**Judgment**"). In its judgment, the court ruled, among other things, that the movant had met the prima facie burden it must meet during the discussion of the motion to certify, to prove Mr. Eliahu's involvement in managing the Company's regular affairs, including staffing changes among the Company's and Migdal Insurance's senior officers. Furthermore, it was ruled, among other things, that when Mr. Eliahu exercises his structural power as the controlling shareholder within the Company's regular activity, his property right should be assigned a greater weight, and accordingly, judicial interference with his activities as the Company's controlling shareholder must be minimized, based on the assumption that his actions as the controlling shareholder directly and significantly affect his personal interests, and that the Company's interest aligns with his interest as the latter's largest, most important shareholder (provided that there is no discrimination or abuse of his control for the controlling shareholder's personal interest). In addition, the judgment determined, among other things, that Migdal Insurance is subject to strict regulation in real time by the Commissioner of the Capital Market, Insurance and Savings, who had exercised his authority, including with respect to removing senior Migdal Insurance officers from office. With regard to the causes the movant raises in connection with Mr. Eliahu's role as a director, as opposed to the controlling shareholder, the court held that the motion to certify is without merit. The court found that Mr. Eliahu had exercised independent judgment and that there was no fault in his conduct as a sole director, as no infrastructure has been laid to establish, even prima facie, that the frequency of officer replacements was affected by a conflict of interest, or was in bad faith, or not in the Company's best interest.

On July 7, 2024, the movant appealed the ruling to the Supreme Court, requesting that it be revoked and that the motion to certify the derivative claim be granted. A hearing on the appeal before the Supreme Court was scheduled for May 26, 2025.

For details, see the Company's immediate reports dated May 9, 2024 (Ref. No.: 2024-01-046099) and July 9, 2024 (Ref. No.: 2024-01-071662).

5) On March 15, 2023, another motion to certify the Company's derivative lawsuit against Mr. Shlomo Eliahu, the Company's controlling shareholder, was received at the Company's offices, having been brought to the Economic Department of the Tel Aviv District Court by a Company shareholder (hereinafter - the "**Second Motion to Certify**" and the "**Movant**," respectively). The motion was brought by the Movant and the counsel who had brought the First Motion to Certify a Derivative Lawsuit, as described in Section F.4) of this note.

In the Second Motion to Certify, the court was moved to certify the lawsuit brought against Mr. Eliahu, alleging that over a period of two years, from November 20, 2020, to November 15, 2022 (hereinafter - the "**Period**"), he had harmed the Company.

For further details – see Note 39 to the Company's Consolidated Financial Statements as of December 31, 2023.

On July 10, 2023, the Company's Board of Directors resolved to establish an independent committee to examine and discuss the issues that the Motion to Certify raised (hereinafter - the "**Committee**").

On October 23, 2023, the Committee submitted its findings, according to which the claims raised in the motion to certify a derivative lawsuit were without merit in the factual and in the legal sense, and that, having considered the Company's best interests in the context of the profitability of bringing and adjudicating a derivative lawsuit, bringing a lawsuit against Mr. Eliahu would be unwarranted. After the Board of Directors adopted the Committee's report, the Company submitted its response to the motion to certify on January 4, 2024, in which the court was moved to deny the motion to certify, based, among other things, on the Committee's report. For further details – see Note 39 to the Company's Consolidated Financial Statements as of December 31 2023.

On July 14, 2024, Mr. Eliahu and the Company filed a motion to stay the hearing on the Second Motion to Certify, due to the appeal on the judgment that denied the Movant's First Motion to Certify a Derivative Lawsuit (see Section 8.F.4) above).

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

F. Additional legal proceedings and other proceedings, Insurance Commissioner directives, events and developments in respect of which the Company and/or its consolidated companies are subject to exposure (cont.)

5) (cont.)

Further to Mr. Shlomo Eliahu's request and in accordance with the letter of indemnity that the Company's general meeting authorized for Mr. Eliahu on September 22, 2022, is his capacity as a Company director, the Audit Committee authorized an interim payment for Mr. Eliahu's defense expenses on February 12, 2024, in connection with the aforementioned lawsuit, up to NIS 120 thousand in total (including VAT). The interim payment is subject to a duty to repay, if and to the extent that liability is established for causes that are not covered under the letter of indemnity.

6) The Company and/or the consolidated companies are exposed to lawsuits and additional claims for various reasons - other than claims with respect to insurance coverage for an insured event according to a policy issued by Migdal Insurance - by customers, past customers, and various third parties, of which a total of approx. NIS 18 million is with respect to claims filed (as of December 31, 2023 - approx. NIS 19 million), beyond the general exposures described in this note, including in Section F.10 to this note.

7) On December 21, 2021, the Commissioner sent Migdal Insurance a demand for information notice regarding the collection due to insurance coverages in accordance with the limitations under Regulation 45 of the Income Tax Regulations (Provident Fund Approval and Management Rules), 1964, that also contained an instruction to carry out restitution if it is found that Migdal Insurance has acted in contravention of the rules set out in the notice. On this matter, see the detailed description in Section 8(b)(15) above.

8) On September 28, 2023, the Capital Market Authority notified Migdal Insurance that a request had been submitted to the Capital Market Authority's Committee on Imposing financial sanctions (hereinafter - the "**Committee**" or the "**Sanctions Committee**") against Migdal Insurance due to an alleged violation of the provisions of Section 7 of the Prohibition on Money Laundering Law, 2000, based on an audit of Migdal Insurance for the period between July 2018 and June 2019 (hereinafter - the "**Audit Period**"). That notice concerned alleged violations of various reporting duties by Migdal Insurance, pursuant to the Prohibition on Money Laundering Ordinance (Identification, Reporting, and Record-Keeping Duties of Insurance Companies, Insurance Agents, and Managing Companies, to Prevent Money Laundering and Terror Financing), 2017 (hereinafter - the "**Ordinance**"), and the allegation that Migdal Insurance did not keep a record of the control process to detect its customers' unusual activity as required under Section 17(d) of the Ordinance. On April 18, 2024, after Migdal Insurance submitted its response to the Sanctions Committee, Migdal Insurance received the Committee's decision to impose a financial sanction totaling NIS 250 thousand. Migdal Insurance has long taken measures, after the Audit Period, to prevent the violations that are specified in the audit from recurring and to optimize its internal processes in connection with the duties imposed on it by the Ordinance.

9) On May 15, 2024, Migdal Insurance received the Authority's notice regarding the latter's intention to impose a financial sanction on Migdal Insurance due to failure to report to the Commissioner, pursuant to Chapter 1 in Part 3 of Section 5 of the Consolidated Circular on "embezzlement and fraud". The background for the financial sanction is Migdal Insurance's thorough and comprehensive investigations following anonymous inquiries regarding a Migdal Insurance employee's alleged modus operandi in the motor insurance claims and appraisal segment, which did not yield findings of actions that constitute embezzlement or fraud. The allegations the Authority raised in its notice concern the duty to report to the Commissioner, which, according to the Authority, Migdal Insurance had acquired when the investigation first commenced. Migdal Insurance argues that under the circumstances, it did not have an obligation to report according to the circular. The financial sanction specified in the notice totals NIS 970 thousand, comprised of a sanction due to the breach of the initial duty to report and the ongoing breach. In the Authority's notice, Migdal Insurance was given the option to present its claims on the subject, including with respect to the applicability of the criteria and considerations in favor of reducing the financial sanction. In June and July 2024, Migdal Insurance submitted a written response to the Authority's notice, as described above, in which it claimed, among other things, that imposing a financial sanction on it was unwarranted; it also raised its claims on this matter in a discussion held before the Authority's representatives. As of the report publication date, Migdal Insurance has not yet received the Authority's decision on the matter.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

F. Additional legal proceedings and other proceedings, Insurance Commissioner directives, events and developments in respect of which the Company and/or its consolidated companies are subject to exposure (cont.)

10) In July 2024, the Authority authorized Migdal Insurance's restitution outline to refund premium payments to eligible policyholders due to overlapping insurance in the compulsory motor insurance subsegment, following a broad audit of various insurance companies that the Authority had conducted on the subject. The restitution outline refers to compulsory motor policies issued for the same vehicle for an overlapping period of over 30 days, starting from the 2014 underwriting year and until the restitution demand was received in March 2024. Migdal Insurance's investigation shows that the restitution amounts are immaterial. Migdal Insurance is working to carry out the restitution in accordance with the Authority-approved outline, as described above.

11) Further to Note 38G.4.D to the Company's consolidated financial statements as of December 31, 2023, regarding financial disputes between the Company and Migdal Insurance and Mr. Rosen, who had served as the Company's CEO and as Chairman of Migdal Insurance's Board of Directors, the arbitration award was received on June 13, 2024, stating that the main contractual cause of action for payment of non-compete fees equal to 9 monthly salaries was denied in full. As for the second cause, under tort law, the arbitrator held that Migdal Insurance must compensate Mr. Rosen for NIS 1.5 million, plus linkages in accordance with the stipulated linkage mechanism in the services agreement between Migdal Insurance, the Company, and Mr. Rosen. That amount was paid to Mr. Rosen during the reporting period. The arbitrator further ruled that the Company and Migdal Insurance must pay Mr. Rosen NIS 530 thousand for reimbursement of costs and legal fees, among other things, based on the provisions of the settlement agreement that had preceded the arbitration. As of the report publication date, the parties are currently clarifying specific points of the aforementioned arbitration award.

12) From time to time, the Commissioner issues position papers, principles for drafting insurance plans, papers on proper and improper practices and other documents or draft documents that are relevant to the Group's areas of operation and which may have an effect on the rights of the policyholder/s and/or planholder/s and may create an exposure for the Group in certain cases with respect to both its period of operation prior to those documents coming into effect and the future.

    It is impossible to predict in advance whether and to what extent the insurers are exposed to allegations connected to and/or resulting from directives that may arise in part through the procedural mechanism set forth in the Class Actions Law. Similar circulars issued by the Commissioner with a future effective date may have such an effect.

    From time to time complaints are filed against the Group, including complaints to the Commissioner with respect to rights of policyholders and/or planholders according to insurance plans and/or funds and/or the law. These complaints are handled regularly by the Group's Ombudsman. At times, the Commissioner's decisions (or draft decisions) on these complaints are rendered across the board for a class of policyholders.

    Furthermore, from time to time, and also following policyholders' complaints, the Commissioner conducts audits on his behalf at the Group's institutional entities and/or sends requests to them to receive information on different issues of management of the institutional entities and management of the rights of the institutional entities' policyholders and planholders, as well as audits to verify the implementation of regulatory directives and/or lessons from previous audits, wherein, among others, demands are received to make changes in various products and instructions are given for implementing circulars and/or guidelines and/or for rectifying deficiencies or for the taking of actions by the institutional entities, including making refunds to policyholders and planholders. On the basis of the audit findings or the information provided, the Commissioner sometimes imposes financial sanctions pursuant to the Enforcement Authority Law.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

F. Additional legal proceedings and other proceedings, Insurance Commissioner directives, events and developments in respect of which the Company and/or its consolidated companies are subject to exposure (cont.)

13) There is a general exposure, which cannot be assessed and/or quantified, due to, among other things, the complexity of the services provided by the Group to its policyholders. The complexity of these arrangements inevitably leads to interpretive claims and other claims due to information gaps between the Group and third parties to the insurance contracts in connection with a long list of commercial and regulatory terms. This exposure is expressed mainly in connection with pension savings and long-term insurance products, including health insurance, in which the Group operates, due to them being characterized by a prolonged lifespan and extreme complexity, particularly in view of the legislative arrangements relating both to management of the products and to taxation, including on issues concerning setting tariffs, the deposits made by employers and policyholders, separation and attribution of the deposits to the various policy components, investment management, the policyholder's employment status, his deposit payments, etc. In this context, it is noted that the Supervision of Financial Services Regulations (Provident Funds) (Payments to Provident Funds), 2014 ("the payment regulations"), which came into effect gradually from February 1, 2016, were meant to facilitate this complexity by arranging automated flow of information between all the involved parties on how deposits are made and attributed to the components of the provident fund, including the taxation.

It is noted further that the Group’s products, which are managed over years, are exposed to policy and regulatory changes, as well as to shifting trends in the law, including in court rulings. These changes are implemented by automated systems that undergo frequent changes and adjustments. The complexity of these changes and the application of the changes over many years lead to an increased operational exposure. In addition, allowing new interpretations for the provisions of insurance policies and long-term pension products sometimes affects the Group’s future income in respect of its existing portfolio, in addition to the exposure implicit in claims for compensation for customers in respect of past activity. It is impossible to anticipate the types of claims that will be raised in this area or the exposure arising from these and other claims in connection with insurance contracts - claims which are raised through, among other things, the procedural mechanism set forth in the Class Actions Law.

Furthermore, the insurance area in which the Group companies operate is high in detail and circumstances and has an inherent risk that cannot be quantified as to the occurrence of an error or series of mechanical or human errors, in both structured work processes and when handling a specific customer, and which may cause expansive consequences as to both the effect on a large number of customers or cases and the relevant monetary effect concerning an individual customer. The Group's institutional entities regularly cleanse the rights of policyholders, in all that concerns management of the products at institutional entities, according to gaps that are discovered from time to time.

The Company and consolidated companies are exposed to claims and allegations on the level of contract laws and fulfillment of the insurance liabilities in the policy, deficient consultation, breach of fiduciary duty, conflict of interests, duty of care, negligence as part of the professional liability of the professional entities in the Group including the Group’s agencies, etc., allegations relating to the services provided by the Group companies, and from time to time there are circumstances and events that raise concerns regarding allegations of that type. The Group purchases professional liability insurance policies, including as required by the legislative arrangement, and when necessary it reports to this policy or policies in order to cover an obligation deriving from professional liability that can be protected by purchasing insurance. The amounts of the possible exposure are higher than the amounts covered and there is no certainty that the insurance coverage will actually be received upon the occurrence of an insured event.

Regarding other general exposures, see Note 37.a. to the annual financial statements.

NOTE 9 - SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD

A. Changes in estimates and principal assumptions used to calculate the insurance reserves

	For the six-month period ended June 30		For the three-month period ended June 30		For the year ended December 31
	2024	2023	2024	2023	2023
	Unaudited				Audited
	NIS million				
Life Insurance (1)					
Increase (decrease) in supplementary retirement pension reserve with respect to change in the discount rate (1A1)	(214)	(95)	(237)	166	(479)
Increase (decrease) in the annuity reserves following a change in expected future income due to the change in interest rate (1) (Ka2)	(78)	(81)	-	(24)	(508)
Total increase (decrease) in contributions towards benefits as a result of the change in interest rate	(292)	(176)	(237)	142	(987)
Change in annuity assumptions (1b)	(731)	-	(731)	-	(570)
Revision to the life expectancy rates (1c)	458	-	458	-	-
Total supplementary reserve for pension	(565)	(176)	(510)	142	(1,557)
Increase (decrease) in Migdal Batuach reserve (1d)	(83)	(37)	(71)	(16)	(29)
Total - life insurance	(648)	(213)	(581)	126	(1,586)
Health insurance (2)					
Increase (decrease) following the liability adequacy testing (LAT)	-	3	-	3	-
Total decrease (increase) in profit before tax	(648)	(210)	(581)	129	(1,586)
Total decrease (increase) in post-tax income	(426)	(138)	(382)	85	(1,044)

1. Life insurance

In recent years, changes have taken place which affected key actuarial assumptions used as the basis for calculating the reserves, including: Increase in life expectancy, increase in annuity uptake rates, transition to age-based investment tracks, changes in the interest rates, fluctuations in the estimated rates of return in the portfolio of assets held against insurance liabilities, and changes in taxation arrangements, which were designed to serve as an incentive for the withdrawal of the pension savings by way of an annuity. All those caused changes in liabilities for annuity payment.

a)1. Migdal Insurance uses return assumptions based on the existing and expected portfolio in order to determine the estimated future returns as part of determining the provision for the pension reserve.

In the six- and three-month period ended June 30, 2024, the expected return in the existing and expected portfolio of assets increased due to the increase in the risk-free interest rate curve offset by the decrease in spreads in linked bonds. As a result, assumptions regarding the discount rates used to calculate contributions towards benefits were updated leading to a decrease in the reserves. In the corresponding six-month period ended June 30, 2023, the reserve declined due to an increase in the risk-free interest and the increase in spreads in linked bonds, and in the three-month period ended June 30, 2023, the reserve increased following a decrease in spreads in linked bonds offset by the increase in the risk-free interest rate curve.

For further details regarding the increase in the interest rate curve, see Section a)2. below.

NOTE 9 - SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD (cont.)

A. Changes in estimates and principal assumptions used to calculate the insurance reserves: (cont.)

1. Life insurance (cont.)

a)2. The supplementary retirement pension reserve is accumulated gradually in respect of the funds accrued in the policies at the same time as the income from management fees is recognized over the remaining period until the policyholder reaches retirement age. For premiums expected to be paid in respect of the policies, the reserve will be accumulated from the date of their receipt and through the retirement age as detailed above.

The gradual reserve is provided for by using a K factor derived from the rate of the future income as detailed above (hereinafter - the "**K Factor**"). This factor is taken into account in calculating the supplementary annuity reserve. The higher the K Factor, the lower the liability for the supplementary annuity reserve that will be recognized in the financial statements and the higher the amount that will be deferred and recorded in the future.

In accordance with the Commissioner's guidance, two separate K Factors are determined. The first K Factor is determined for liabilities in respect of participating policies, and the second is determined in respect of guaranteed return policies. The change in the K factor of participating policies arises from the change in the profits forecast, which is derived from the change in risk-free interest rates.

As of June 30, 2024, December 31, 2023 and June 30, 2023, the K Factor used by Migdal Insurance for participating policies stands at 0.97%, 0.95% and 0.77%, respectively. As a result of the increase in the risk-free interest rate curve and the effect of investment income in the participating portfolio, which is offset by a decline in the illiquidity premium, the Company reached the K Factor ceiling as of March 31, 2024, and there was no change therein during the three months ended June 30, 2024.

It is noted that part of the increase in the risk-free interest rate curve in the three-month period ended June 30, 2024 was not reflected in the reduction of the insurance liabilities due to the maximum regulatory interest limit. Accordingly, and further to Note 37.B.1a) to the Company's Consolidated Financial Statements as of December 31, 2023, a further increase in future interest rates will not result in a decrease in the insurance liabilities compared to their outstanding balance as of June 30, 2024. In addition, a decrease to the regulatory interest rate will not lead to an increase in liabilities, such that the Company believes that the estimated sensitivity to a 1% decline in the interest rate as of June 30, 2024 is an approx. NIS 300 million increase in post-tax comprehensive income.

During the six- and three-month periods ended June 30, 2023, the K Factor in participating policies increased as a result of the increase in the risk-free interest rate curve and the effect of investment income in the participating portfolio, which is offset by a decline in the illiquidity premium.

The supplementary retirement pension reserve in respect of guaranteed return policies stands at its full amount (the K Factor Migdal Insurance used for guaranteed return policies as of June 30, 2024, December 31, 2023 and June 30, 2023 is 0%).

b) During the reporting period, Migdal Insurance revised the actuarial assumptions of the expected retirement dates and accordingly, the benefit uptake rates were adjusted. The assumptions were revised following the maturing of the portfolio and accumulation of information and experience for ages older than the statutory retirement age. Accordingly, during the reporting period and in the three-month period ended June 30, 2024, the insurance liabilities for pension decreased and comprehensive income increased by approx. NIS 731 million before tax.

c) Effect of a change to the provisions relating to life insurance plans incorporating savings that include "annuity conversion factors taking into account guaranteed life expectancy"

In July 2024, the Capital Market, Insurance and Savings Authority published a circular entitled Amendment of the Consolidated Circular Provisions on Measuring Liabilities - Revising the Demographic Assumptions in Life Insurance and Pension Funds (hereinafter - the "**Circular**"). The Circular includes a revision of the default demographic assumptions (mortality rates)used to calculate liabilities and coefficients in Life Insurance policies and pension funds. As a result, Migdal Insurance increased the supplementary annuity reserves by approx. NIS 458 million before tax. Regarding the estimated effect on the solvency ratio of Migdal Insurance as of December 31, 2023, see Section 3.2.3 of the Report of the Board of Directors.

NOTE 9 - SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD (cont.)

A. Changes in estimates and principal assumptions used to calculate the insurance reserves: (cont.)

1. Life insurance (cont.)

d) The "Migdal Batuach" plan is a Profit Participating plan, which includes an undertaking for a linked minimum return when planholders have been with the plan over 20 years. In respect of this liability, the Company has in place a reserve, which is based, among other things, on risk-free interest rates and other assumptions.
In the three months ended June 30, 2024, following revisions to the estimated cancellation rates in this plan, the insurance liability was reduced by approx. NIS 60 million before tax. The balance of the reduction in this reserve in the six- and three-month periods arises from the increase in the risk-free interest rate curve.

2. Health insurance

Migdal Insurance conducts liability adequacy testing (LAT) on a periodic basis, in accordance with the LAT Circular.

Following the test, Migdal Insurance concluded that as of June 30, 2024 and December 31, 2023, it is not required to supplement the LAT reserve, such that the balance of the reserve is zeroed.

Accordingly, during the six- and three-month periods ended June 30, 2023, the long-term care insurance LAT reserve increased by approx. NIS 3 million before tax. The increase was mainly affected by the decrease in the illiquidity premium, which was partially offset by an increase in the risk-free interest rate curve and by the attribution of some of the excess fair value above their carrying amounts.

3. Property and Casualty Insurance

In the Compulsory Motor, Employers' Liability and Third-party Liability subsegments, Migdal Insurance discounts the future claim payouts in accordance with a risk-free interest rate curve, which is adjusted to the illiquid nature of the insurance liabilities, taking into account the manner by which the assets held against those liabilities were revalued, in accordance with best practice principles. Following are the effects of the change in the risk-free interest rate curve in the short and medium term, and the effects of the change in the excess fair value of the assets above their carrying amounts on pre-tax income:

	For the six-month period ended June 30		For the three-month period ended June 30		For the year ended December 31
	2024	2023	2024	2023	2023
	Unaudited				Audited
	NIS million				
Change in discount rate	(49)	(27)	(55)	3	(13)
Change in the excess fair value of the assets above their carrying amounts	-	13	(2)	2	22
Total decrease (increase) in profit before tax	(49)	(14)	(57)	5	9

B. Further to Note 1.C, in February 2024, rating agency Moody's announced a downgrading of the State of Israel's debt credit rating from A1 to A2 with a negative rating outlook. The downgrading of the credit rating and change of the rating outlook to negative mainly reflected - as explained by the rating agency - the uncertainty as to the economic consequences of the War, the manner and timing by which the War will end and the change in fiscal conditions. In May 2024, Moody's reiterated the rating, including the negative rating outlook.

In addition, in April 2024, international credit rating agency S&P announced the downgrading of the sovereign rating of Israel from AA- to A+ and reiterated the rating outlook at negative. The downgrade was carried out against the backdrop of the escalating conflict between Israel and Iran and the geopolitical risks that Israel has faced since the outbreak of the War. S&P also noted at the time that a credit rating downgrade could be made if the military conflict expands substantially, increasing the security and geopolitical risks Israel faces, as well as if the impact of the military conflict on Israel's economic growth, fiscal situation and balance of payments turns out to be more significant than S&P had anticipated at the time of its announcement.

In addition, in August 2024, international credit rating agency Fitch announced the downgrading of Israel's credit rating from A+ to A with a negative rating outlook.

NOTE 9 - SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD (cont.)

B. (cont.)

By virtue of its activity, the Group is exposed to financial market volatility, a slowdown in the Israeli economy and other risks arising from the War.

In the reporting period, participating life insurance policies marketed through 2004, there was a cumulative positive real return. However, due to the accrued negative real return in the participating life insurance policies, which were marketed through 2004, Migdal Insurance did not recognize variable management fees since the beginning of 2022, but rather only fixed management fees

As long as the policies do not achieve a positive real return that will cover the investment losses accrued by the policyholders, Migdal Insurance will not be able to collect variable management fees. The estimated variable management fees, which will not be collected due to the negative real return until a cumulative positive return is achieved, amounted to a total of approx. NIS 0.7 billion as of June 30, 2024.

C. On February 19, 2024, Mr. Tal Cohen, Migdal Insurance's CFO and Head of the Finance Division announced his intention to depart the Company. Moreover, on February 19, 2024, the Company's Board of Directors and Migdal Insurance's Board of Directors approved the appointment of Mr. David Saban as the Company's CFO and Head of the Finance Division at Migdal Insurance, in Mr. Cohen's place, subject to non-objection by the Commissioner of the Capital Market, Insurance and Savings. On April 18, 2024, a notice of non-objection was received from the Capital Market, Insurance and Savings Authority to the appointment of Mr. Saban as Migdal Insurance's CFO, stating that Mr. Saban may sign Migdal Insurance's financial statements as from the third quarter of 2024, after working with Mr. Tal Cohen, the current CFO of the Company and of Migdal Insurance. On August 19, 2024, Mr. Cohen will resign all his positions in the Group, as mentioned, and as from that date, Mr. David Saban will serve as the Company's CFO, Head of the Finance and Resources Division of Migdal Insurance and other positions in the Group.

D. On February 21, 2024, a sub-subsidiary - Migdal Makefet Pension and Provident Funds Ltd. (hereinafter - "**Migdal Makefet**") issued to Migdal Insurance capital at the total amount of NIS 164 million against an allocation of 232 shares of NIS 1 p.v. each.

Subsequent to the balance sheet date, on August 14, 2024 and August 18, 2024, the Board of Directors of Migdal Makefet and the Board of Directors of Migdal Insurance, respectively, approved a further issuance of shares to Migdal Insurance at the total amount of NIS 145 million.

E. In March 2024 an amendment was approved by the Knesset plenum to the Value Added Tax Ordinance (Tax Rate for Non-Profit Organizations and Financial Institutions), 2024 (hereinafter - the "**Ordinance**"), which prescribes that as from January 1, 2025 the rate of payroll tax applicable to financial institutions will stand at 18% of the wage paid for work, and the profit tax shall stand at 18% of the income generated.

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

F. On January 31, 2024, the Board of Directors of Migdal Insurance decided to appoint Mr. David Santori as Supervising Actuary in the Life Insurance activity. The Commissioner's notice of non-objection to the said appointment was received on April 18, 2024 subject to assistance by another actuary for a period of one year from the appointment's effective date.

G. On May 23, 2024, the Company's Board of Directors approved a dividend distribution in the amount of NIS 25 million, which originated from a dividend from a subsidiary, Migdal Capital Markets (1965) Ltd., to the Company's shareholders. On June 16, 2024 the General Meeting of the Company approved the distribution of the said dividend and it was executed on June 24, 2024.

NOTE 9 - SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD (cont.)

H. Further to Note 33 to the Company's Consolidated Financial Statements as of December 31, 2023, on May 23, 2024, the Company's Board of Directors, after approval by the Compensation Committee, approved an additional allocation of 721,968 options to an officer of Migdal Insurance (who is not a director or CEO), who will also serve as an officer in the Company, in accordance with the Company's equity compensation plan, the compensation policy of the Company and the Group's institutional entities, and under the same terms and conditions detailed in the private offering report of May 2023. The allocation constitutes approx. 0.07% of the Company's issued and paid-up share capital and voting rights, after the allocation, assuming that all options which were allocated in accordance with the compensation plan will be exercised. Notwithstanding the above, the assumption that all options will be exercised into an identical number of shares is merely theoretical due to the implementation of a "net exercise" mechanism, which reflects the award of a lower number of exercise shares reflecting only the amount of the potential monetary benefit, which may arise from 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, and the exercise price is NIS 5.04 for the first tranche of options (reflecting a 5% premium on the closing price of the Company's share on the Stock Exchange during the thirty trading days prior to the decision), NIS 5.28 for the second tranche of options (reflecting a 10% premium) and NIS 5.52 for the third tranche of options (reflecting a 15% premium). The value of the additional options which were awarded - as measured on their award date - is immaterial.

Furthermore, on May 23, 2024, the Company's Board of Directors, in accordance with the powers conferred thereon, and subsequent to approval by the Compensation Committee, decided to push forward the vesting date of the second tranche of the options allocated to an officer serving in the Company and Migdal Insurance (out of a total of 567,874 options allocated in three annual tranches), due to her expected departure upon reaching retirement age, after a long tenure and following a resolution to further postpone the date of the actual termination of the employer-employee relations from the date set in the Board of Directors' resolution of January 31, 2024, such that the employer-employee relations will be terminated on December 31, 2024. The said Board of Directors resolution approved the pushing forward of the vesting date of 141,969 options, which constitute a proportionate share of the officer's second tranche of options, such that it will reflect the period during which employer-employee relations will prevail between the officer and the Company and Migdal Insurance out of the overall vesting period of the second tranche (i.e., 18 out of 24 months). The acceleration complies with the terms and conditions of the compensation policy and the terms and conditions of the equity compensation plan adopted by the Company and Migdal Insurance. The total fair value of the options whose vesting has been accelerated, and which has not yet been recognized as an expense - as measured on their award date - is immaterial.

I. On June 4, 2024, Migdal Insurance Capital Raising Ltd. (hereinafter - "**Migdal Capital Raising**"), a subsidiary of Migdal Insurance, raised a total of approx. NIS 420 million, gross in a public offering of two new series of Bonds (Series M and N) (hereinafter in this paragraph - the "Bonds"), according to Migdal Capital Raising's shelf offering report dated June 4, 2024 (hereinafter - the "**Shelf Offering Report**") published in accordance with Migdal Capital Raising's shelf prospectus dated July 29, 2022.

The Bonds which were issued are unlinked and bear annual interest of 6.07%. The interest in respect of the Bonds (Series M) is paid twice a year, on June 30th of each calendar year between 2025 and 2037 and December 31 of each calendar year between 2024 and 2037. The interest in respect of the Bonds (Series N) is paid twice a year, on June 30th of each calendar year between 2025 and 2038 and December 31 of each calendar year between 2024 and 2038. The principal of the bonds will be repaid in a single installment, which will be paid on December 31, 2037 for Series M and on December 31, 2038 for Series N, unless Migdal Capital Raising will exercise - prior to those dates - its right to execute full or partial early redemption of the bonds, as detailed in the Deed of Trust. The proceeds of the issuance were deposited and recorded in the financial statements of Migdal Insurance and were recognized - in accordance with the Commissioner approval - as Tier 2 capital in Migdal Insurance, subject to the restrictions set in the Solvency Circular regarding this matter.

On June 4, 2024 the Midroog rating agency assigned an A1.il rating with a stable outlook to the Subordinated Notes (Series M and N) recognized as Tier 2 capital instruments.

The above amount raised in capital is before deferred issuance expenses in respect of the Bonds (Series M and N), which amounted to approx. NIS 3.7 million. The effective interest rate in respect of each of the Series (M and N) is approx. 6.3%.

NOTE 9 - SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD (cont.)

J. On June 30, 2024, Migdal Capital Raising initiated the full early redemption of outstanding Bonds (Series E) totaling approx. NIS 417 million, in accordance with the Bonds' terms and conditions. With the aforementioned early redemption of Migdal Capital Raising's bonds, the Bonds were delisted from the Stock Exchange, with Migdal Capital Raising's obligations towards the bondholders being terminated.

NOTE 10 - APPLICATION OF IFRS 17 AND IFRS 9 IN SUBSIDIARIES WHICH MEET THE DEFINITION OF AN INSURER IN ACCORDANCE WITH SECURITIES REGULATIONS (PREPARATION OF ANNUAL FINANCIAL STATEMENTS), 2010

Further to Note 2 to the Annual Financial Statements, below is an update in connection with Migdal Insurance's preparations for the application of IFRS 17 and IFRS 9.

As part of the standards' adoption process, Migdal Insurance has completed implementing and integrating IT systems that are necessary for applying the provisions. Furthermore, so far Migdal Insurance has met all the milestones required in the project in accordance with the Roadmap.

On August 12, 2024, the Commissioner published a Fourth Revision to the Roadmap, which included updates the time frames for reporting to the Authority as part of a quantitative impact study (QIS-2); it was also determined that it is not mandatory (but rather voluntary) for the Company to disclose the opening balances data in the Financial Statements of the third quarter of 2024.

In accordance with the revised requirements of the Commissioner, the Company filed the QIS-2 results, which include calculations of the opening balances alone on July 10, 2024, and is preparing to submit to the Commissioner, by September 15, 2024, a report comprising on-balance sheet data in accordance with IFRS 17 and IFRS 9 as of January 1, 2024 and March 31, 2024, and operating results data for the three-month period ended March 31, 2024.

For the purpose of the preparations made by insurance companies in Israel for the adoption of IFRS 17, the Commissioner published a draft insurance circular regarding "Professional Issues Pertaining to the Implementation of IFRS 17 in Israel" (hereinafter - the "**Professional Issues Circular**").

It is noted that on June 9, 2024 the Commissioner published Draft 9 of the Professional Issues Circular, which includes, among other things, detailed regulation of the principles for calculating the fair value as of the transition date. Migdal Insurance responded to the Commissioner's draft and discussions regarding this topic are still ongoing. Accordingly, Migdal Insurance is still assessing the manner by which it will apply IFRS 17 in connection with various matters discussed in the Commissioner's draft (including: the calculation of risk margin for non-financial risk (RA) and the confidence interval which will be taken into account, the manner of determining the fair value when implementing the fair value approach on the transition date (see below) - which may also affect the expedients Migdal Insurance will opt for on the transition date, and other various topics), and consequently the effect of the transition to IFRS 17 on its equity as of the transition date. On August 12, 2024 the Commissioner published Draft 10, which refers, among other things, to clarifications in connection with the calculation of the weight of the illiquidity premium, and the setting of the confidence interval, as well as guidance regarding the calculation of the fair value of Hetz bonds.

It is emphasized that all the details provided below in connection with the accounting policy are correct as of the date of this report.

A. IFRS 17 - Main changes in the accounting policies

Following are the main requirements and accounting policies, which were selected by Migdal Insurance:

Measurement model

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

1. General measurement model (GMM)

This model is the standard's default model. The liability in respect of groups of insurance contracts should be measured at the initial recognition date as the present value of the discounted best-estimate of future cash flows (BE), plus an explicit risk adjustment (RA) in respect of the non-financial risks. The expected income from the insurance contracts, which is derived from such calculations, shall be recognized as a liability (contractual service margin - CSM), which will be recognized in profit and loss over the coverage period, by coverage units provided during the period. If there is an expected loss, a loss component will arise, and it will be recognized immediately.

NOTE 10 - APPLICATION OF IFRS 17 AND IFRS 9 IN SUBSIDIARIES WHICH MEET THE DEFINITION OF AN INSURER IN ACCORDANCE WITH SECURITIES REGULATIONS (PREPARATION OF ANNUAL FINANCIAL STATEMENTS), 2010 (cont.)

A. IFRS 17 - Main changes in the accounting policies (cont.)

1. General measurement model (GMM) (cont.)

In held reinsurance contracts, the contractual service margin may be an asset or a liability and represents the net expected cost or net expected income, respectively. If a reinsurance contract exists upon recognition of a loss component in respect of a group of insurance contracts covered by it, the company will immediately recognize an income in respect of the reinsurance contract (loss recovery component) against adjustment of the contractual service margin.

Migdal Insurance's products, which will be measured under the GMM model, are the long-term health insurance products, life and disability insurance products, which are sold separately, and contracts, which include guaranteed-return savings. In addition, all reinsurance contracts in Life and Health Insurance will be measured under the GMM model.

2. The variable fee approach - the VFA model

This model is a modification of the GMM model and applies to contracts with direct participation features (insurance contracts in which the Company guarantees the policyholder return on investments based on underlying items). In other words, the contract includes a significant service associated with investments.

In accordance with the VFS model, the cash flows for the fulfillment of the contract are composed of the liability to pay the policyholder an amount equal to the fair value of the underlying items, net of the variable fee in respect of the service. A change in the liability to pay the policyholder an amount equal to the fair value of the underlying items is recognized directly in finance expenses in respect of insurance contracts. Unlike the GMM model, the contractual service margin (CSM) is also adjusted in respect of financial changes, which affect the variable fee.

Migdal Insurance expects that the insurance contracts, which include yield dependent savings and will meet this definition as part of the application of IFRS 17, will be measured in accordance with the VFA model.

3. The premium allocation approach - the PAA model

This model is a simplification of the general measurement model; it can be applied to certain groups of insurance contracts, for which it provides a measurement, which is a reasonable approximation to a measurement in accordance with the general measurement model. Migdal Insurance will implement this model mainly in its Property and Casualty Insurance portfolios (including in respect of property and casualty reinsurance contracts), the coverage period of most of which is up to one year.

For groups of insurance contracts, under the PAA model the Company may recognize any insurance acquisition cash flows as expenses when it incurs those costs, provided that the coverage period of each contract in the group is no more than one year. The Company has opted not to apply this alternative.

The liability for incurred claims is calculated in accordance with the same principles as those used in the GMM model. The standard allows not to discount the future cash flows in respect of incurred claims if those cash flows are expected to be paid or received within one year or less from the date the claims are incurred. The Company does not implement the abovementioned expedient.

The measurement of the insurance contracts using the PAA model is essentially similar to the measurement of property and casualty insurance contracts under the Company's existing policy pursuant to IFRS 4.

NOTE 10 - APPLICATION OF IFRS 17 AND IFRS 9 IN SUBSIDIARIES WHICH MEET THE DEFINITION OF AN INSURER IN ACCORDANCE WITH SECURITIES REGULATIONS (PREPARATION OF ANNUAL FINANCIAL STATEMENTS), 2010 (cont.)

A. IFRS 17 - Main changes in the accounting policies (cont.)

Aggregation level

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

First, Migdal Insurance needs to identify portfolios of insurance contracts. A portfolio comprises contracts subject to similar risks and managed together. Once it identified a portfolio, Migdal Insurance divides it into the following groups, based on the expected profitability upon initial recognition:

- A group of contracts, which are onerous at initial recognition;
- A group of contracts, which 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 predict that the second group will be material.

IFRS 17 stipulates that an entity shall not include contracts issued more than one year apart in the same group, such that each underwriting year will be associated with a separate group of insurance contracts.

The lowest unit of account in IFRS 17 is the insurance contract, with all insurance coverage included therein. In addition, in certain cases where a set of policies reflects - in economic terms - a single insurance contract, Migdal Insurance will recognize and measure such policies as a single insurance contract.

The contract boundaries

Cash flows are within the boundaries of an insurance contract if they arise from substantive rights and obligations which exist during the reporting period in which the Company can compel the policyholder to pay the premiums or in which it has a substantive obligation to provide the policyholder with services.

When determining the contract boundaries of insurance contracts, the Company assesses each contract separately, and weighs all the substantive obligations and rights, regardless of whether they arise from a contract, law or regulation, and ignoring conditions with no commercial substance.

Following are the contract boundaries of material policies, which were identified:

1. Individual health insurance policies issued as from 2016

   Despite the fact that the policy is renewed every two years, it is impossible to assert that the Company has a practical ability to reassess the portfolio's risks and accordingly to set a new price, which fully reflects those risks. Accordingly, the periods subsequent to fixed renewal date will be included in the contract's boundaries.

2. Life insurance policies, which include a savings component without a guaranteed annuity conversion factor on the policy issuance date

   Life insurance policies, which include a savings component to the retirement age and disability and/or life insurance coverage are insurance contracts, which often also provide an additional pension insurability (hereinafter - the "**Annuity Option**"). The Annuity Option is not included in the contract boundaries, since the Company has the practical ability to reassess the contract's risks and to set an annuity conversion factor, which reflects those risks. Subsequent to its exercise, the Annuity Option shall be recognized as a new insurance contract in accordance with the standard's recognition rules.

3. Reinsurance contracts held

   In accordance with the accounting policy applied under IFRS 4, the measurement of the reinsurance contracts is only in respect of the underlying contracts, which were transferred to the reinsurer as of the balance sheet date. In accordance with IFRS 17, except for these cash flows, the reinsurance contracts' boundaries may also include cash flows in respect of underlying contracts, which the Company expects to sell (and deliver to the reinsurance) in the reporting period, if the Company and the reinsurer do not have the right to cancel or reprice the obligation to deliver those futures.

NOTE 10 - APPLICATION OF IFRS 17 AND IFRS 9 IN SUBSIDIARIES WHICH MEET THE DEFINITION OF AN INSURER IN ACCORDANCE WITH SECURITIES REGULATIONS (PREPARATION OF ANNUAL FINANCIAL STATEMENTS), 2010 (cont.)

A. IFRS 17 - Main changes in the accounting policies (cont.)

Risk adjustment (RA) in respect of non-financial risk

The RA reflects the compensation, which the Company demands for bearing the uncertainty regarding the amount and timing of the cash flows arising from non-financial risks, which include insurance risk and other non-financial risks, such as lapse risk, and expenses risk.

The Company adjusts the estimated present value of the future cash flows in respect of this amount, which is reflected separately in the Company's total liabilities.

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

As noted above, in view of the publication of the Professional Issues Circular on April 15, 2024, the Company is still assessing the manner by which it will apply the calculation of risk adjustment for non-financial risk (RA) and the confidence interval which will be taken into account.

The coverage units and the manner of releasing the contractual service margin (CSM)

The CSM represents the liability in respect of the unearned income relating to future services. In accordance with the standard, the CSM will be recognized in profit and loss over the coverage period through a pattern, which reflects the insurance service provided by the Company in connection with the contracts, which are included in the insurance contracts group. This pattern is determined based on the coverage units, which were provided during the period compared to the coverage units, which are expected to be provided in the future in connection with the insurance contracts group.

The number of coverage units in a group is the quantity of coverage 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.

Discount rate curves

Migdal Insurance will determine the discount rate curves for IFRS 17 purposes using the bottom-up approach, which is the default approach according to the Commissioner's draft.

Transitional provisions

IFRS 17 should be applied retrospectively (hereinafter - "**Full Retrospective Application**"), unless it is impractical to do so, in which case entities may opt for the modified retrospective approach or the fair value as of the transition date approach.

Migdal Insurance will implement the retrospective application approach for the property and casualty insurance portfolios.

Migdal Insurance is of the opinion that it is impractical to apply IFRS 17 retrospectively to groups of life and health insurance contracts, and therefore it is expected to use the fair value as of transition date approach for most of the life and health insurance portfolios.

B. IFRS 9 - Main changes in the accounting policies

Classification and measurement

Financial assets

In implementing IFRS 9, Migdal Insurance will classify financial assets in accordance with their subsequent measurement at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss, based on the Company's business model for managing financial assets, and projected cash flow of the financial asset.

The application of IFRS 9 will have the following effect on the classification and measurement of the Company's financial assets:

Participating portfolio

The underlying items of insurance contracts, which include profit participation, will be measured at fair value through profit or loss, similarly to the current practice under IAS 39.

NOTE 10 - APPLICATION OF IFRS 17 AND IFRS 9 IN SUBSIDIARIES WHICH MEET THE DEFINITION OF AN INSURER IN ACCORDANCE WITH SECURITIES REGULATIONS (PREPARATION OF ANNUAL FINANCIAL STATEMENTS), 2010 (cont.)

B. IFRS 9 - Main changes in the accounting policies (cont.)

Nostro portfolio

- Investment in equity instruments will be measured at fair value through profit or loss instead of at fair value through capital reserve under IAS 39.
- Derivatives will be measured at fair value through profit or loss as is the case in IAS 39.
- Investments in debt instruments, which do not meet the Solely Payments of Principal and Interest test shall be classified to fair value through profit or loss.
- The remaining debt assets in the nostro portfolio, including Hetz bonds, are expected to be designated to fair value through profit or loss in order to prevent an accounting mismatch with the liabilities in respect of insurance contracts, or - alternatively - they are managed at fair value and will therefore be measured at fair value through profit and loss (including in the case of the assets held against equity and other liabilities, which are not insurance liabilities).

Financial liabilities

The classification and measurement of financial liabilities in the Company will not change.

Appendix - Breakdown of Assets for Other Financial Investments of a Consolidated Insurance Company

Breakdown of financial investments

	As at June 30, 2024			
	Presented at fair value through profit and loss	Available-for-sale	Loans and receivables	Total
	Unaudited			
	NIS thousand			
Liquid debt assets	1,013,735	14,009,978	-	15,023,713
Illiquid debt assets	-	-	27,768,331	27,768,331
Shares	-	291,788	-	291,788
Other	181,540	6,590,138	-	6,771,678
Other financial investments	1,195,275	20,891,904	27,768,331	49,855,510

	As at June 30, 2023			
	Presented at fair value through profit and loss	Available-for-sale	Loans and receivables	Total
	Unaudited			
	NIS thousand			
Liquid debt assets	874,674	14,234,212	-	15,108,886
Illiquid debt assets	-	-	26,699,963	26,699,963
Shares	-	252,079	-	252,079
Other	288,981	5,624,862	-	5,913,843
Other financial investments	1,163,655	20,111,153	26,699,963	47,974,771

	As of December 31 2023			
	Presented at fair value through profit and loss	Available-for-sale	Loans and receivables	Total
	Audited			
	NIS thousand			
Liquid debt assets	914,446	15,114,906	-	16,029,352
Illiquid debt assets	-	-	27,064,566	27,064,566
Shares	-	258,555	-	258,555
Other	401,764	6,123,918	-	6,525,682
Other financial investments	1,316,210	21,497,379	27,064,566	49,878,155

Appendix A - Breakdown of Other Financial Investments of Consolidated Insurance Company (cont.)

1. Liquid debt assets

	As of June 30		As of December 31	As of June 30		As of December 31
	2024	2023	2023	2024	2023	2023
	Carrying amount			Amortized cost *)		
	Unaudited		Audited	Unaudited		Audited
	NIS thousand			NIS thousand		
Government bonds	9,067,173	9,408,606	10,030,058	10,972,782	10,421,099	11,341,852
Other non-convertible debt assets	5,956,540	5,700,280	5,999,294	6,189,878	5,920,980	6,185,572
Total liquid debt assets	15,023,713	15,108,886	16,029,352	17,162,660	16,342,079	17,527,424
Impairments carried to profit and loss (cumulative)	196	244	202			

*) Net of provisions for impairment losses.

2. Shares

	As of June 30		As of December 31	As of June 30		As of December 31
	2024	2023	2023	2024	2023	2023
	Carrying amount			Cost *)		
	Unaudited		Audited	Unaudited		Audited
	NIS thousand			NIS thousand		
Liquid shares	51,957	5,622	14,225	50,583	5,622	12,584
Illiquid shares	239,831	246,457	244,330	185,879	177,648	180,258
Total shares	291,788	252,079	258,555	236,462	183,270	192,842
Impairments carried to profit and loss (cumulative)	32,346	31,145	29,866			

*) Net of provisions for impairment losses.

3. Other

	As of June 30		As of December 31	As of June 30		As of December 31
	2024	2023	2023	2024	2023	2023
	Carrying amount			Cost *)		
	Unaudited		Audited	Unaudited		Audited
	NIS thousand			NIS thousand		
Liquid financial investments	1,789,928	1,355,307	1,599,091	1,522,561	1,230,497	1,392,293
Illiquid financial investments	4,981,750	4,558,536	4,926,591	4,267,298	3,634,920	4,063,198
Other financial investments	6,771,678	5,913,843	6,525,682	5,789,859	4,865,417	5,455,491
Impairments carried to profit and loss (cumulative)	1,164,131	1,150,565	1,176,478			

*) Net of provisions for impairment losses.

Other financial investments mainly include investments in ETFs, participation certificates in mutual funds, investment funds, hedge funds, financial derivatives, futures, options and structured products.

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August 18, 2024

Attn.
The Board of Directors of
Migdal Insurance and Financial Holdings Ltd. (hereinafter - the "**Company**")
4 Efal St., Kiryat Aryeh, Petach Tikva

Dear Sir/Madams,

Re: Letter of consent in connection with a shelf prospectus of Migdal Insurance and Financial Holdings Ltd. of August 2024 (hereinafter- the "**Shelf Prospectus**")

We hereby inform you that we agree to the inclusion (including by way of reference) of our reports, as detailed below with respect to the Shelf Prospectus in the subject line:

Review Report of the Independent Auditors dated August 18, 2024 on the Condensed Financial Information of the Company as of June 30, 2024 and for the six- and three-month periods then ended.

Somekh Chaikin
Certified Public Accountants

Kost Forer Gabbay & Kasierer
Certified Public Accountants

Joint Independent Auditors

Report and Statements regarding Internal Control over Financial Reporting and Disclosure

Quarterly Report on the Effectiveness of the Internal Control over Financial Reporting and Disclosure in accordance with Regulation 38C(a)

Management, under the supervision of the Board of Directors of Migdal Insurance and Financial Holdings Ltd. (hereinafter - the "**Corporation**") is responsible for establishing and maintaining adequate internal control over financial reporting and disclosure in the Corporation.

For this matter, the members of management are:

1. Yossi Ben Baruch, CEO;
2. Tal Cohen, CFO;
3. David Gilad, Chief Risk Officer;
4. Tamir Solomon, Internal Auditor;
5. Noam Hauslich, Legal Counsel & Enforcement Officer;

Internal control over financial reporting and disclosure includes controls and procedures existing in the Corporation, which were planned or overseen by the CEO and the most senior financial officer or under their supervision, or by whoever fulfills these functions in practice, under the supervision of the Board of Directors of the Corporation, 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 Corporation is required to disclose in the reports it publishes 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.

Among other things, internal controls include controls and procedures planned to ensure that all information that the Corporation is required to disclose as aforesaid is collected and transferred to the Corporation's management, including the chief executive officer and the most senior financial officer, or the equivalent acting officers, in order to allow decision making on a timely basis with respect to the disclosure requirements.

Due to its inherent limitations, internal control over financial reporting and disclosure is not designed to provide absolute assurance that misstatements or omissions of information in the financial statements shall be prevented or detected.

Migdal Insurance Company Ltd., a subsidiary of the Corporation, is an institutional entity which is subject to the directives of the Commissioner of the Capital Market, Insurance and Savings in the Ministry of Finance regarding the assessment of the effectiveness of internal controls over financial reporting.

With regard to the internal control in the aforementioned subsidiary, the Corporation applies the following directives: Institutional Entities Circular 2009-9-10, "Management's Responsibility for Internal Control over Financial Reporting", Institutional Entities Circular 2010-9-7, "Internal Control over Financial Reporting - Certifications, Reports and Disclosures", and amendments to said circulars.

In the Quarterly Report on the Effectiveness of Internal Control over Financial Reporting and Disclosure attached to the quarterly report for the period ended March 31, 2024 (hereinafter - the "**Most Recent Quarterly Report of Internal Control**"), the internal control was found to be effective.

As of the report date, the Board of Directors and management have not been informed of any event or matter that may alter the assessment of the effectiveness of internal control, as found in the Most Recent Quarterly Report of Internal Control;

As of the report date, based upon the said Most Recent Quarterly Report of Internal Control, and based upon information brought to the attention of Management and the Board of Directors as stated above, the internal controls are effective.

Certification by Officers

Certification by the CEO

I, Yossi Ben Baruch, hereby state that:

(1) I have reviewed the quarterly report of Migdal Insurance and Financial Holdings Ltd. (hereinafter - the "**Corporation**") for the second quarter of 2024 (hereinafter - the "**Reports**");

(2) To my knowledge, the Reports do not contain any misrepresentation of a material fact, or omit a representation of a material fact that is necessary in order for the representations included therein - under the circumstances in which such representations were included - to be misleading as to the reporting period;

(3) To my knowledge, the financial statements and other financial information included in the Reports present fairly, in all material aspects, the Company's financial position, financial performance and cash flows of the Corporation as of the dates and for the periods covered by the Reports;

(4) I have disclosed to the independent auditor of the Corporation, the Board of Directors, and the Corporation's audit and financial statements committees, based on my most recent evaluation of the internal control over financial reporting and disclosure, the following:

  (a) All significant deficiencies and material weaknesses in the establishment or implementation of the internal controls over financial reporting and disclosure that may adversely affect, in a reasonable manner, the Corporation's ability to collect, process, summate or report financial information in a manner that may give rise to doubt as to the reliability of financial reporting and preparation of the financial statements in accordance with the provisions of the law; and -

  (b) Any fraud, whether material or not, involving the chief executive officer or anyone directly reporting thereto or involving other employees who have a significant role in the internal control over financial reporting and disclosure;

(5) I, alone or together with others in the Corporation, state that:

  (a) I have established such controls and procedures, or ensured that such controls and procedures under my supervision be established and in place, designed to ensure that material information relating to the Corporation, including its consolidated companies as defined in the Securities Regulations (Annual Financial Statements), -2010, is brought to my attention by others in the Corporation and the consolidated companies, particularly during the Reports' preparation period; and -

  (b) I have established controls and procedures, or ensured that such controls and provisions under my supervision be established and in place, designed to ensure, in a reasonable manner, the reliability of financial reporting and preparation of 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 most recent report date (quarterly or periodic, as the case may be) and the date of this Report, which may change the conclusion of the Board of Directors and management regarding the effectiveness of internal controls over the corporation's financial reporting and disclosure.

Nothing in the foregoing shall derogate from my responsibility or the responsibility of any other person, under any law.

Date: August 18, 2024

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Yossi Ben Baruch, CEO

Certification by Officers

Certification by the Most Senior Financial Officer

I, Tal Cohen, hereby state that:

(1) I have reviewed interim financial statements and other financial information included in the interim report of Migdal Insurance and Financial Holdings Ltd. (hereinafter - the "**Corporation**") for the second quarter of 2024 (hereinafter – the "**Reports" or "Interim Reports**");

(2) To my knowledge, the interim financial statements and other financial information included in the Interim Reports do not contain any misrepresentation of a material fact, nor omit a representation of a material fact that is necessary in order for the representations included therein - under the circumstances in which such representations were included - to be misleading as to the reporting period;

(3) To my knowledge, the Interim Financial Statements and other financial information included in the Interim Reports present fairly, in all material aspects, the Company's financial position, financial performance and cash flows of the Corporation as of the dates and for the periods covered by the Reports;

(4) I have disclosed to the independent auditor of the Corporation, the Board of Directors, and the Corporation's audit and financial statements committees, based on my most recent evaluation of the internal control over financial reporting and disclosure, the following:

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting and disclosure insofar as it relates to the Interim Financial Statements and other financial information included in the Interim Reports, which could reasonably adversely affect the Corporation's ability to collect, process, summarize or report financial information so as to cast doubt on the reliability of financial reporting and the preparation of the financial statements in accordance with law; and -

(b) Any fraud, whether material or not, involving the chief executive officer or anyone directly reporting thereto or involving other employees who have a significant role in the internal control over financial reporting and disclosure;

(5) I, alone or together with others in the Corporation, state that -

(a) I have established such controls and procedures, or ensured that such controls and procedures under my supervision be established and in place, designed to ensure that material information relating to the Corporation, including its consolidated companies as defined in the Securities Regulations (Annual Financial Statements), -2010, is brought to my attention by others in the Corporation and the consolidated companies, particularly during the Reports' preparation period; and -

(b) I have established controls and procedures, or ensured that such controls and provisions under my supervision be established and in place, designed to ensure, in a reasonable manner, the reliability of financial reporting and preparation of financial statements in accordance with the provisions of the law, including in accordance with generally accepted accounting principles;

(c) No event or matter has been brought to my attention during the period between the most recent report date (quarterly or periodic, as the case may be) and the date of this Report that relates to the Interim Financial Statements and to any other financial information included in the Reports for the Interim Period that changes the conclusion of the Board of Directors and Management in respect of the effectiveness of internal control over the Corporation's financial reporting and disclosure.

Nothing in the foregoing shall derogate from my responsibility or the responsibility of any other person, under any law.

Date: August 18, 2024

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Tal Cohen, CFO

Statements regarding Controls and Procedures in respect of Disclosure in the Financial Statements of Migdal Insurance Company Ltd.

Migdal Insurance Company Ltd.

Certification

I, Ronen Agassi, hereby state that:

1. I have reviewed the quarterly report of Migdal Insurance Company Ltd. (hereinafter - the "**Insurance Company**") for the quarter ended June 30, 2024 (hereinafter - the "**Report**").
2. To my knowledge, the Report does not contain any misrepresentation of a material fact, or omit a representation of a material fact, which is necessary in order for the representations included in it - under the circumstances in which such representations were included - to be misleading as to the reporting period.
3. To my knowledge, the quarterly financial statements and other financial information included in the Report present fairly, in all material aspects, the Insurance Company's financial position, financial performance and changes in equity and cash flows as at the dates and for the periods covered by the report.
4. I and others at the Insurance Company signing this certification are responsible for the establishment and implementation of controls and procedures regarding the disclosure[1] and internal control over financial reporting[1] of the Insurance Company; and -
   (a) We have established such controls and procedures, or caused such controls and procedures to be established under our oversight, with the aim of ensuring that material information about the Insurance Company and its consolidated companies is brought to our attention by others in the Insurance Company and these companies, especially during the preparation of the Report;
   (b) We have established such internal controls over the financial reporting or have overseen the establishment of such controls over financial reporting, with the aim of providing reasonable assurance as to the reliability of the financial reporting and that the financial statements have been prepared in accordance with the directives of the Commissioner of the Capital Market, Insurance and Savings and in accordance with the Financial Services Supervision Law (Insurance), 1981;
   (c) We have evaluated the effectiveness of the Insurance Company's disclosure controls and procedures and presented in the Report our conclusions regarding the effectiveness of the disclosure controls and procedures as of the end of the reporting period according to our evaluation; and -
   (d) The Report discloses any change in the Insurance Company's internal control over financial reporting which occurred during the quarter and has materially affected, or is reasonably expected to affect, the Insurance Company's internal control over financial reporting. and -
5. I and others at the Insurance Company signing this certification have disclosed to the joint independent auditor, the Board of Directors, and the Committee for Review of the Financial Statements (Balance Sheet Committee) of the Insurance Company, based on our most recent evaluation of the internal control over financial reporting, the following:
   (a) All significant deficiencies and material weaknesses in the establishment or implementation of the internal controls over financial reporting that may harm the Insurance Company's ability to record, process, summarize and report financial information; and -
   (b) Any fraud, whether or not material, involving management or other employees who have a significant role in the Insurance Company's internal control over financial reporting.

Nothing in the foregoing shall derogate from my responsibility or the responsibility of any other person, under any law.

August 18, 2024

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Ronen Agassi, CEO

[1]As defined in the provisions of the Institutional Entities Circular titled "Internal Controls over Financial Reporting - Certifications, Reports and Disclosures".

Migdal Insurance Company Ltd.

Certification

I, Tal Cohen, hereby state that:

1. I have reviewed the quarterly report of Migdal Insurance Company Ltd. (hereinafter - the "**Insurance Company**") for the quarter ended June 30, 2024 (hereinafter - the "**Report**").
2. To my knowledge, the Report does not contain any misrepresentation of a material fact, or omit a representation of a material fact, which is necessary in order for the representations included in it - under the circumstances in which such representations were included - to be misleading as to the reporting period.
3. To my knowledge, the quarterly financial statements and other financial information included in the Report present fairly, in all material aspects, the Insurance Company's financial position, financial performance and changes in equity and cash flows as at the dates and for the periods covered by the report.
4. I and others at the Insurance Company signing this certification are responsible for the establishment and implementation of controls and procedures regarding the disclosure[1] and internal control over financial reporting[1] of the Insurance Company; and -
   (a) We have established such controls and procedures, or caused such controls and procedures to be established under our oversight, with the aim of ensuring that material information about the Insurance Company and its consolidated companies is brought to our attention by others in the Insurance Company and these companies, especially during the preparation of the Report;
   (b) We have established such internal controls over the financial reporting or have overseen the establishment of such controls over financial reporting, with the aim of providing reasonable assurance as to the reliability of the financial reporting and that the financial statements have been prepared in accordance with the directives of the Commissioner of the Capital Market, Insurance and Savings and in accordance with the Financial Services Supervision Law (Insurance), 1981;
   (c) We have evaluated the effectiveness of the Insurance Company's disclosure controls and procedures and presented in the Report our conclusions regarding the effectiveness of the disclosure controls and procedures as of the end of the reporting period according to our evaluation; and -
   (d) The Report discloses any change in the Insurance Company's internal control over financial reporting which occurred during the quarter and has materially affected, or is reasonably expected to affect, the Insurance Company's internal control over financial reporting. and -
5. I and others at the Insurance Company signing this certification have disclosed to the joint independent auditor, the Board of Directors, and the Committee for Review of the Financial Statements (Balance Sheet Committee) of the Insurance Company, based on our most recent evaluation of the internal control over financial reporting, the following:
   (a) All significant deficiencies and material weaknesses in the establishment or implementation of the internal controls over financial reporting that may harm the Insurance Company's ability to record, process, summarize and report financial information; and -
   (b) Any fraud, whether or not material, involving management or other employees who have a significant role in the Insurance Company's internal control over financial reporting.

Nothing in the foregoing shall derogate from my responsibility or the responsibility of any other person, under any law.

August 18, 2024

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Tal Cohen, Deputy CEO,
Head of the Finance Division

[1] As defined in the provisions of the Institutional Entities Circular titled "Internal Controls over Financial Reporting - Certifications, Reports and Disclosures".