

Financial Results

Q1-2025



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“We concluded the first quarter of 2025, the first since the adoption of IFRS 17, with positive results across all lines of business.

The favorable trends established in 2024 have continued, marked by growth in new sales in the health and life insurance sectors, alongside an increase in premiums across general insurance, health, pension, and provident funds. The comprehensive income for the first quarter of 2025 came to NIS 254 million, as compared to a loss of NIS 27 million in the corresponding quarter last year. The profit from core activities came to NIS 531 million, as compared to NIS 447 million in the corresponding quarter (before tax).

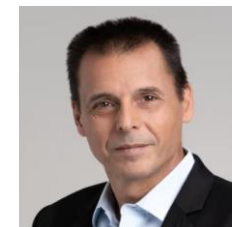
At the close of the quarter, the Company's comprehensive equity, comprising equity plus post-tax CSM, amounted to NIS 16.9 billion, as compared to NIS 16.7 billion at year-end 2024. This growth in comprehensive equity enhances the Company's financial stability and strength.

Our solvency ratio, without the deployment period transition provisions, has surpassed the 100% threshold, reaching 103% as of December 31, 2024. We intend to resume regular dividend distribution starting in 2027, in line with the Group's strategic plan objectives.

Today, we are also presenting the strategic targets originally outlined in March 2023, now adjusted for the new accounting presentation.

The implementation of our strategic plan is yielding positive results, and in some areas, we are even ahead of the original timelines set for achieving our goals.

Our continued execution of work plans and adherence to milestones will enable us to reach our objectives, lay a solid foundation for sustained growth, enhance profitability, and facilitate consistent dividend distribution in the coming years.”



Ronen Agassi
CEO of Migdal Insurance



Yossi Ben Baruch
CEO of Migdal Holdings

8.4 billion NIS

Equity

499 billion NIS

AUM

91

Years of insurance

3,800

Agents

2.6 million

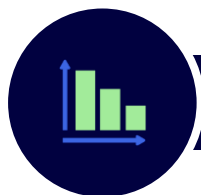
Customers

4,500

Employees

Shortly before the publication date of the report, AUM totals NIS 511 billion.
Rating of Migdal Insurance Company Ltd. (Aa2.il by Midroog)

* The data relating to agents, employees and customers are effective for the end of 2024;
the remaining data are effective as of March 31, 2025.



Results

Comprehensive income

- Comprehensive income (after tax) in the first quarter of 2025 totaled NIS 254 million, as compared to a loss of NIS 27 million in the corresponding quarter last year. The increase in comprehensive income is due to the profit from core activities and the improved contribution of investments, mainly influenced by the increase in the interest curve of the insurance liabilities.

Profit from core activities

- In the first quarter of 2025, the profit from core activities totaled NIS 531 million, as compared to a profit of NIS 447 million in the corresponding quarter last year.
- The higher profitability across most lines of business is due mainly to reduced cost of claims and the improved retention results.



Growth

- AUM increased to NIS 499 billion as of March 31, 2025, as compared to NIS 493 billion as of December 31, 2024. The increase is due mainly to the growth in the pension funds, provident funds and mutual funds.
- Increase in new sales in the health and life insurance sectors.
- Increased premiums in general insurance, health insurance, and in the pension and provident funds' operations.
- Continued net positive mobility in pension funds.



Solvency Ratio

- The solvency ratio without the transition provisions increased to 103% as of December 31, 2024, as compared to 78% as of December 31, 2023.
- The solvency ratio without the transition provisions increased to 131% as of December 31, 2024, as compared to 123% as of December 31, 2023.
- The improved solvency ratio is due, inter alia, to the increase in the interest curve, the application of the stochastic model, positive returns in planholders' and nostro portfolios, and the positive impact of the core activities on the Company's accumulation of capital.



Surplus financial gains

- The increase in the interest curve has significantly improved the surplus financial gains. The surplus loss in the current quarter totaled NIS 12 million, as compared to a loss of NIS 433 million in the corresponding quarter last year.

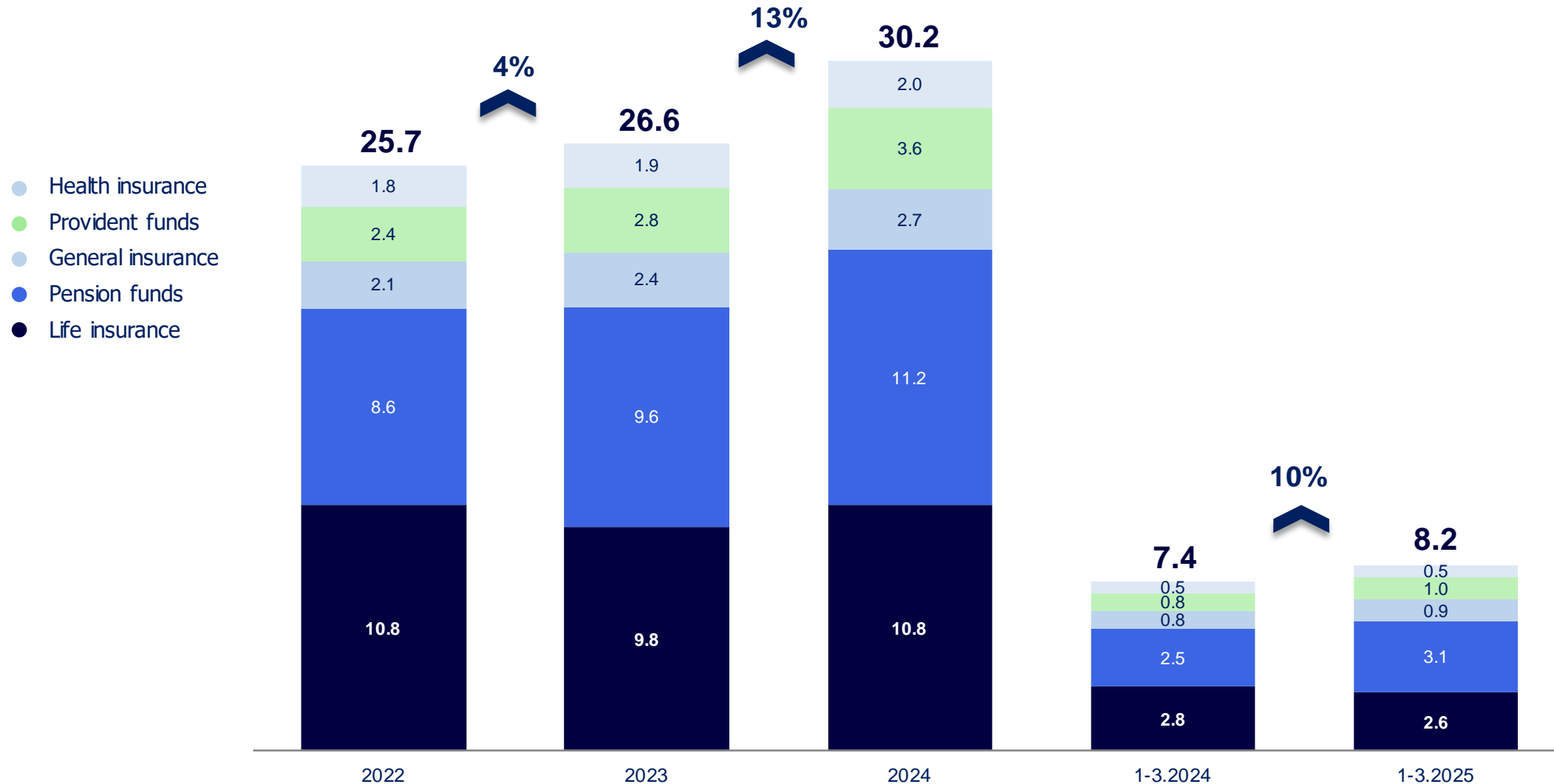


Comprehensive Equity (equity plus post-tax CSM)

- Equity at the end of the quarter came to NIS 8.4 billion, an increase of NIS 254 million since the end of 2024.
- The CSM balance at the end of the first quarter was NIS 13 billion, before tax, similar to the end of 2024.
- The Company's comprehensive equity as of March 31, 2025 totaled NIS 16.9 billion, as compared to NIS 16.7 billion as of December 31, 2024.

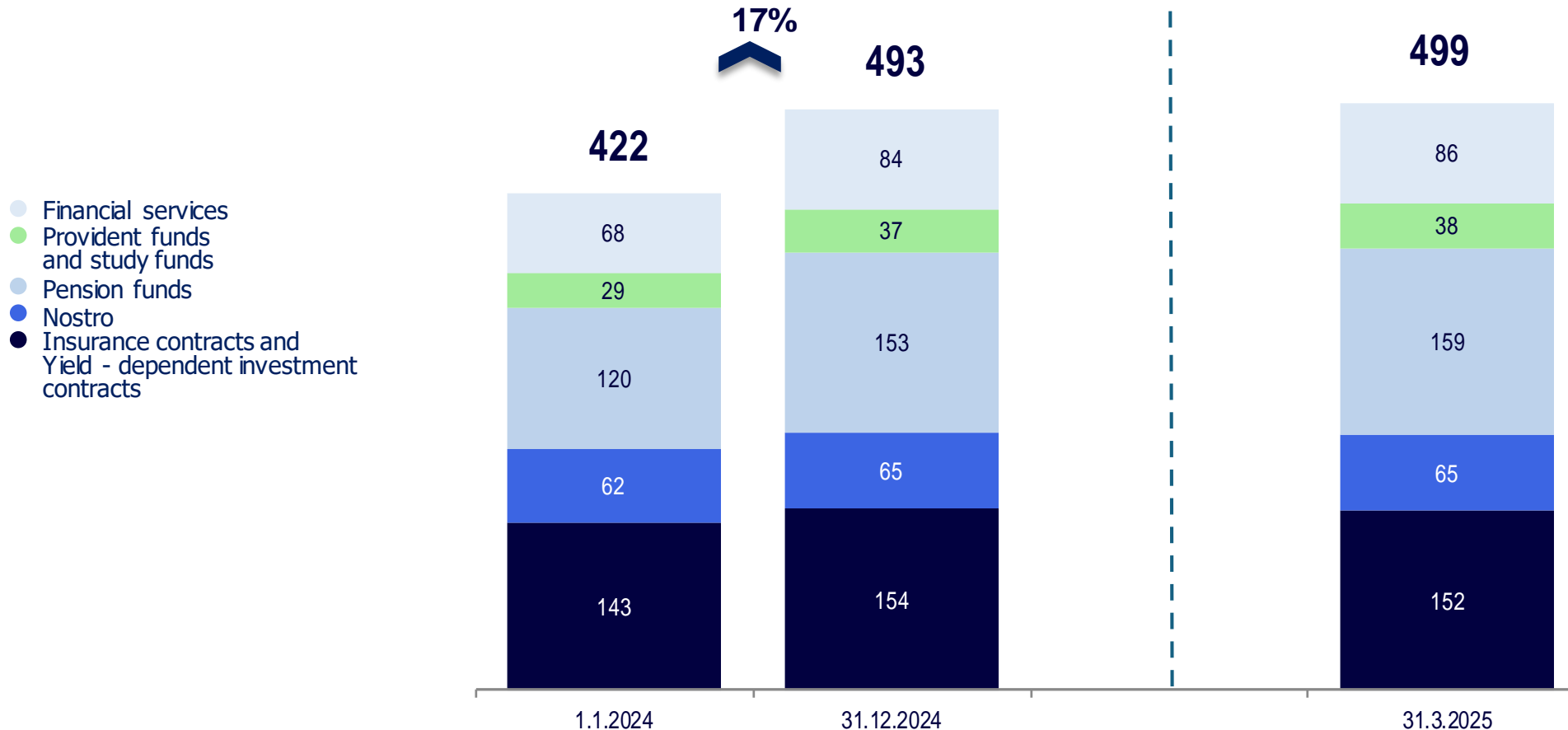
Continued Increase in Premiums, Investment Contracts and Contributions

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



Continued AUM growth

Shortly before the publication date of the report, AUM totals NIS 511 billion.



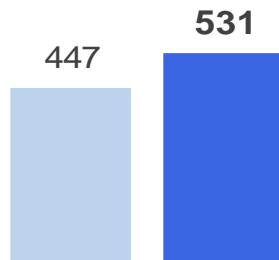
The total AUM as of December 31, 2024 has been adapted to the new accounting requirements, whereby the AUM is presented by the equity method (the most notable effect is on the value of designated bonds).

Principal Business Results in Q1-2025 Compared to Q1-2024

(In NIS millions)

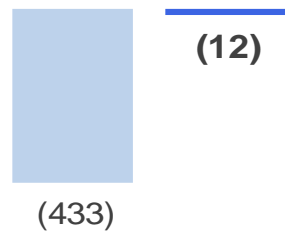
Profit from core activities

Underwriting profit plus investment gains at the risk-free interest rate + 2%



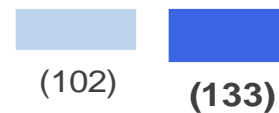
Surplus financial gains

Surplus gains in excess of the return attributed to core profits

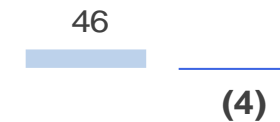


Other operating expenses

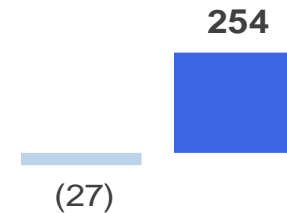
Expenses not attributed to the insurance contracts in the various segments, including financing expenses



Special effects



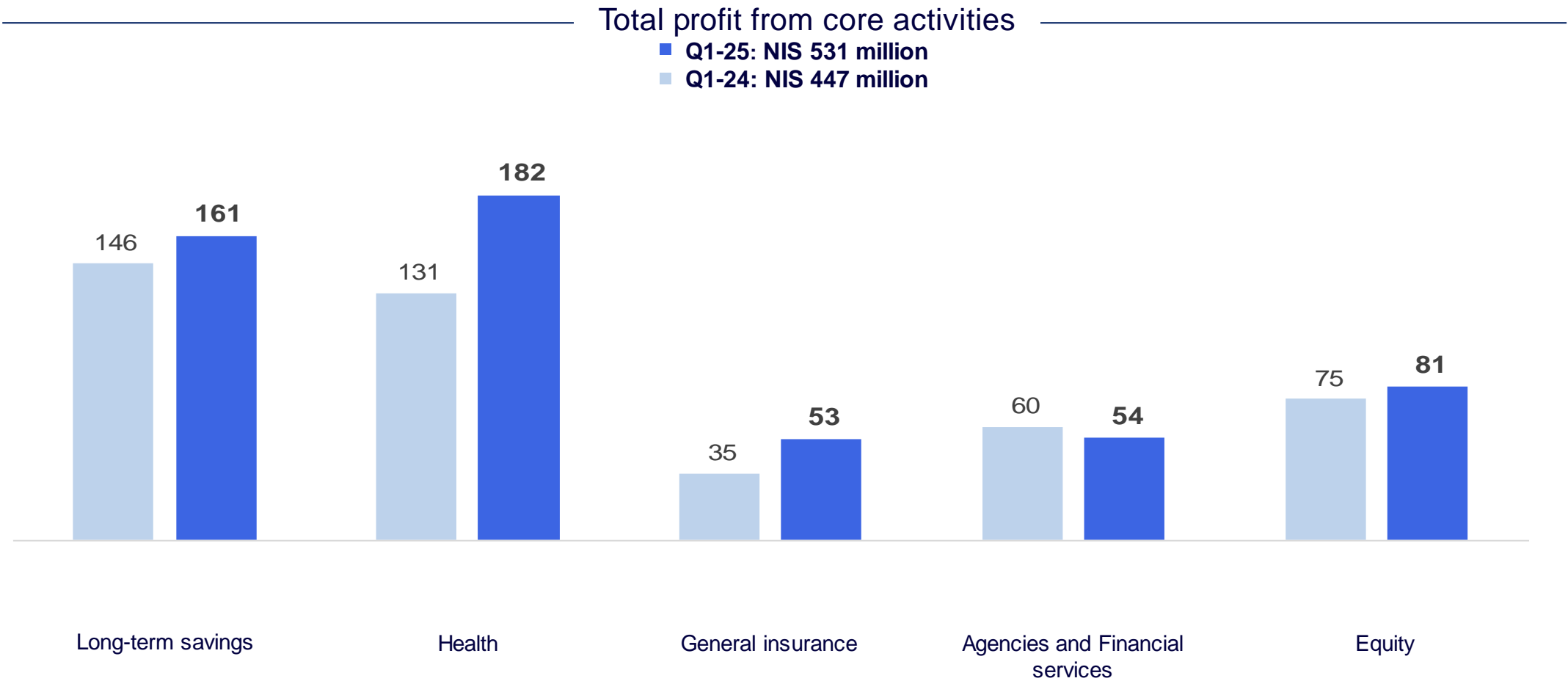
Comprehensive income (loss) after tax



■ Q1-24 ■ Q1-25

Profit from Core Activities in Q1-2025 Compared to Q1-2024

(In NIS millions)

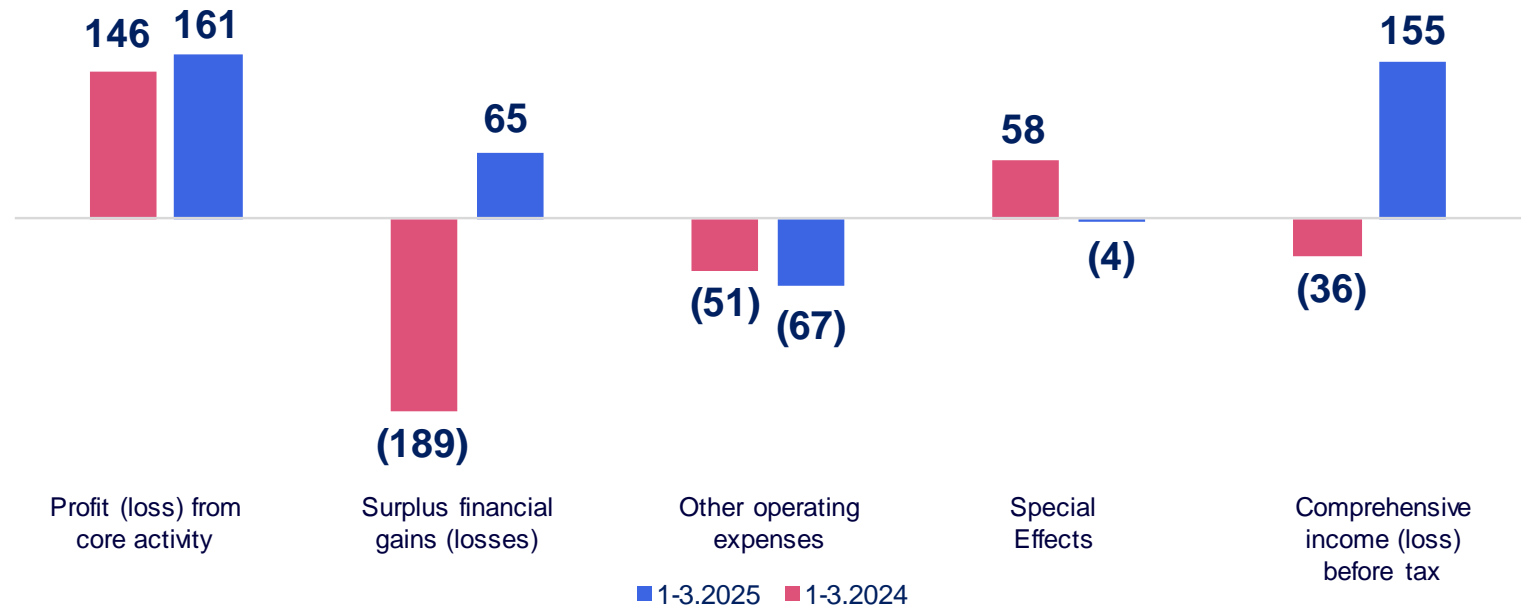


Long-Term Savings

Sources of Comprehensive Income (Loss) Before Tax in the First Quarter (In NIS millions)

- Continued increase in new sales of pension and provident funds - 27% and 25% (respectively) in Q1-2025 compared to the corresponding quarter last year
- Continued net positive mobility in pension funds in Q1-2025
- Improved underwriting results in loss of working capacity, mainly due to improved claims' experience

Comprehensive Income in Q1-2025 compared to Q1-2024



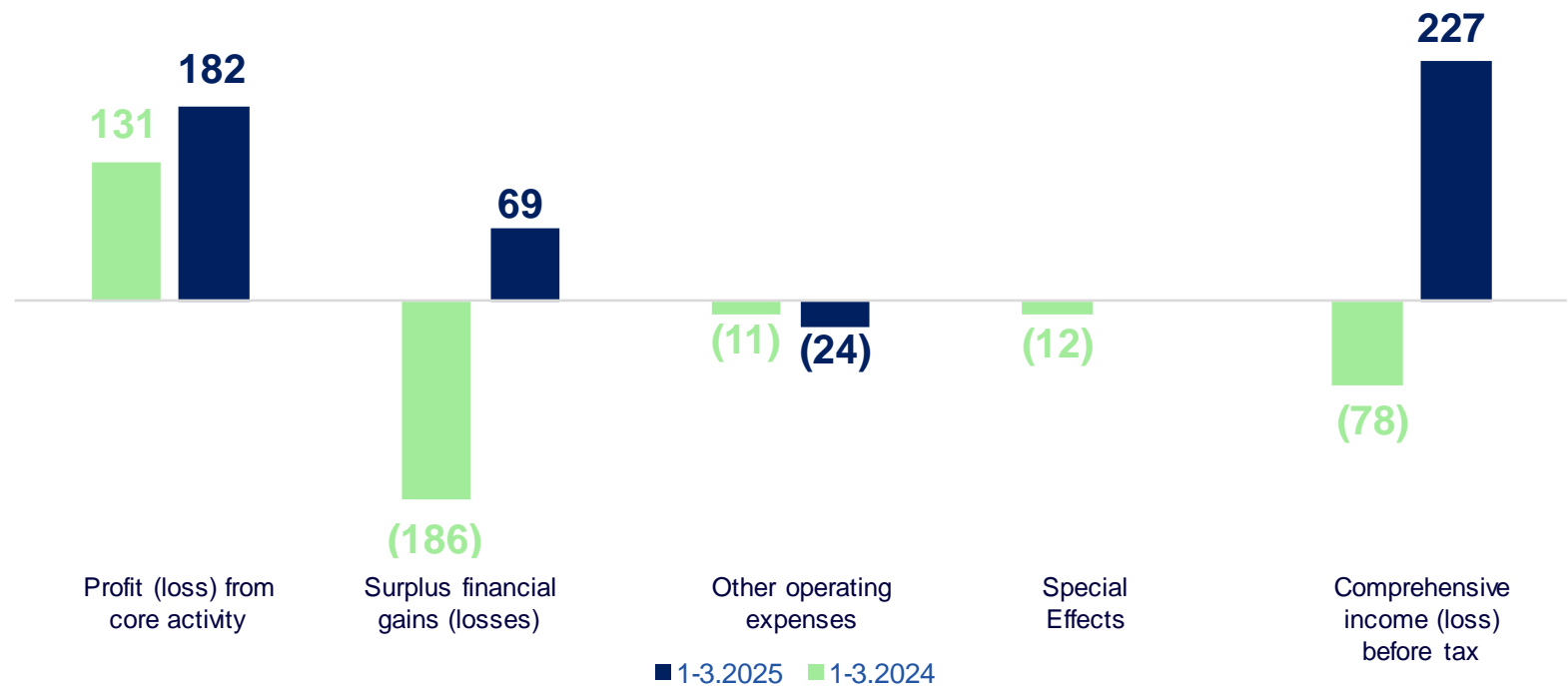


Health insurance

Sources of Comprehensive Income (Loss) Before Tax in the First Quarter (In NIS millions)

- Increase in new sales
- 6% increase in premiums in Q1-2025
- Reduction in claim payouts in the medical expenses sectors

Comprehensive Income in Q1-2025 compared to Q1-2024



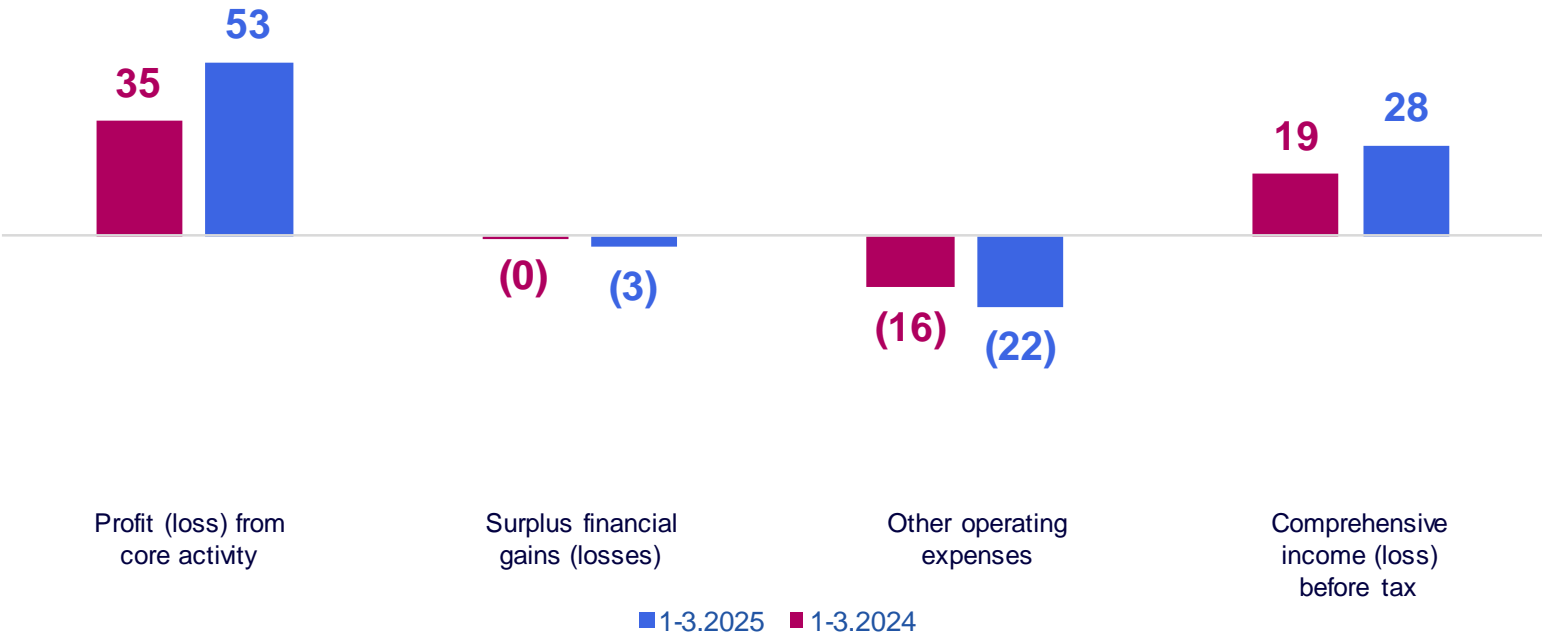


General Insurance

Sources of Comprehensive Income (Loss) Before Tax in the First Quarter (In NIS millions)

- 19% increase in premiums in the quarter, stemming mainly from higher sales of vehicle insurance policies due to Migdal being awarded the 2025 tender for public sector employees
- Improved profitability in the vehicle insurance sectors

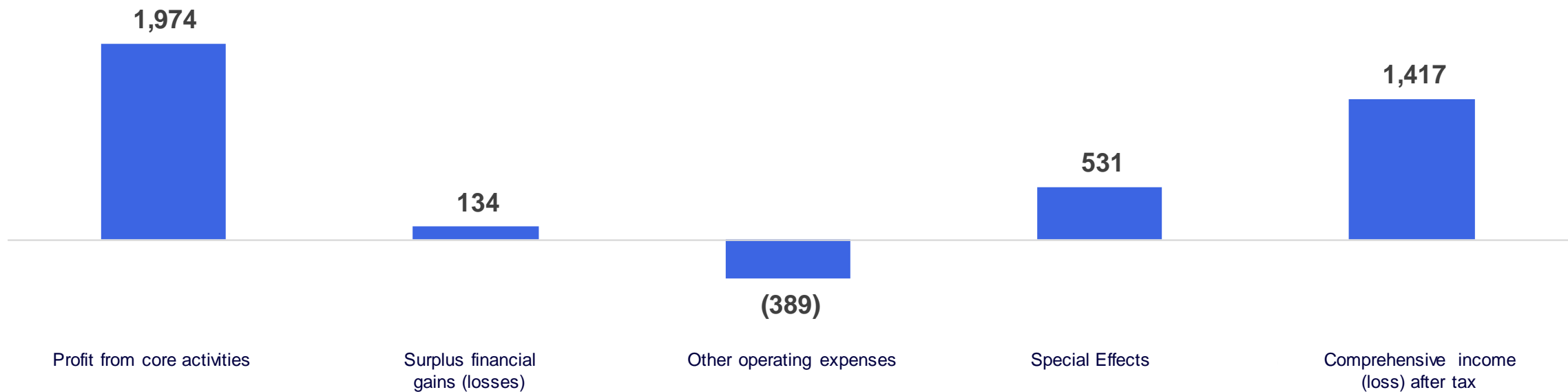
Comprehensive Income in Q1-2025 compared to Q1-2024



Principal Business Results in 2024 Under IFRS 17

(In NIS millions)

- Profit of NIS 2 billion from core activities
- The surplus financial gains of the Company totaled NIS 134 million
- The special effects stem primarily from the updating of an actuarial study that increased the value of designated bonds
- Total return on capital of 21%

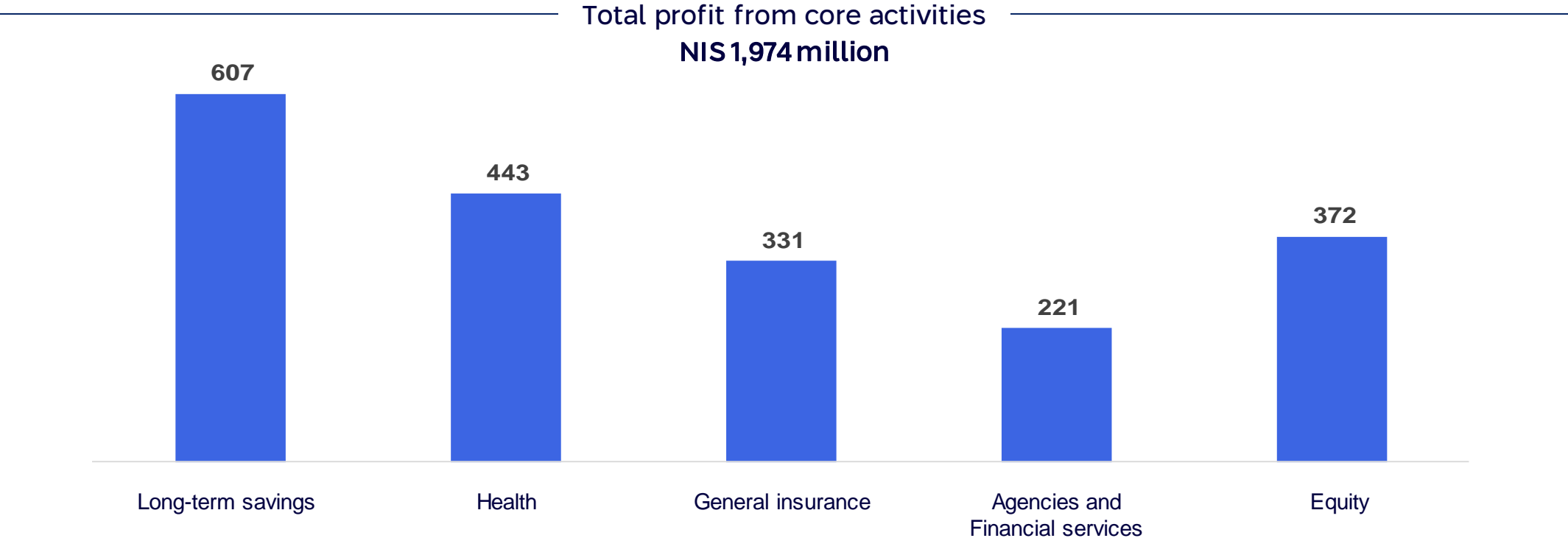


Profit from Core Activities in 2024 Under IFRS 17

(In NIS millions)

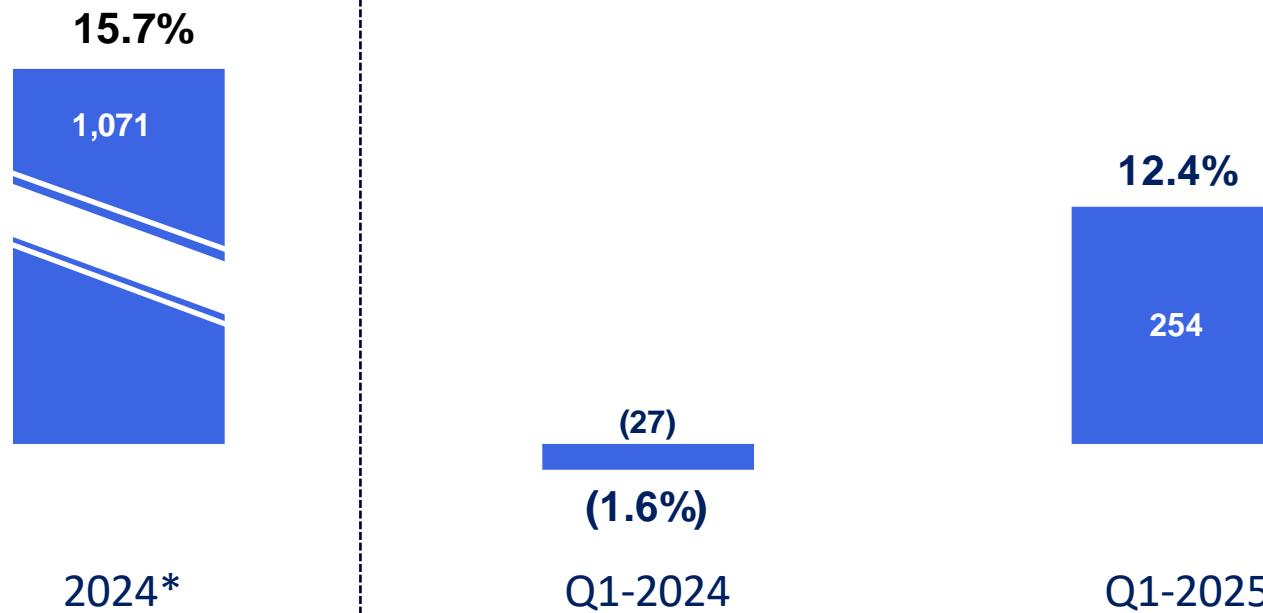


- Continued increase in new sales of pension and provident funds - 71% and 17% (respectively) in 2024 compared to 2023
- Continued net positive mobility in provident funds and pension funds
- Significant improvement of the underwriting profit in the vehicle insurance sectors



Comprehensive Income and Rate of Return on Capital

Income (in NIS millions) and Return on Capital (annualized)



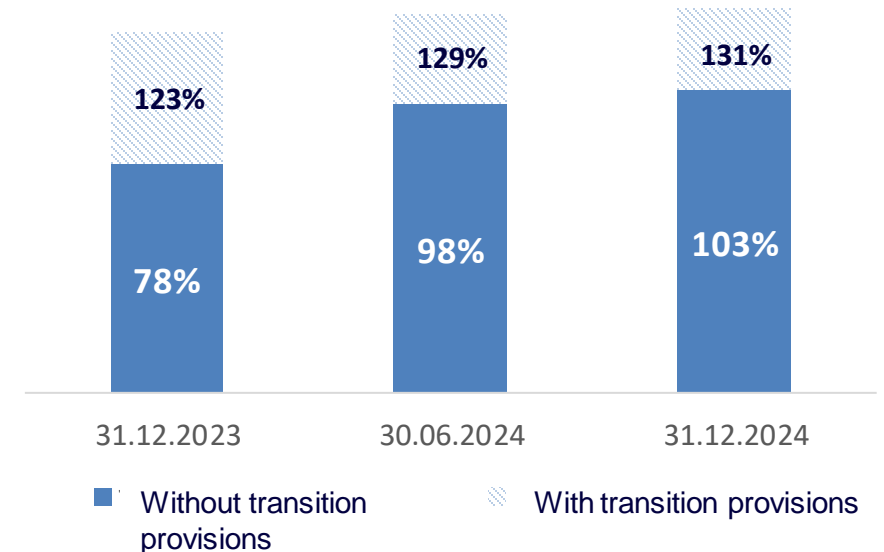
* In 2024, the profit and the return do not include special effects.

Solvency Ratio

(In NIS millions)

- The solvency ratio continues to grow, surpassing 100% without the transition provisions.
- The continued growth of the solvency ratio in the second half of 2024, despite the reduced interest rate during that period, is due, inter alia, to the application of the stochastic model, positive returns in planholders' and nostro portfolios, and the positive impact of the core activities on the Company's accumulation of capital.
- Updating of the Company's capital targets and setting of an economic solvency ratio of 115%, without the deployment period transition provisions, as a minimum capital requirement for dividend distribution.

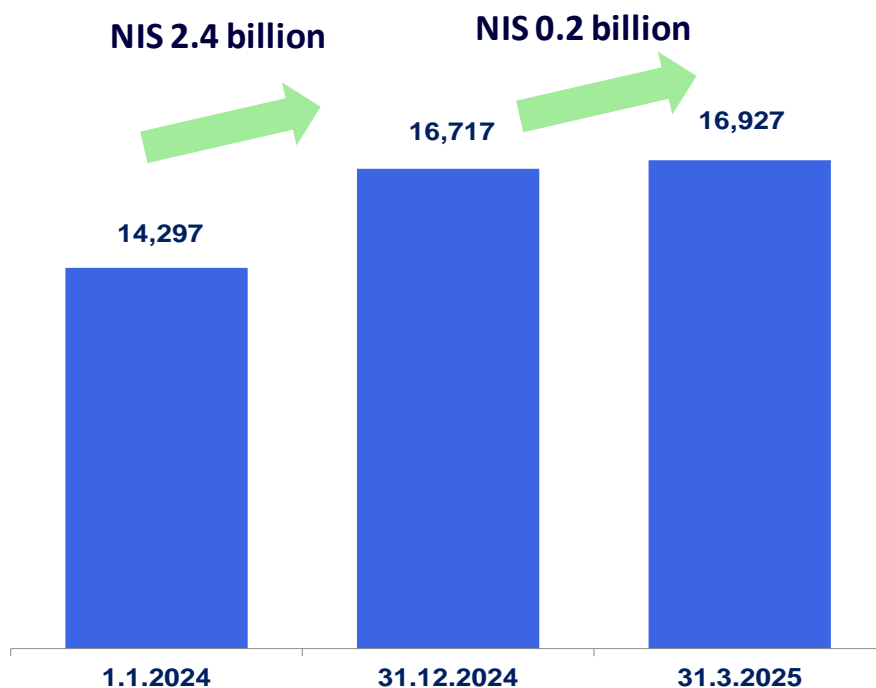
Solvency ratio of Migdal Insurance



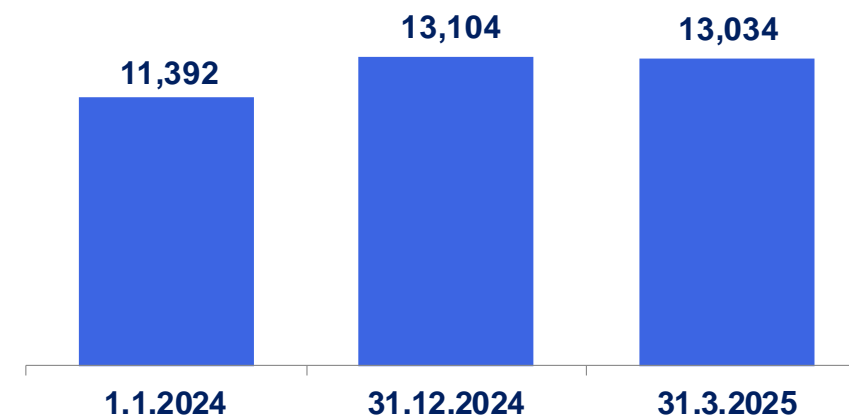
Development in Capital and in the CSM in Q1-2025 (In NIS millions)

Comprehensive equity

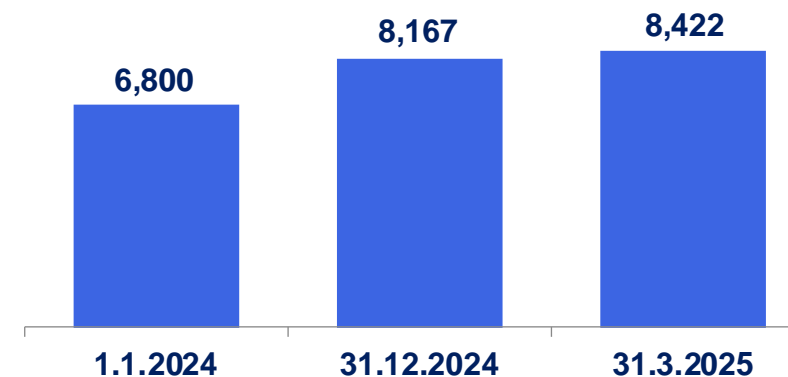
Comprehensive equity growth enhances the Company's financial stability and strength



Pre-tax CSM



Equity



Adaptation of the Strategic Plan Goals to IFRS 17



Strategic Plan - Status



Mission

Decisive and immediate actions for transforming growth, profitability and the return on capital and regaining leadership



Goal

By the end of 2027 – annual comprehensive income of NIS 1.3 billion with a 13% return on capital, and regular dividend distributions from Migdal Insurance



Reinforcing Core Activities and Pursuing Profitable Growth

- Implementation of initiatives for boosting profitability and market share in general insurance
- Formulation of a strategic plan for the Group's primary agencies to support profitable growth
- Shifting the nostro portfolio mix to increase components generating excess returns



Enhancing Effectiveness and Cutting Back Costs

- Redefining service and operational models and implementing advanced tools, including AI
- Accelerating digitalization and effective and targeted approach to close products
- Pension profitability enhancement



The Customer in the Center in a Dynamic Reality

- Holistic customer-centric value proposition
- Tailored value propositions to direct customers
- Special emphasis on retaining pre-retirement customers

Adaptation of the financial targets for 2027 to IFRS 17*

Underwriting
profit
(In NIS billions)

0.95

Original

Profit from
core activities
(In NIS billions)

2.2

Adapted

Comprehensive income
after tax (NIS)
(In NIS billions)

1

Original

1.3

Adapted

Return on capital (%)

12%

Original

13%

Adapted

* Data is presented solely for the targets that are affected by the transition to IFRS 17.

Thank You

Migdal. *View To Infinity*

