



# Financial Results

2025



## Clarification and forward-looking information

This presentation was prepared for conciseness and convenience purposes only and contains partial information in relation to the results of the Group in the specified periods. The presentation does not constitute a substitute for perusal of the Company's reports to the public (including the financial statements of the Company) that contain the full financial information of the Group. In the event of any contradiction between the information included in the presentation and the information provided in the reports of the Company, the stated in the reports of the Company, as published to the public, shall prevail.

The data presented in this presentation are effective as of December 31, 2025, unless explicitly stated otherwise.

This presentation contains data and information based on the Group's projections and assessments, including, inter alia, information regarding the estimated range of the economic solvency ratio as of December 31, 2025 ("the Estimate"; and together with other projections and assessments included in this presentation: "the Information"), which constitute forward-looking information, as defined in Section 32A of the Securities Law, 1968.

The publication of the Estimate is provided on a voluntary basis, and this publication does not create any obligation to provide similar disclosures in the future. The Estimate is based on the results of processed actuarial, market risk, and credit risk calculations, as well as assessments regarding Migdal Insurance's projected economic balance sheet as of December 31, 2025.

The Information may include, inter alia, projections, targets, assessments and estimates relating to future events or matters (including risk factors that characterize the activity of the Group, the realization of various plans, as well as developments in the economic environment and in external factors that affect the activity of the Group), the realization of which is uncertain and is not in the control of the Group. Such Information is based on a subjective assessment by the managements of the companies in the Group, based on past experience and the accumulated professional knowhow, to the date of this presentation, and is subject to the qualifications and clarifications as set out above. In addition, the presentation includes data and assessments that are based on external sources, the content of which has not been independently examined by the Company or by any of the companies in the Group.

The realization and/or non-realization of the forward-looking information contained in this presentation will be affected by risk factors that are characteristic of the activities of the Company and the companies in the Group, as detailed in the Company's periodic reports, including changes in economic conditions, the capital market in Israel and globally, the development of competition in sectors relevant to the Group's activities, regulatory changes, changes in consumer preferences, changes in work assumptions or economic models and assumptions, and changes in implementation or execution – which are not predictable and are beyond the control of the Company or the companies in the Group. Therefore, there is no certainty that the actual results and achievements of the Company in the future will be in accordance with those forecasts and these may differ, even materially, from those presented in this presentation. The Estimate may be realized in a materially different manner than anticipated, inter alia, due to changes in assessments or additional controls performed during the finalization of the ultimate report.

This presentation does not constitute an offer to acquire securities of the Company or an invitation to receive such offers and does not constitute a recommendation or an opinion regarding investment in the securities of the Company. In addition, the presentation is not comprehensive or a full representation of all of the information that could be relevant to making a decision concerning investment in securities of the Company. To remove any doubt, the Company does not undertake to update or change the Information included in this presentation.

This presentation may include information presented in a manner that differs from the presentation in the Company's periodic reports.

"We concluded 2025 with **robust results and a transformative leap in the Group's activities**. The financial results are a direct testament to the successful implementation of our strategic plan and our steadfast execution of our work plans, with **comprehensive income of NIS 1.8 billion**, reflecting **26%** growth compared to last year and a return on capital of **22%**.

The growth we achieved this year is both broad and deep: **core profits surged by 38%** compared to 2024, totaling NIS 2.4 billion, reflecting double-digit growth across all the Group's lines of business, with accelerated forward momentum in pension and provident fund activities. The strength of our growth engines is clearly reflected in our performance, driving **NIS 1.4 billion** in variable management fees, coupled with a steadily improving nostro portfolio and consistent growth in assets under management. The transition to IFRS 17 on 1.1.2024, allows for the clear visualization of the immense economic value accumulated within the Group, evidenced by 27% growth in the CSM.

The upgrade of Midroog's rating outlook to **'positive'** and our return to the **TA-35 index** provide further reinforcement of our strategic path and our financial stability.

Especially in a year of complex national challenges, Migdal's resilience serves as an anchor of stability for our customers and reflects our deep confidence in the strength and durability of the Israeli economy. We are proud to lead a financial institution whose growth is intertwined with the growth of the economy and its enhancement. This confidence allows us to look far ahead.

Given the acceleration of timelines and the achievement of strategic goals ahead of expectations, **we are revising the targets of our strategic plan upward**. This update is a direct result of strong business momentum and a tight management infrastructure.

We entered 2026 prepared to continue delivering significant value to our shareholders and customers. We would like to take this opportunity to thank all of the managers and employees of Migdal for their dedication and contribution, which transformed our strategic vision into the business reality reflected in these results."



**Ronen Agassi**  
CEO of Migdal  
Insurance



**Yossi Ben Baruch**  
CEO of Migdal  
Holdings

**2.6** million

Customers

**4,400**

Employees

**92**

Insurance years

**Aa2.il**

Rating - positive outlook

**TA-35**

Reinstatement

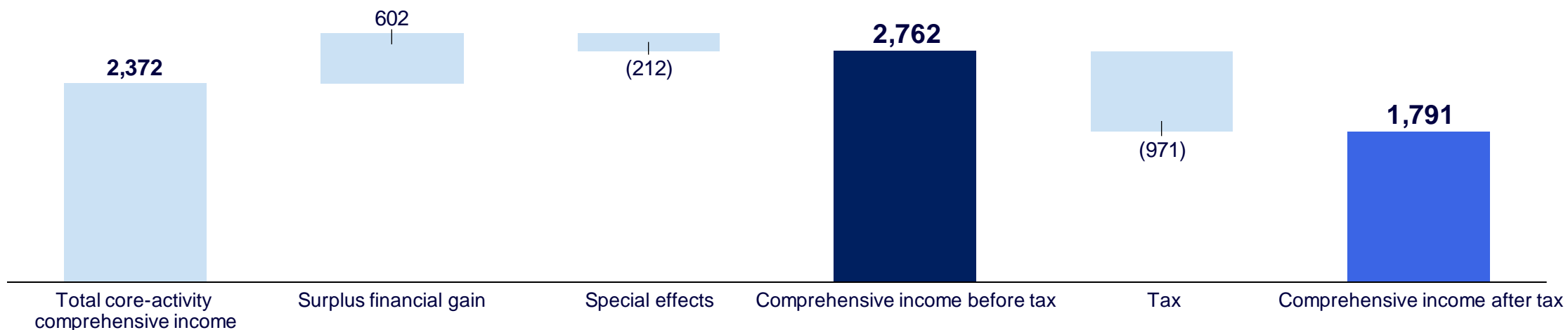
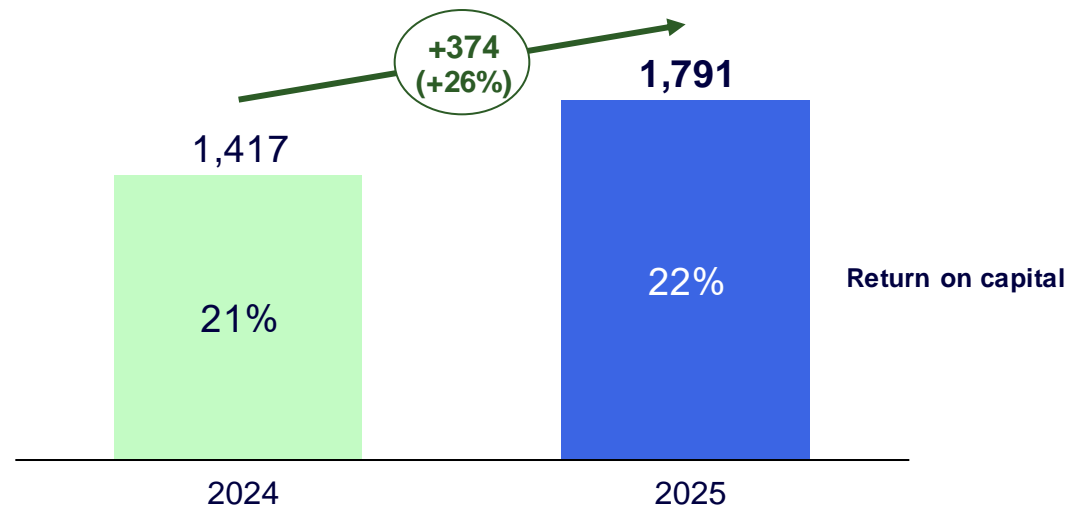


# Comprehensive Income and Return on Capital | 26% increase in Comprehensive Income in 2025

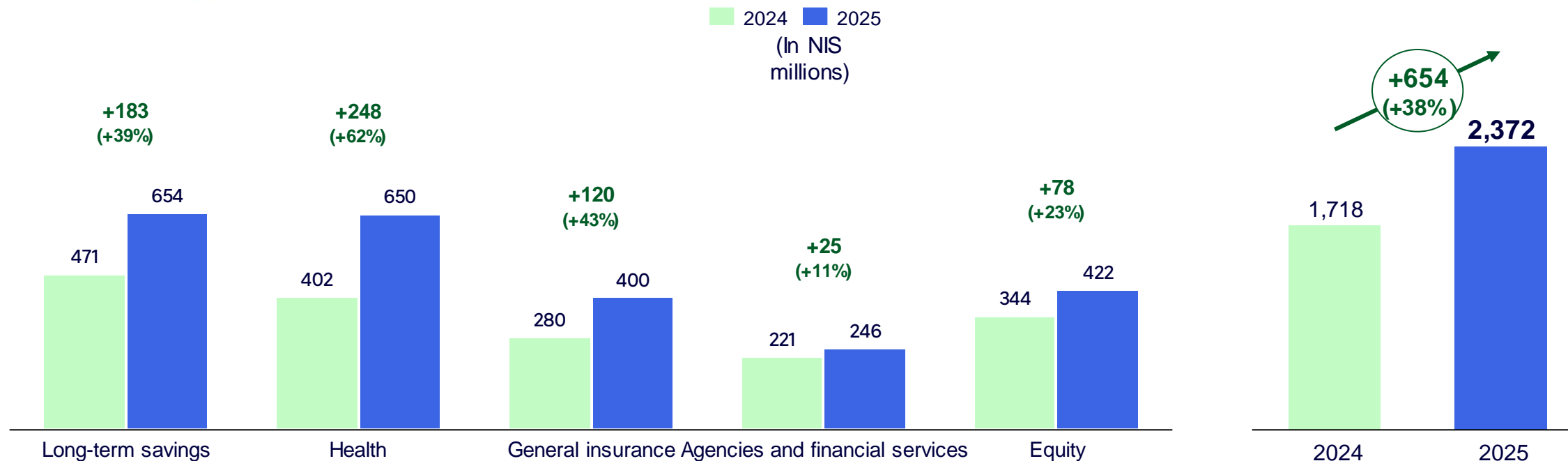
- The improvement in 2025 is due to the growth in **comprehensive income from core activities** and in **investment gains**
- The **nostro portfolio delivered income** of NIS 4.5 billion
- **Special effects** - Specific impacts within the 2004 participating portfolio resulted in a significant reduction in the CSM balance and the recognition of a loss of NIS 160 million

## Comprehensive income (after tax)

In NIS millions



# Profit from Core Activity | Double-digit Growth Across All Lines of Business



**Long-term savings and Finance** | The more effective management of claims and cancellations increased profitability in the loss of working capacity and risk sectors.

In addition, the higher implied profitability driven by current returns boosted the results of the managerial insurance sector

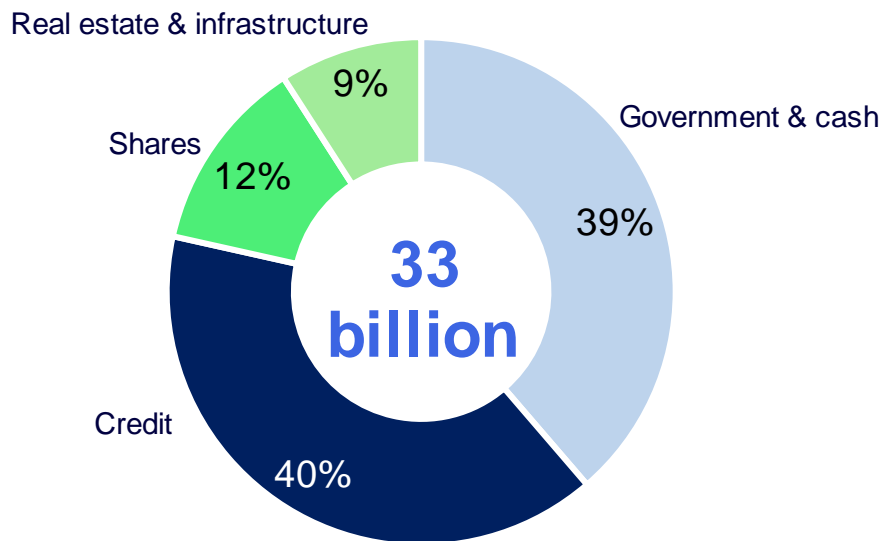
**Health insurance** | The more effective management of claims enhanced profitability across most of the lines of business

**General insurance** | Higher underwriting profit in the vehicle and business sector and improved portfolio mix

\* Other operating expenses are included under the core activities

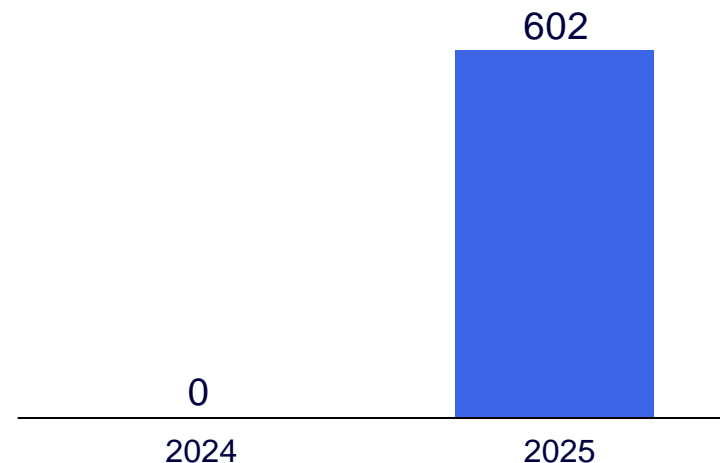
# Financial Impacts and Free Nostro Portfolio Mix | Nostro Delivers NIS 4.5 Billion Income

**Free nostro portfolio mix\***



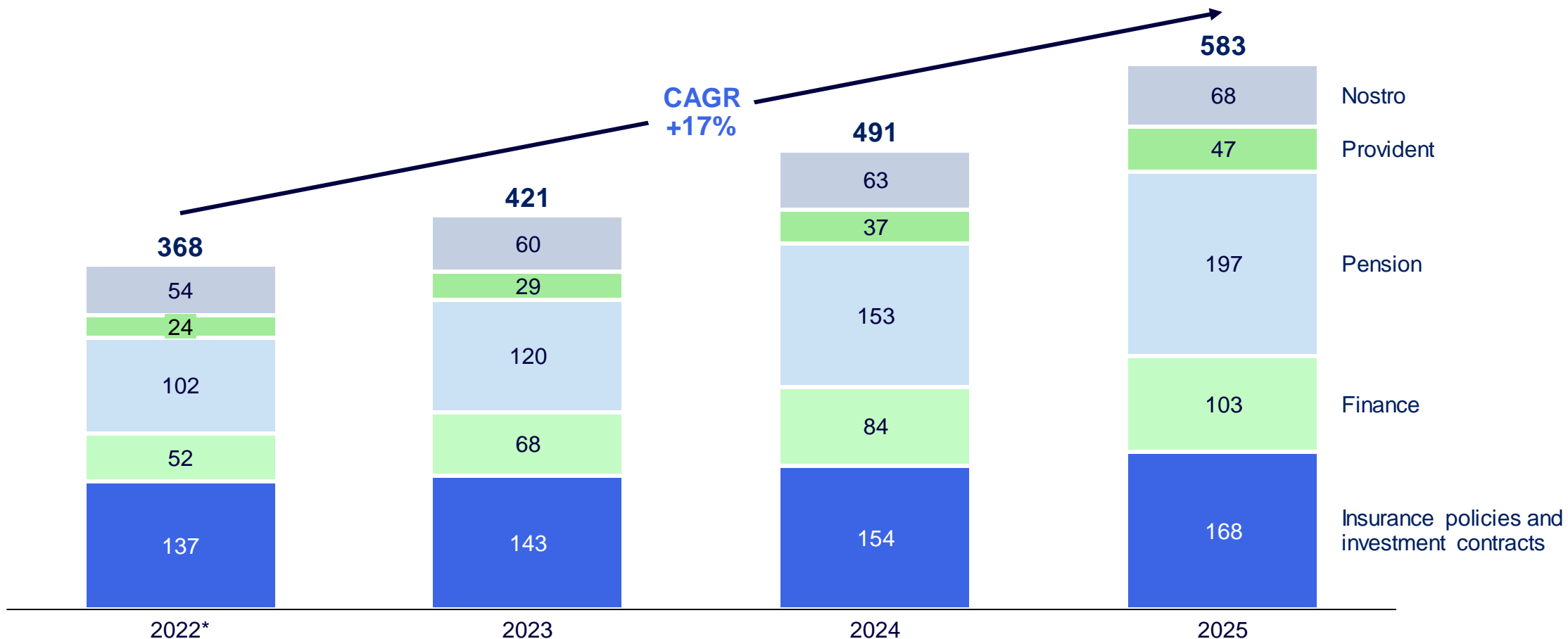
**Surplus financial gain**

in NIS millions



- The **market's largest** nostro portfolio, totaling **NIS 68 billion**, including a free nostro portfolio of **NIS 33 billion**
- The active and focused management of the nostro portfolio drove a **substantial improvement in yield**
- The real yield on the free nostro portfolio in 2025 came to **6.1%**
- The nostro portfolio generated **NIS 4.5 billion**
- **Surplus financial gain** of NIS 602 million
- **Adjustment to the portfolio mix enhanced the implied profitability:** venture into new fields of investment and expansion of credit

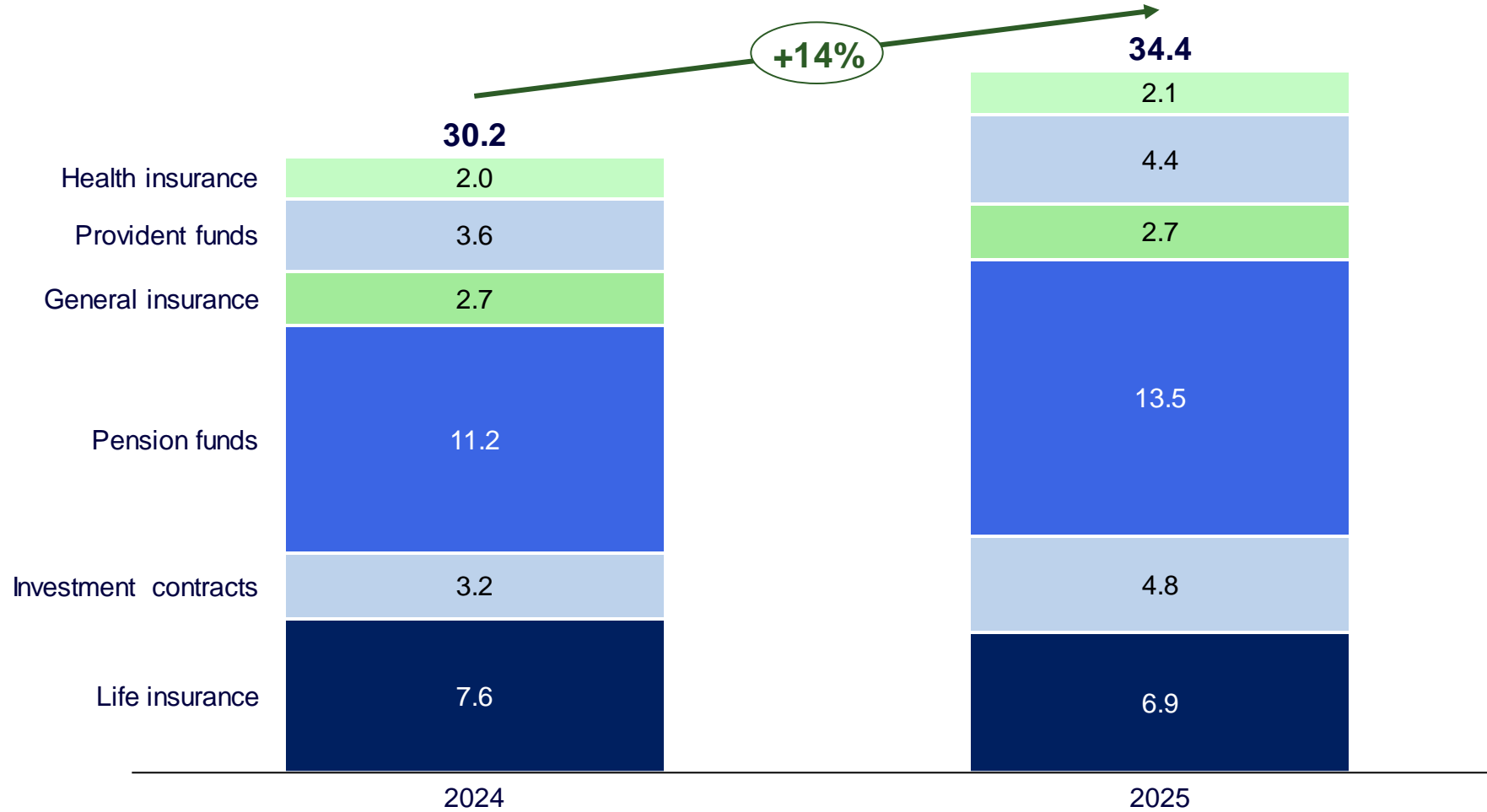
# AUM (in NIS billions) | 20% Growth in 2025



- The increase is due mainly to the growth in the **pension** funds, **provident funds**, and **mutual funds**, as well as the positive returns in the markets.
- Increase in the **nostro** portfolio

\* The AUM for 2022 are presented in accordance with IFRS 4.

# Premiums and Contributions (in NIS millions) | 14% Growth in 2025



- Substantial **21%** increase in pension and provident funds
- The **fastest growing** pension fund in the market

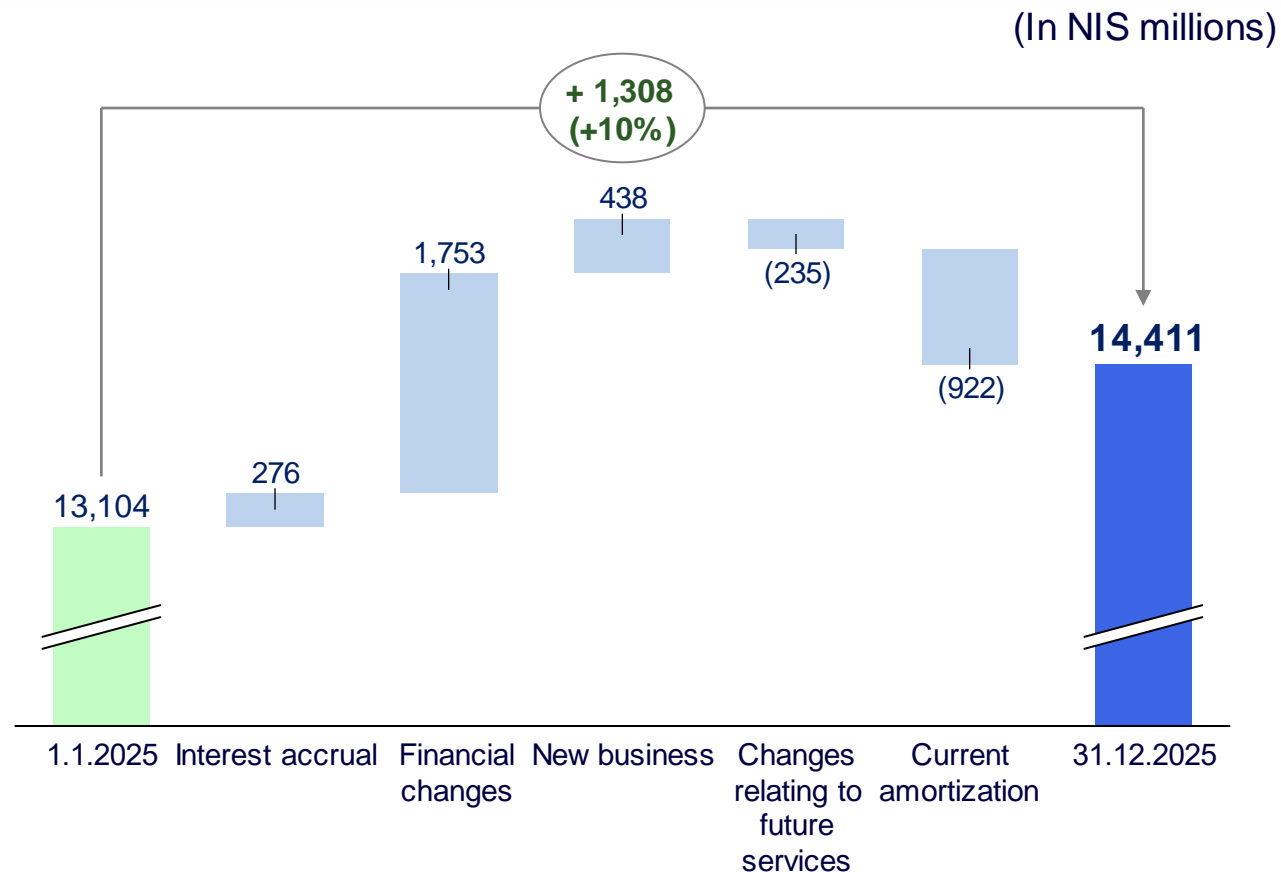
Total ratio of **new business CSM** to CSM release for **growth products**

**118%**

Added Value Creation ratio\*

**167%**

The “**Added Value Creation**” metric represents the ratio of new business CSM plus CSM growth derived from **excess returns**, to the current CSM amortization.



**Migdal maintains the market’s largest legacy participating portfolio, which provides a significant advantage through the collection of variable management fees**  
 Yields exceeding the risk-free rate are expected to increase the CSM and **drive growth in projected future earnings**

Changes relating to future services include actuarial updates such as studies and policy adjustments beyond expectations  
 Financial changes include yields in excess of the risk-free rate, inflation, yield curve movements, and financial impacts on the stochastic model

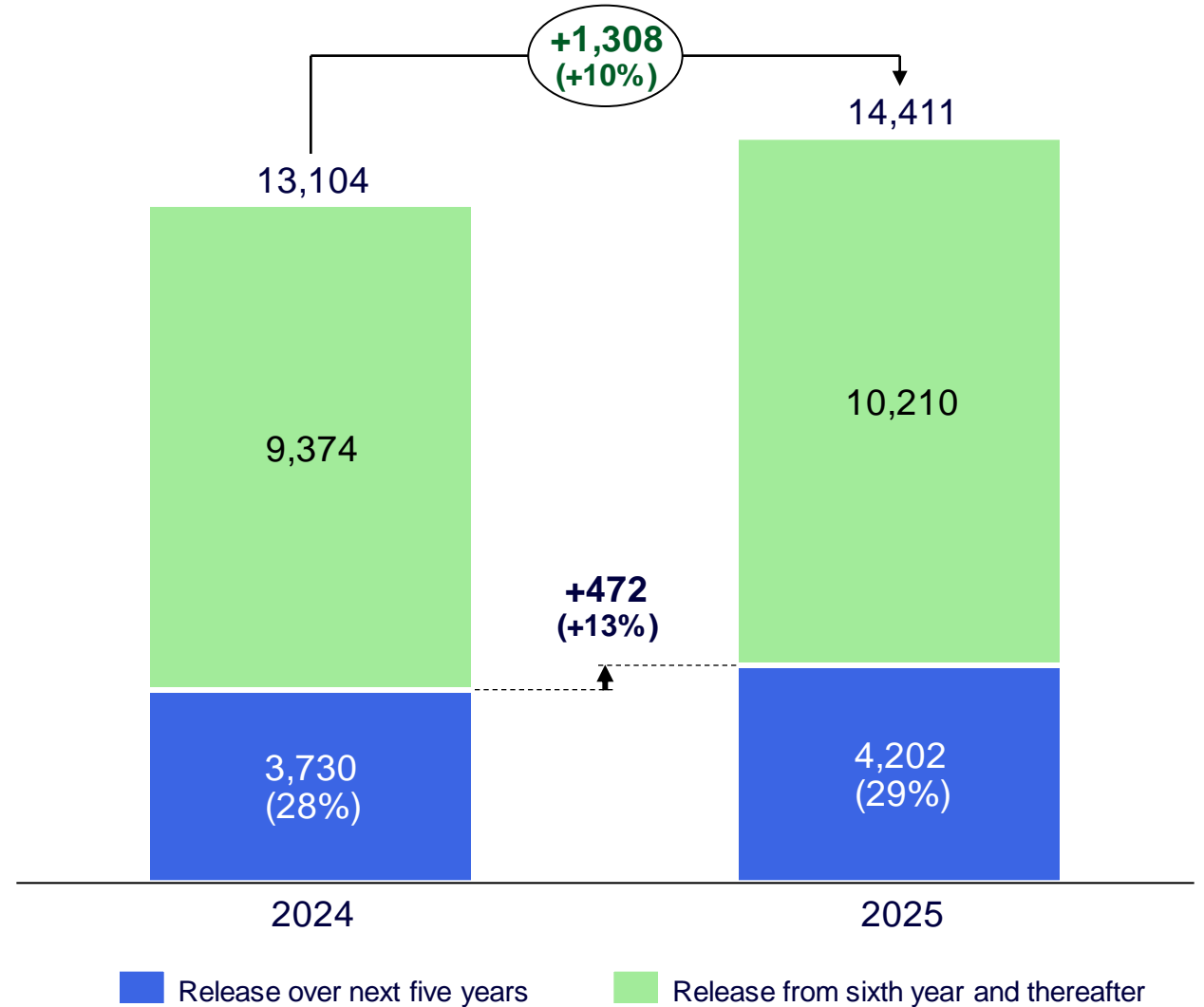
# CSM Over Time | Higher Profitability Over an Extended Duration

In 2025, an increase of **NIS 1.3 billion** was recorded in the **CSM** balance, impacting the projected release of accumulated profits in future years.

Consequently:

- **Higher annual recognition of accumulated profit release**
- **The CSM release rate over the next five years**, out of the CSM balance, shifted from 28% to 29%,

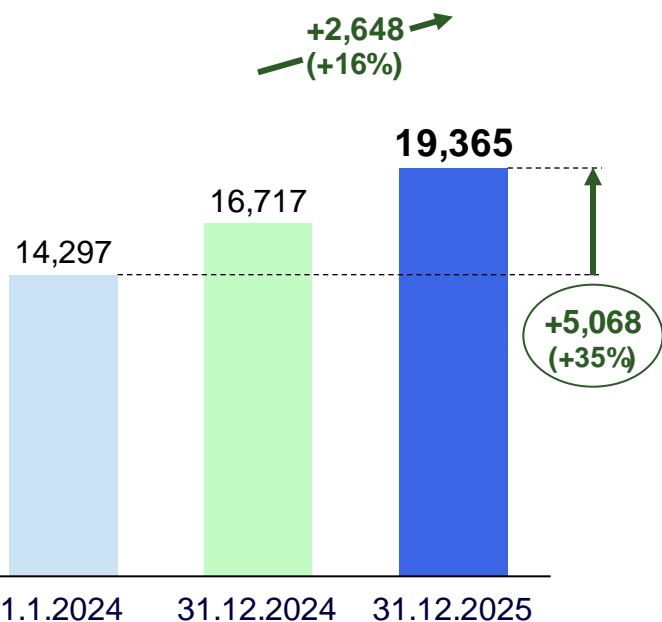
**The result -  
Higher profitability over an extended duration**



# CSM and Comprehensive Equity

## Comprehensive equity\*

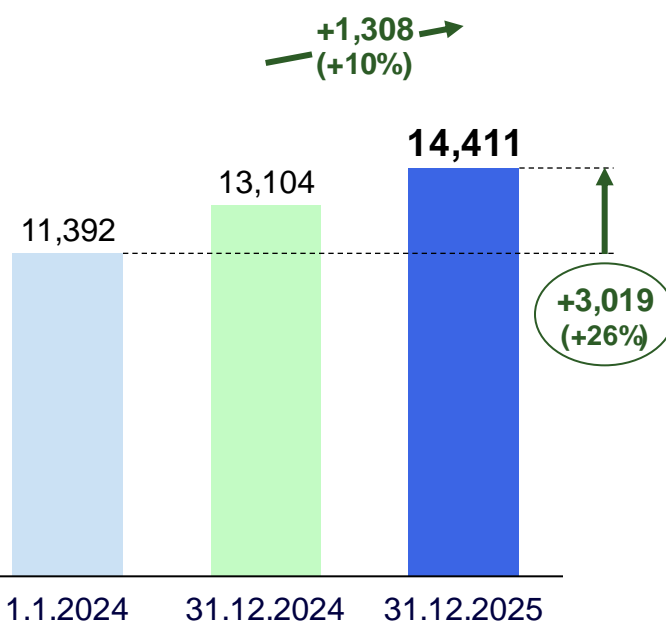
In NIS millions



The growth in comprehensive equity enhances the Company's financial stability and strength

## CSM

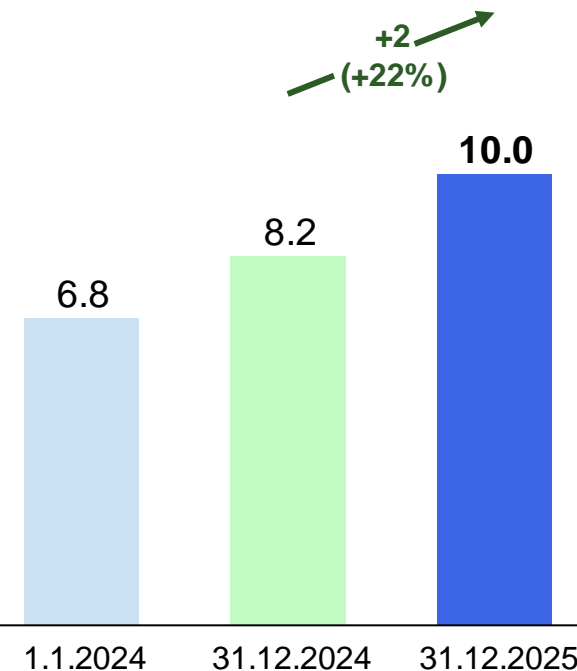
In NIS millions



- An increase of more than **NIS 3 billion** (27%) in the CSM balance compared to 1.1.2024
- The increase in CSM was primarily driven by **financial impacts** and the continued **generation of new business**

## Equity

In NIS billions



- The Group's equity maintains its upward momentum, crossing the **NIS 10 billion** mark for the first time

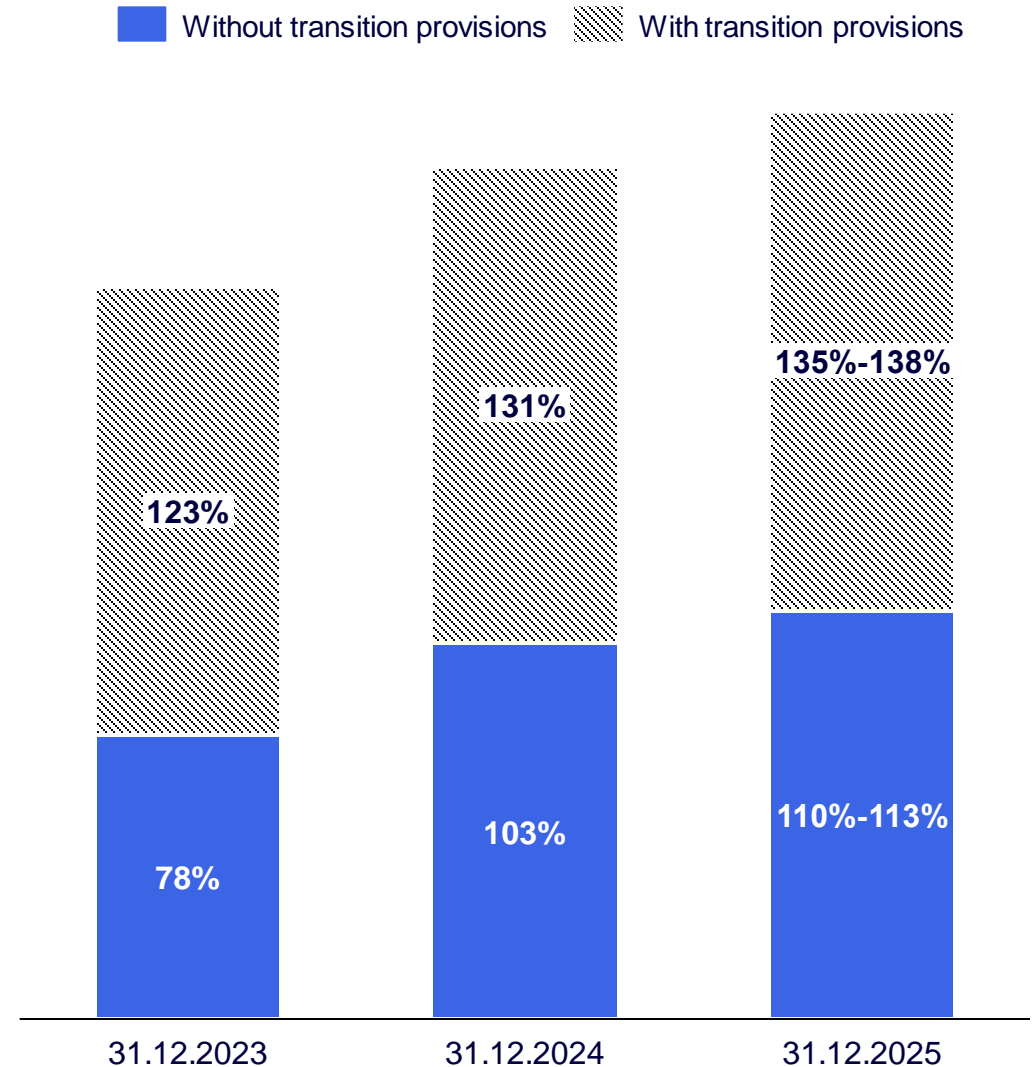
\* Comprehensive equity is equity plus post-tax CSM

\*\* The data derive from the coming into effect of IFRS 17

# Solvency Ratio

- Migdal Insurance’s capital targets and the capital threshold for dividend distribution are an economic solvency ratio of **115%**, without the phase-in period transition provisions, as set by the Board of Directors of Migdal Insurance in January 2025
- Migdal Insurance plans to issue an “**Additional Tier I Capital**” subordinated note in the first half of 2026, which is expected to improve Migdal Insurance’s solvency ratio

The solvency ratio data as of December 31, 2025 are based on an internal estimate performed by Migdal Insurance and do not include the issue of “Additional Tier I Capital” subordinated notes, which to date is not assured. The estimate is provided on a voluntary basis, and does not create any obligation to provide similar estimates in the future.





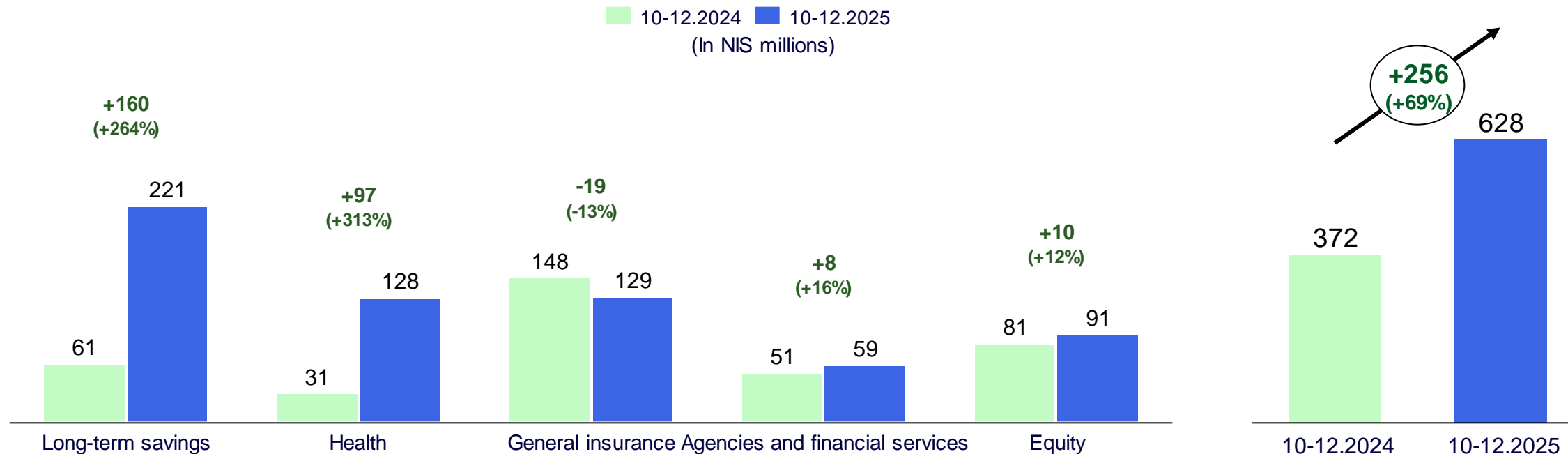
# Q4-2025

Financial Results



# Q4-2025 | Profit from Core Activities |

## 69% Increase Compared to Corresponding Quarter Last Year



**Long-term savings and Finance** | The more effective management of claims and cancellations increased **profitability in the loss of working capacity, disability, and risk sectors**. In addition, strong capital market yields resulted in an increase in **profits within the managerial insurance** sector. **Net positive mobility** in pension and provident funds

**Health insurance** | The **more effective claims management** contributed to **enhanced profitability** across all lines of business

**General insurance** | Reduced underwriting profit in the vehicle sectors, resulting mainly from negative development in claims experience for prior years in compulsory vehicle insurance

# Thank You

Migdal. Seeing Far Ahead

