



Fortifying our Core, Driving Competitive Advantage

Migdal Insurance & Finance

Updated Strategic Goals 2026–2028



Clarification and Forward-Looking Information

The information contained in this presentation is a summary only and does not provide an exhaustive account of the Group's data and activities. It does not serve as a substitute for a review of the 2025 periodic report, the Company's ongoing filings, and previously published presentations, as reported to the Israel Securities Authority via the MAGNA distribution website. The presentation does not constitute an offer or an invitation to purchase securities of the Company and the stated herein does not constitute a recommendation or an opinion or a substitute for the investor's judgment.

This presentation contains data and information based on the Group's projections and assessments, including, inter alia, information regarding the Group's strategic goals for 2028, data regarding the mix and size of the nostro portfolio in 2028, the Group's asset management revenues in 2028, assessments regarding the economic value of variable management fees and their expected annual impact on the CSM balance; revenue and pre-tax profit from agency operations for 2028, the Group's intention to conduct an initial public offering of subordinated notes, the proceeds of which are expected to be recognized by the Commissioner as Additional Tier 1 Capital for Migdal Insurance, the Group's strategic goals for, 2028, as well as 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 Securities Law").

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 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 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 the relevant operating segments, regulatory changes, changes in consumer preferences and habits, changes in work assumptions or economic models and assumptions applied by the Group, and changes in implementation or execution – which are not predictable and are beyond the control of the Company. Therefore, there is no certainty that the actual future results of the Group will be in accordance with those forecasts and these may differ 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 may include information presented in a manner that differs from the presentation in the Company's periodic reports.

"The strategic journey we embarked on in late 2022 was primarily focused on reinforcing the Group's business foundations - **Back to Basics**.

We drove the standardization of operational processes, fortified our leadership core, and established the critical control frameworks essential for a high-performing organization.

The successful completion of this phase, ahead of schedule, has laid the groundwork for a **leaner, sharper** company, characterized by **robust operational and financial resilience**. We have restored **stability, clarity, and a renewed confidence in our ability to deliver**.

Leveraging this position of strength, Migdal is now primed for its next chapter: We are pivoting toward a more **high-impact, ambitious, and competitive stance**, all while remaining steadfast in our commitment to **managerial accountability, capital discipline, and the consistent delivery of value** to our shareholders.

Our current roadmap defines the second phase of a strategy that will guide us through the end of **2028**. Our objective is clear:

To reclaim Migdal's rightful position as a market leader across all sectors, driving industry leadership in market share, profitability, and return on capital."



Ronen Agassi
CEO of Migdal
Insurance



Yossi Ben Baruch
CEO of Migdal
Holdings

Overview of initiatives executed to date:

March 24 through March 26

The implementation of key projects and initiatives across our three strategic pillars has successfully restored organizational stability and operational control

The Group has achieved:

- Management continuity
- Capital discipline
- Operational oversight
- Steady performance

The Three Pillars | Key Achievements to Date

1

Reinforcing Core Activities and Pursuing Profitable Growth

- **Asset Management Revenue** | Sustained, Resilient Growth Driving Significant Profitability
- **Nostro Portfolio** | Enhancing Profitability
- **Pension** | Transition from Negative Mobility to Fastest-Growing Pension Fund
- **General Insurance** | Pivoting to Profit while Sustaining Market Share and Portfolio Optimization
- **AUM** | Sustained Growth in Assets Under Management
- **Comprehensive Income** | Profitability Boost and Enhanced Solvency Ratio
- **Migdal Agencies** | Forging the Infrastructure for Rapid Expansion and Industry Leadership

2

Enhancing Effectiveness and Cutting Back Costs

- **Transitioning to a vertical management model**
- **Digitization** | Advancing Automation and Integrating Digital Solutions
- **Elevating performance through process standardization**
- **Automation** and integration of new technological capabilities

3

The Customer in the Center in a Dynamic Reality

- **Customer-Centricity & Product Excellence** | Launch of **Migdal Seniority** | Targeted Initiatives for Post-Retirement Member Retention
- **AI-driven organization** centered on Customer Service and CX excellence

The three pillars spearheaded and delivered by Migdal Insurance's leadership: continuous, professional, and deeply committed management team



Spotlight on Major Improvements to Date

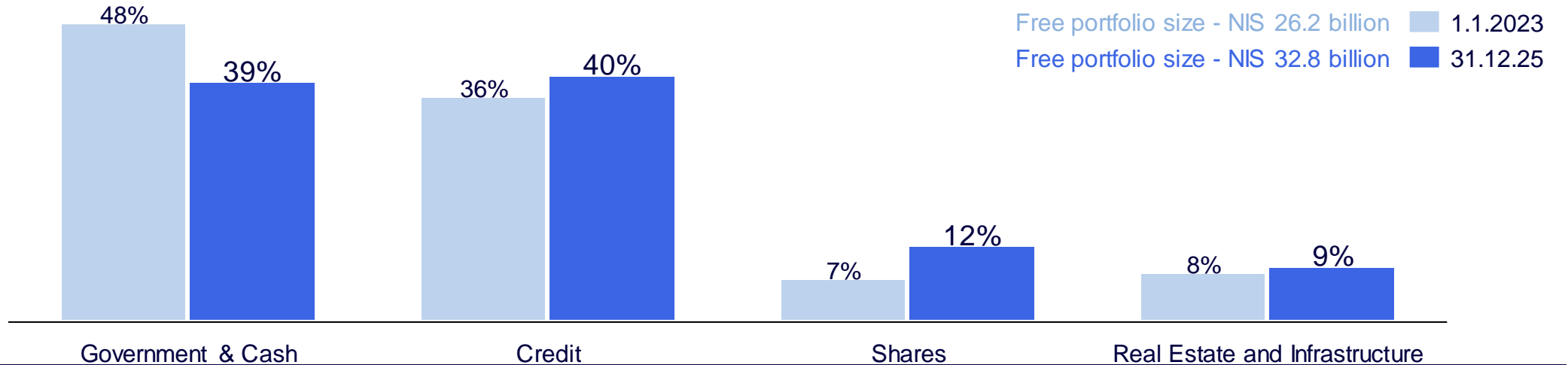
Business and Leadership Transformation in Core Areas



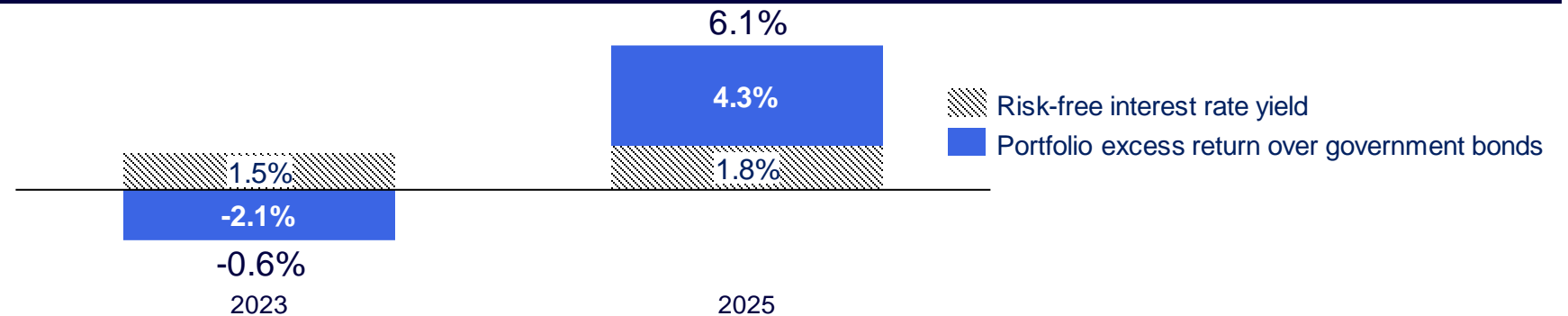
Driving Significant Growth in Nostro Embedded Yield

The largest nostro portfolio in the sector: NIS 68 billion, of which NIS 33 billion managed as a free portfolio

Structure of the Nostro Portfolio



Yield of free nostro portfolio(real)



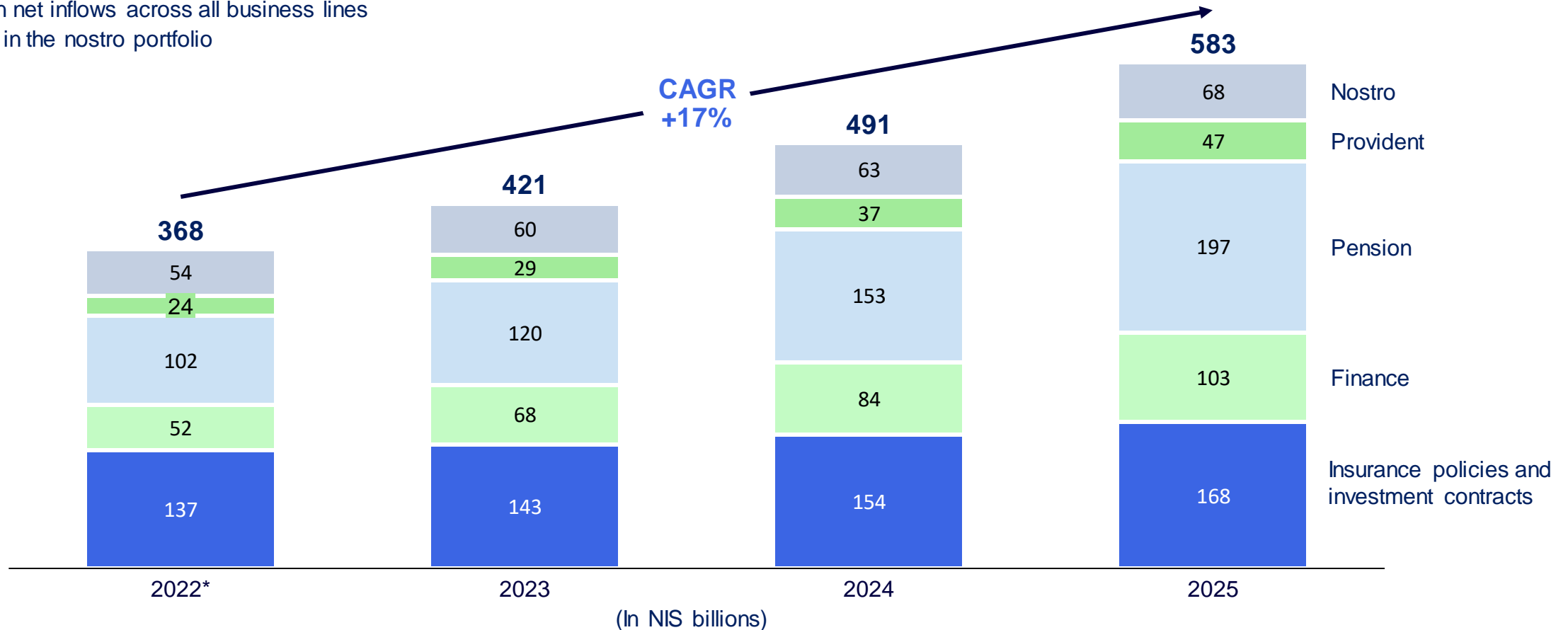
Key Drivers of Transformation

- Expansion of the credit exposure within the nostro portfolio
- Diversification into investment channels: construction financing, Sales Law guarantees, residential credit, long-term rental projects, and more

2027 Goal Achieved - NIS 550 Billion in AUM

Key Drivers of Transformation

- Growth in net inflows across all business lines
- Increase in the nostro portfolio



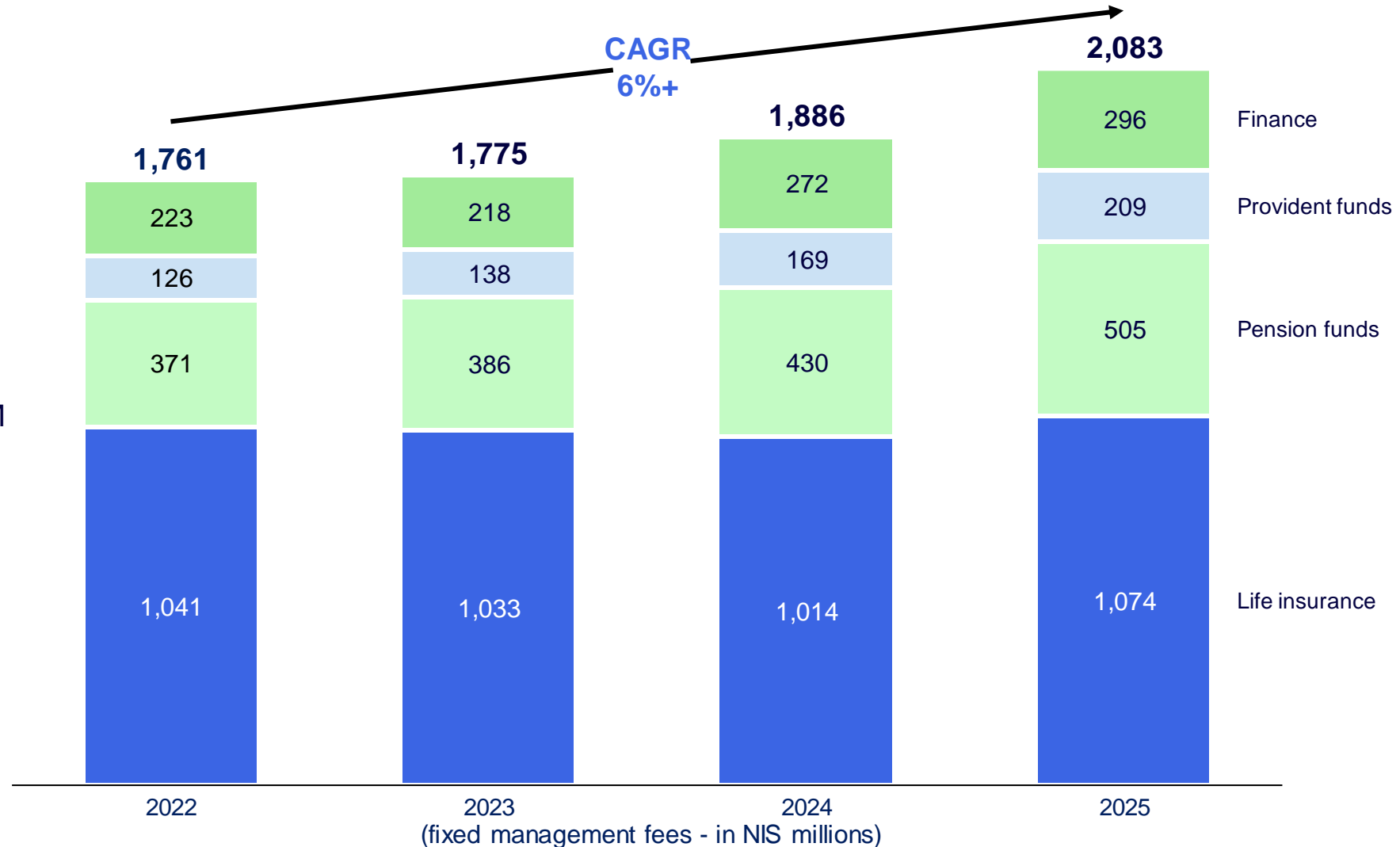
* The AUM for 2022 is presented in accordance with IFRS 4.

Asset Management Revenue | A Stable Growth Outlook

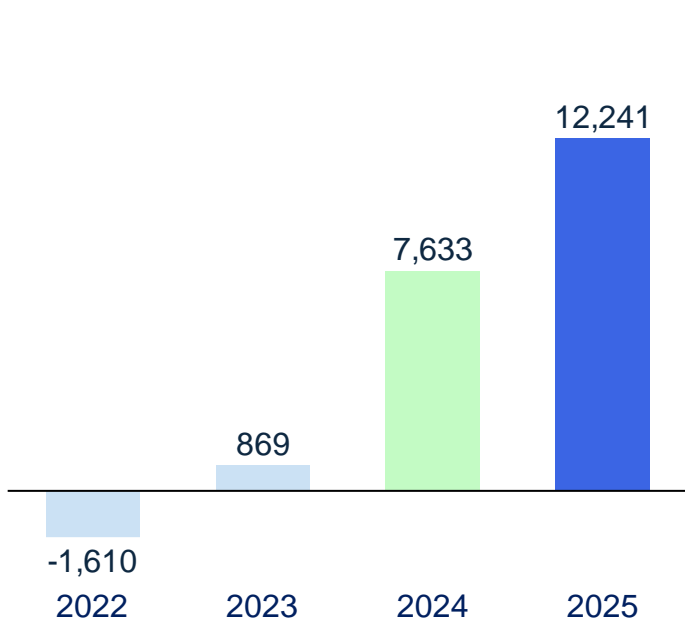
Reinforcement of Core Activities and Profitable Growth

Migdal commands the industry's highest management fees by a substantial margin

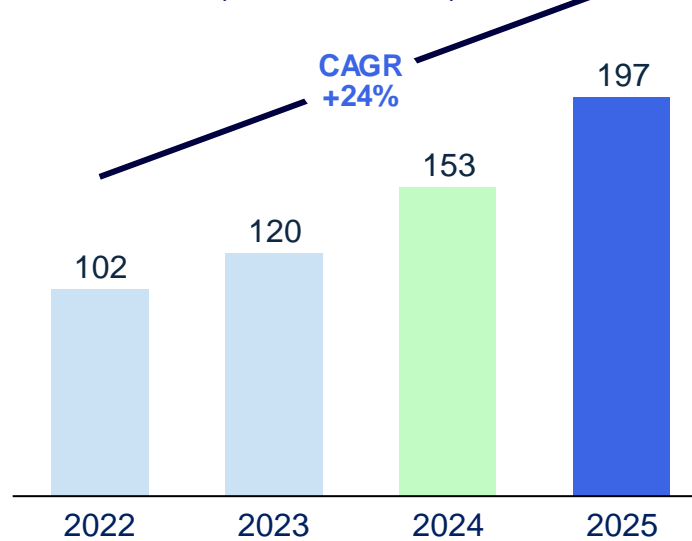
- A **steady**, consistent, and growing revenue base with a long-term horizon
- In addition to fixed management fees, the Company generates an **average annual income of close to NIS 0.5 billion from variable management fees**
- Yields exceeding the risk-free interest rate are expected to increase the CSM and drive **growth in projected future earnings**



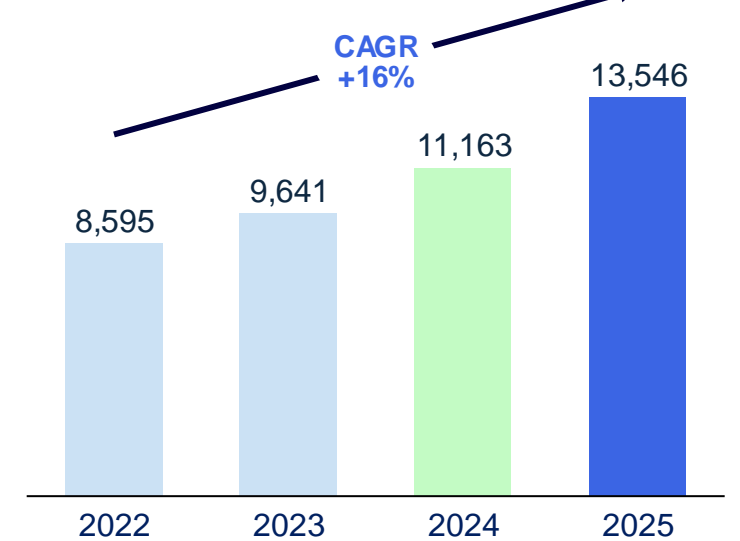
Net mobility
(In NIS millions)



Pension accruals
(In NISbillions)



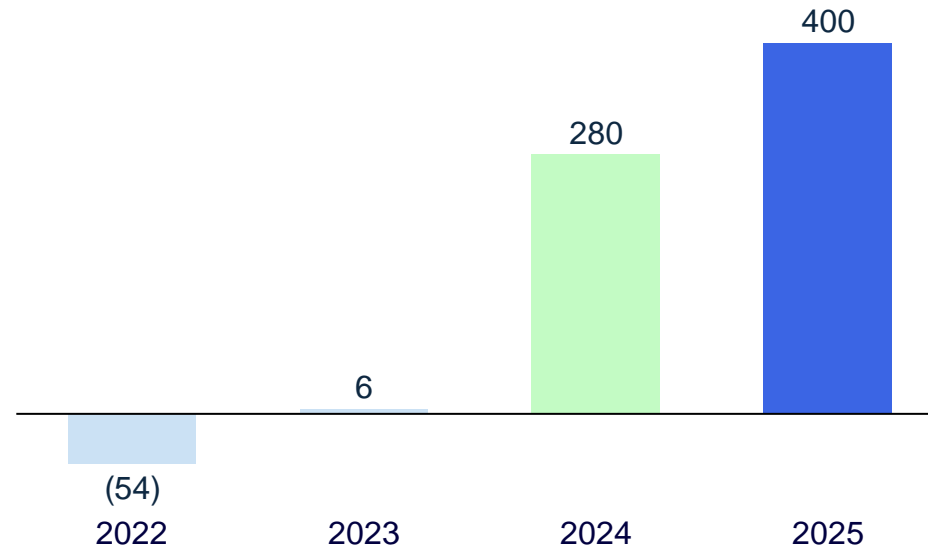
Contributions
(In NISmillions)



Key Drivers of Transformation

- Expanding share of wallet to fully leverage the potential of our distribution channels and client base
- Evolving and refining our customer mix
- Strengthening direct corporate engagement and driving enhanced productivity
- Optimizing incentive models to ensure peak alignment between quality of output and reward
- Restructuring our retention framework, with prioritization driven by Customer Lifetime Value

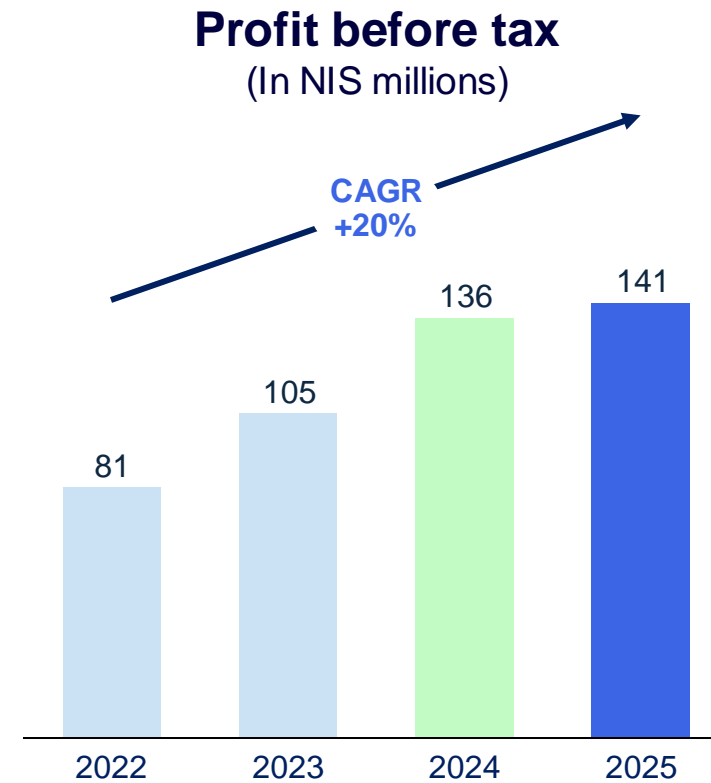
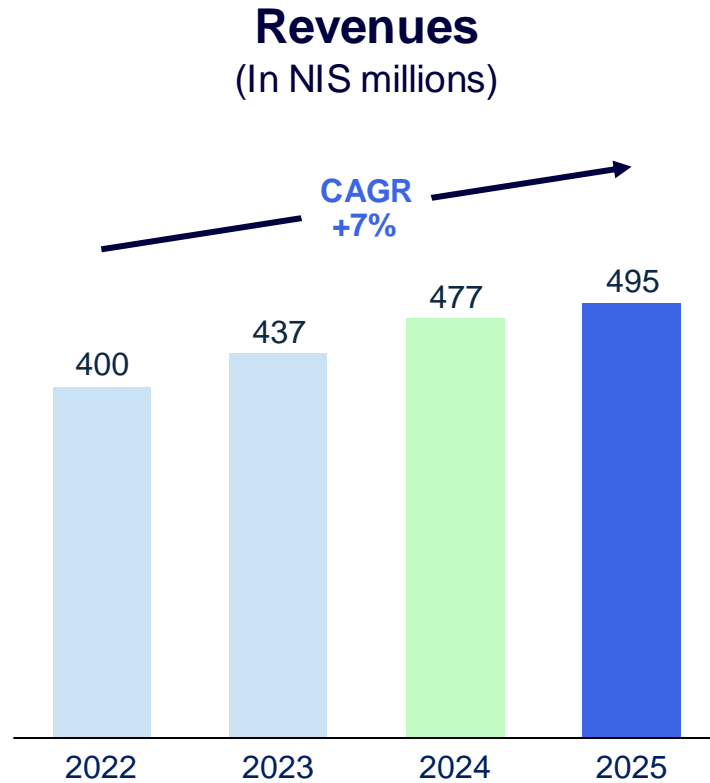
Profit from core activities - pivot from loss to profit
(In NIS millions)



Key Drivers of Transformation

- Advanced ML-driven pricing and underwriting models
- Rigorous claims management frameworks designed to reduce claim costs
- Portfolio refinement and optimization across all business lines - vehicle, home, SMEs, and large corporate
- Awarded the Accountant General tender for two consecutive years, with a 30% surge in premium volume in the second year
- Transitioning to vertical management - Unifying HQ, Sales, and Claims under a single structure

Migdal Agencies | Laying the Groundwork for Rapid Expansion and Industry Leadership



2025 - Positioning Migdal Agencies for the next phase

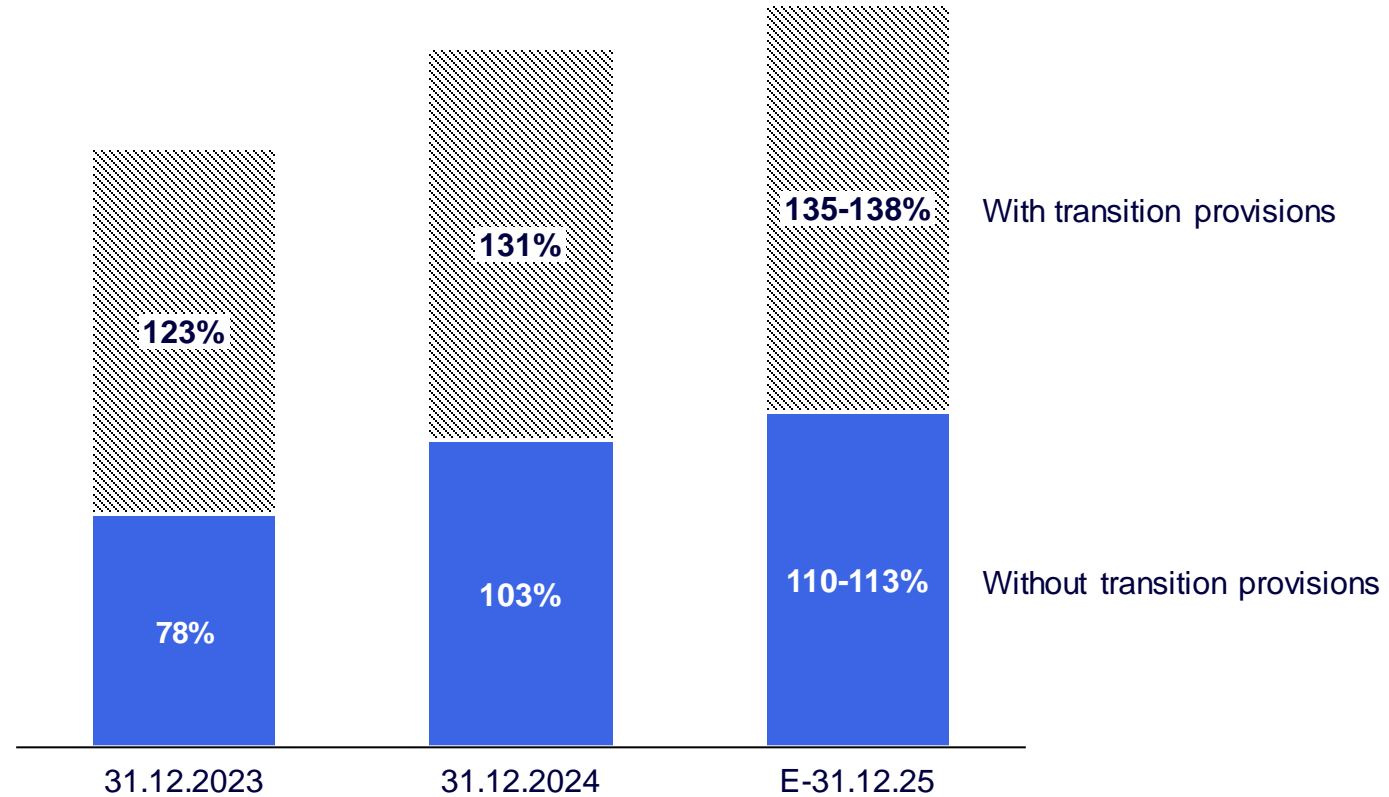
- Refreshed management core across all group entities
- Developing multi-year work plans derived directly from the Group's overarching strategy
- Acquiring insurance agencies and portfolios

Background

- Migdal Agencies, a subsidiary of Migdal Insurance & Finance, comprising: **Mivtach Simon, Sagi Yogev, Peltours, Shaham Orlan, and Makefet Financial Services**

Enhancement of the Solvency Ratio

Anticipated Dividend in 2027



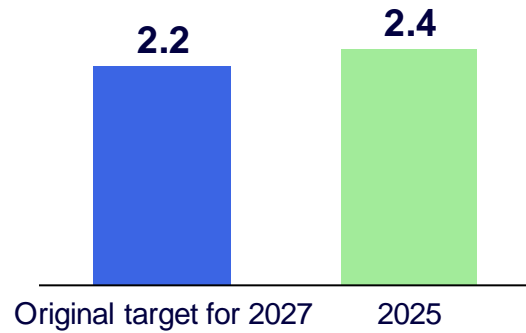
Key Drivers of Transformation

The Company's business and financial performance, including:

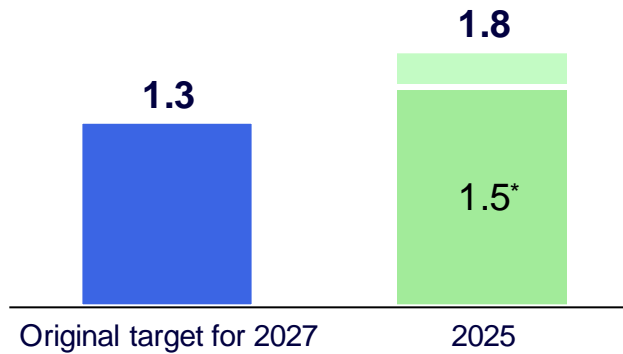
- Ongoing underwriting profitability has contributed significantly to bolstering the Company's solvency ratio
- Positive returns across both nostro and client portfolios further strengthened the Company's solvency ratio

Strategic goals achieved ahead of schedule

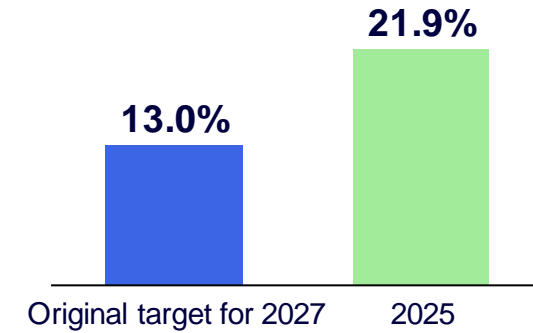
**Profit from core activities
(in NIS billions)**



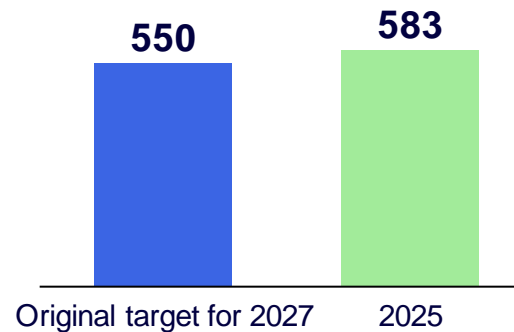
**Comprehensive income after tax
(in NIS billions)**



% Return on capital



AUM (in NIS millions)



It is important to note that while certain goals have been achieved ahead of schedule, the Group remains committed to the consistent execution of its comprehensive strategic plan, both for the purpose of solidifying and further developing the achievements made thus far, and for ensuring we remain on track to meet the original timelines for all remaining targets.



Looking Ahead:

Bolstering Migdal's Competitive Edge and Scaling Goals



1 Reinforcement of Core Activities and Profitable Growth

- Expanding market shares in **risk, finance and general insurance**
- Accelerated growth in **pension**
- Refining pricing in **general insurance**
- Optimizing **claims** processing across all business lines
- **Expanding high-yield operations that are steady primary contributors to the Company's profitability:**
 - Expanding our suite of **financial products and solutions**
 - Accelerating performance growth in the **nostro portfolio**
 - Driving sustained revenue and margin growth within **Migdal Agencies**
- **Hybrid distribution model** - Enhancing direct engagement while maintaining a diversified channel ecosystemDeploying a specialized, professional corporate sales force

2

Enhancing effectiveness and cutting back costs

- Enhancing operational efficiency and rationalizing expenses across all business lines to **expand margins**
- **Automation and adoption of AI solutions** to expedite service delivery and claims handling while ensuring cost efficiencies

3

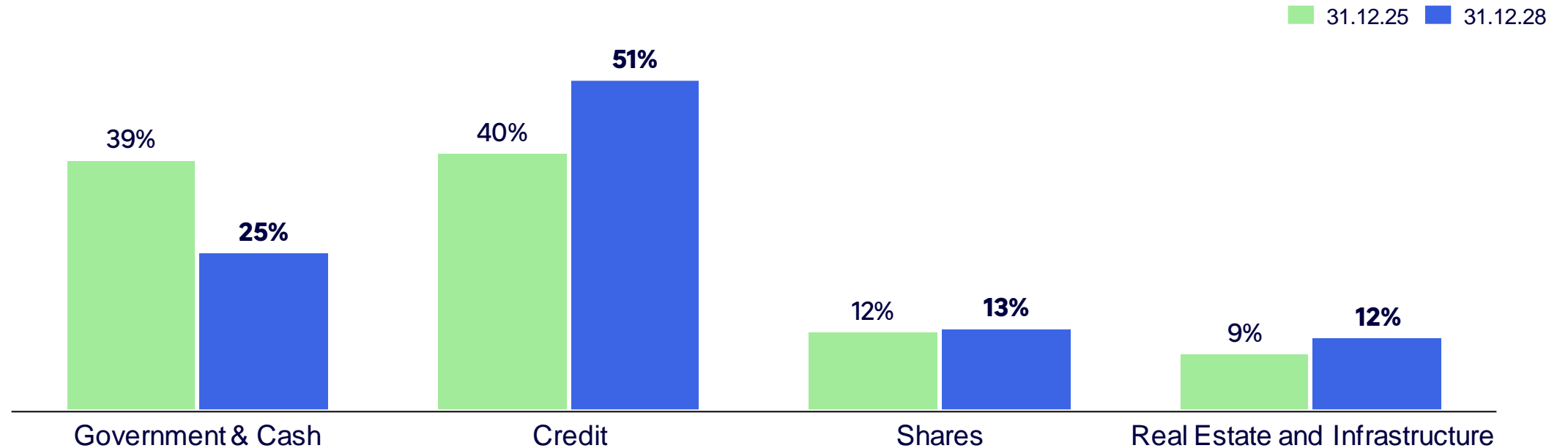
Placing the customer at the center in a dynamic environment

- **Comprehensive financial suite** delivering a competitive value proposition to clients
- Data-driven **personalization** utilizing advanced models to deepen loyalty, deliver CX excellence, elevate service and boost operational efficiency
- User-specific **digital platforms and applications** tailored for agents, clients, and employees
- Strengthening engagement **throughout the client's life stages** and evolving needs



Migdal Insurance & Finance: A 2028 Financial Outlook

Structure of the nostro portfolio



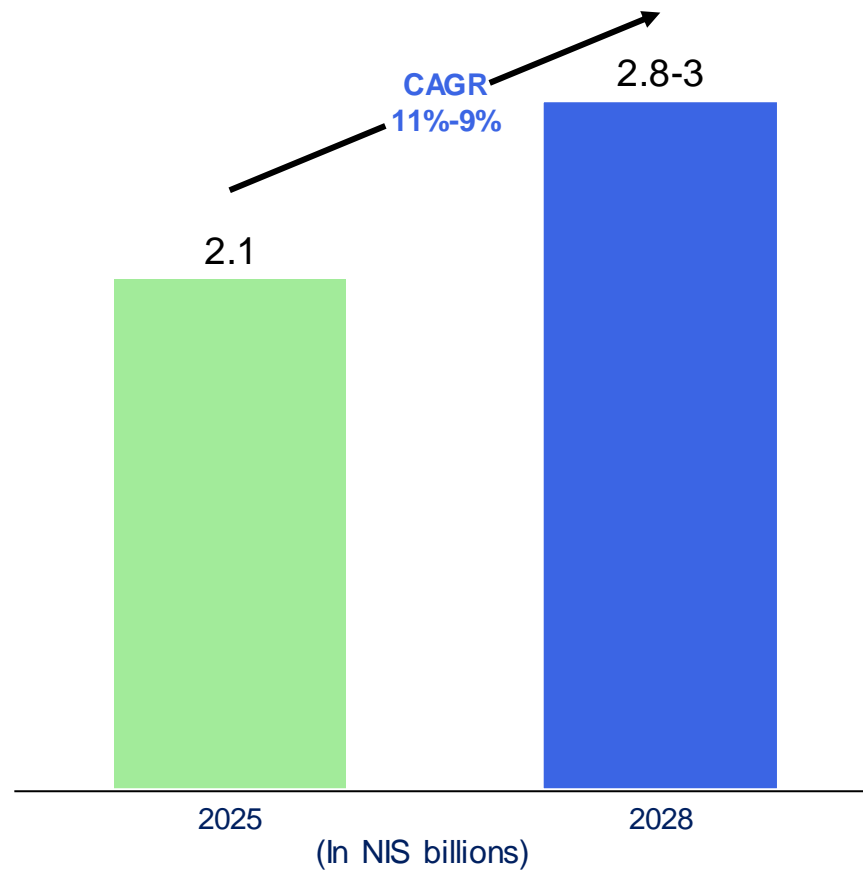
Action plan:

- Scaling our **credit** footprint, specifically deepening retail lending and mortgage activities
- **Real Estate:** Strategic focus on long-term residential rentals and logistics; equity investments in real estate companies; project financing
- **Infrastructure:** Increasing allocations to open-ended funds within the portfolio; utilities in Israel, prioritizing solar energy; energy and data centers in the United States

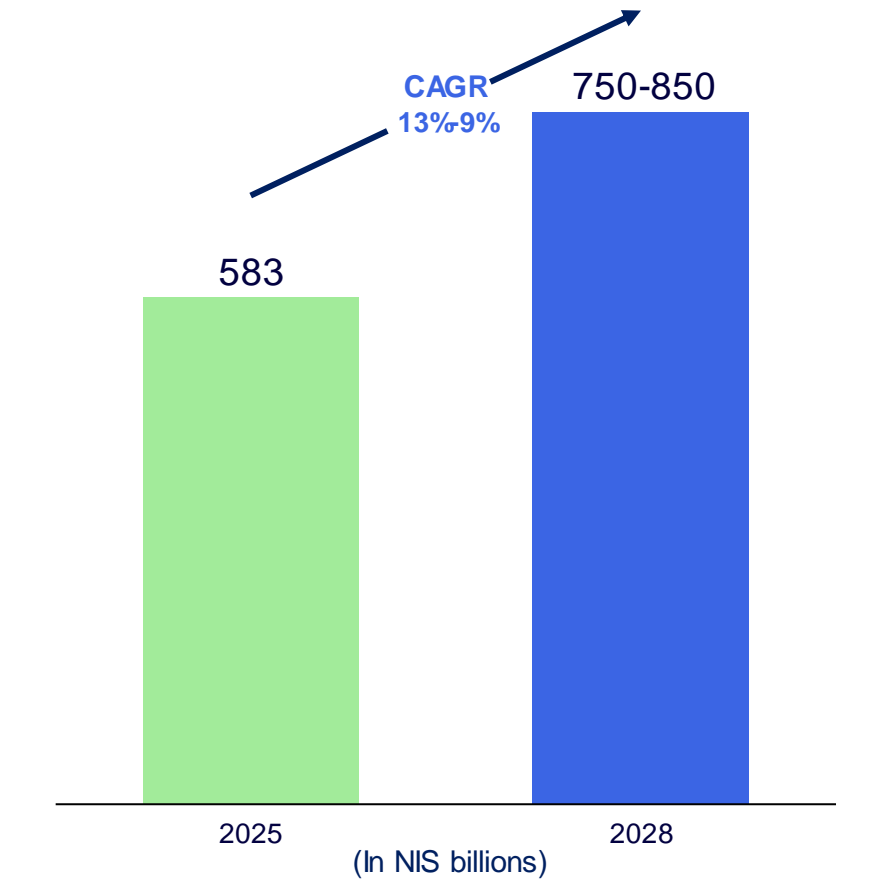
Asset Management Revenue | A Stable Growth Outlook

Reinforcement of Core Activities and Profitable Growth

— Management fees revenues —



— AUM —



Economic Value of Variable Management Fees | A Stable Growth Outlook

Reinforcement of Core Activities and Profitable Growth

Value of the participating portfolio and the variable management fees

Unlocking Additional Value to Bolster Future Profitability

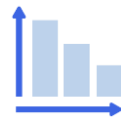
Migdal possesses **significant** additional value beyond fixed management fees.

The surplus **variable management fees**, driven by expected returns exceeding the risk-free interest rate, are projected to **add an annual average of NIS 400 million to the CSM balance**



Portfolio Size |

Migdal holds a participating life insurance portfolio (from 1991–2004) with a variable management fee component totaling **NIS 90 billion** as of December 31, 2025



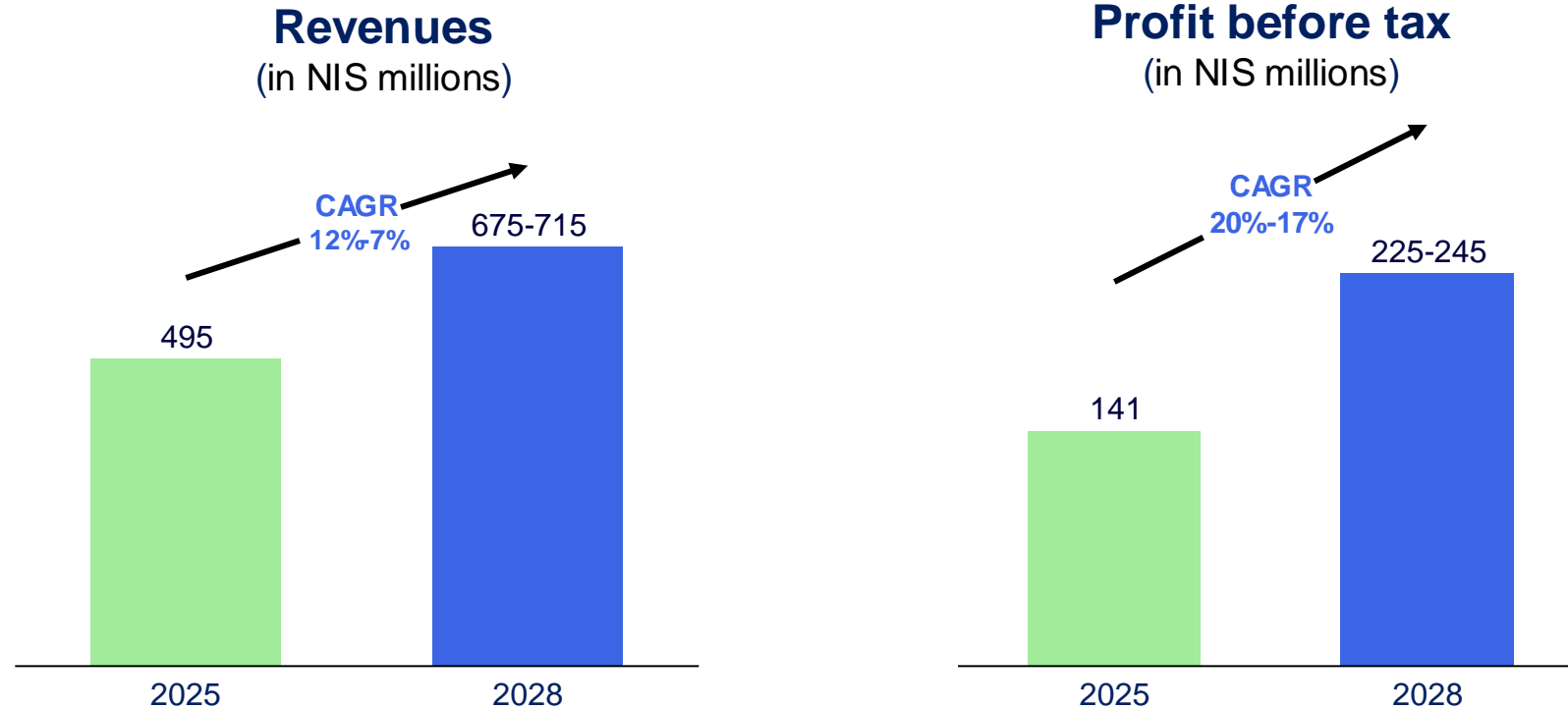
Projected Growth |

The Company anticipates continued portfolio expansion over the coming years, driven by consistent inflows and investment returns.



Extended Duration |

A substantial portfolio duration provides long-term cash flow stability

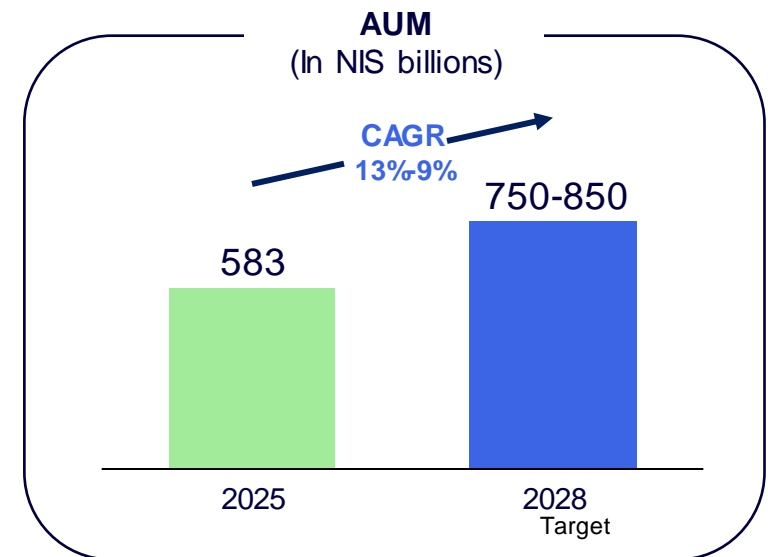
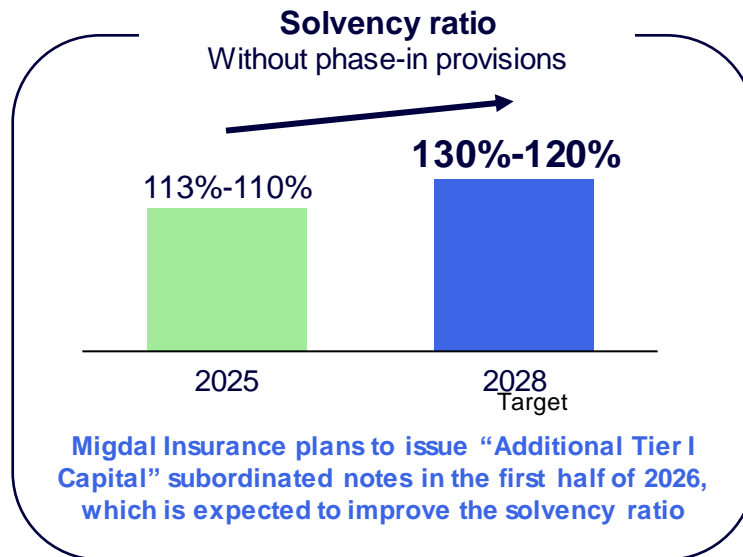
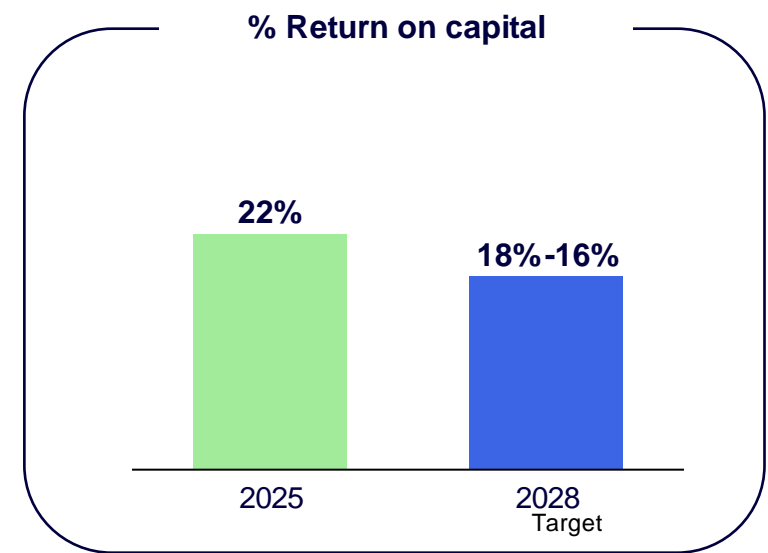
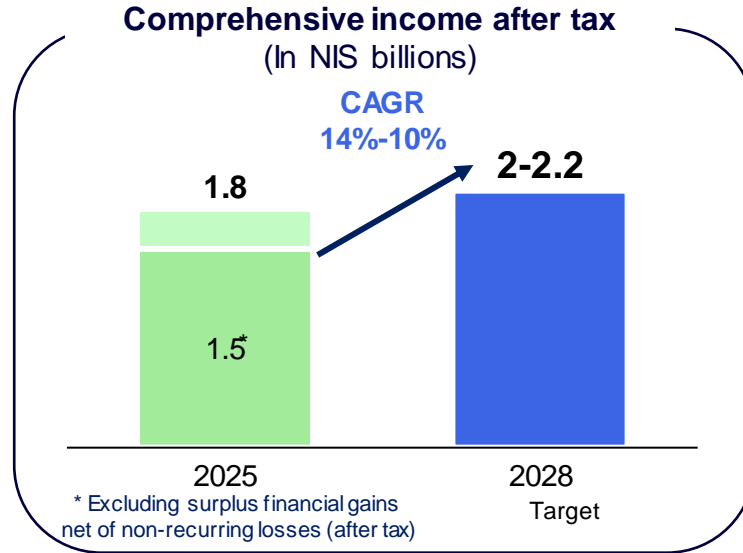
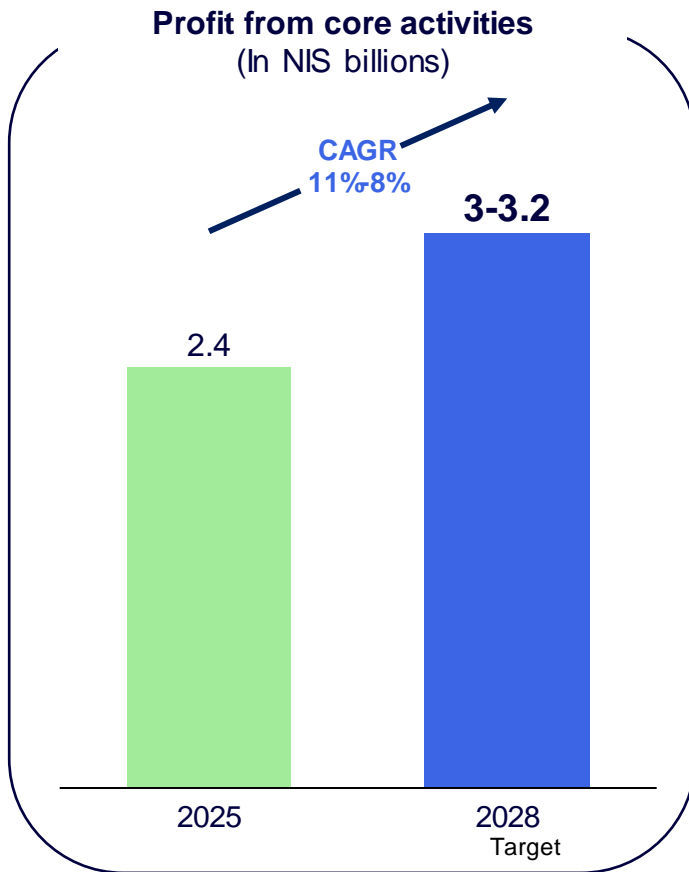


Action Plan

- Reinforcing and expanding **core activities**
- Substantial expansion of **financial product** offerings
- Fortifying and scaling **agency networks**, underpinned by active recruitment
- Acquisitions of **agencies and agent portfolios**
- Integration of **digital and analytical tools** to enhance operational effectiveness and cut back costs
- Adapting the **operating model** to the evolving insurance landscape

Updated Strategic Goals for 2028

Market Share | Increasing the market share in each of the operating segments



Dividend

Regular dividend distributions starting in 2027, in line with the original target

Thank You!

Migdal. *Seeing Far Ahead*

