



Financial Results

Q1-2026



Clarification and Forward-Looking Information

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“We concluded the first quarter of 2026 with **robust results**, driven by sustained growth in core profits, reflecting the successful implementation of our business strategy across all lines of business. The Group reported post-tax comprehensive income of **NIS 322 million, representing 27% growth** compared to the corresponding quarter last year. This achievement was driven by growth in both core profits and investment gains.

Within our core activities, we demonstrate consistent growth in revenues and profitability, evidenced, inter alia, by a **20% increase in premiums and contributions**. Our pension activities showed outstanding performance with **18% growth**, alongside a **36% surge** in the provident fund sector. Migdal currently stands as the **fastest-growing pension fund in Israel**, driven by consistent net positive mobility.

Assets under Management (AUM) serve as a key metric in our strategic plan, and their continuous expansion provides a solid foundation for ongoing profitable growth. After the reporting date, we crossed the NIS 600 billion threshold in AUM, which currently stands at **NIS 618 billion**. This volume of assets provides a robust foundation for the Group's sustained profitable growth.

This quarter we **doubled our profit in the long-term savings sector**, primarily due to the continuous growth in future profitability and the resulting CSM release, coupled with ongoing improvement in underwriting results. Concurrently, we remain focused on enhancing core profitability across all lines of business, including a structured work plan for our **health insurance sector**, under which we have recently launched a new service rider designed to deliver a higher standard of service to our customers and position us for steady growth and gradual operational improvement in the near-term.

Migdal's financial strength is further reinforced by the continuous improvement in our **economic solvency ratio**, which surged within three years from 78% **to 116%** as of December 31, 2025. This increase, which was also supported by a successful issuance of NIS 531 million in Additional Tier I Capital, positions us above the minimum capital requirement for dividend distribution set by the Board of Directors. We remain on track toward our distribution target, set for achievement by the end of 2027.

Variable management fees, which are not included in the accounting profit, totaled NIS 118 million for the quarter due to low market returns. However, shortly before the publication of the financial statements, variable management fees reached **NIS 0.5 billion year-to-date**.

In conclusion, despite macroeconomic challenges, 2026 opened with significant business momentum, with its initial indicators already reflected in our first-quarter results, and we are confident that these positive trends will gain further momentum as the year progresses.”



Ronen Agassi
CEO of Migdal
Insurance



Yossi Ben Baruch
CEO of Migdal
Holdings

2.7 million

Customers

4,400

Employees

92

Insurance years

Aa2.il

Rating - positive outlook

TA-35

Reinstatement

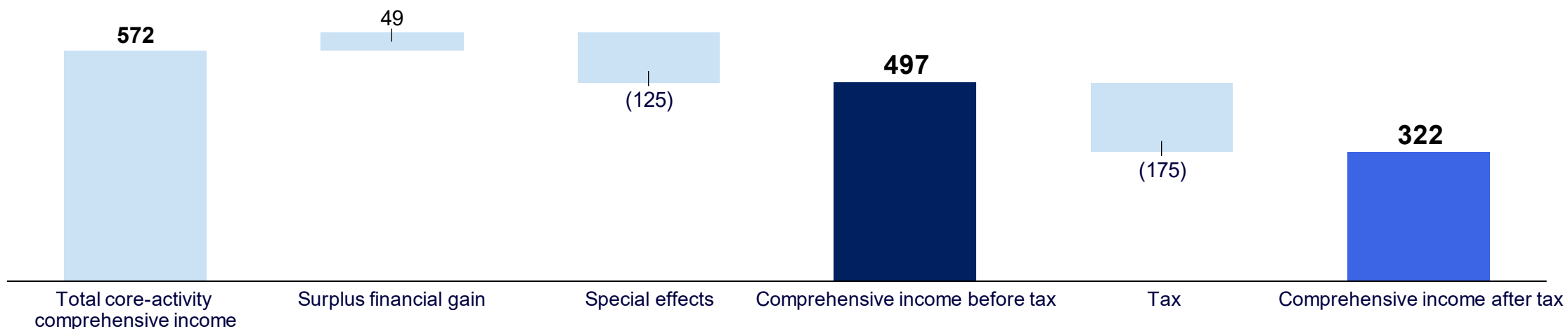
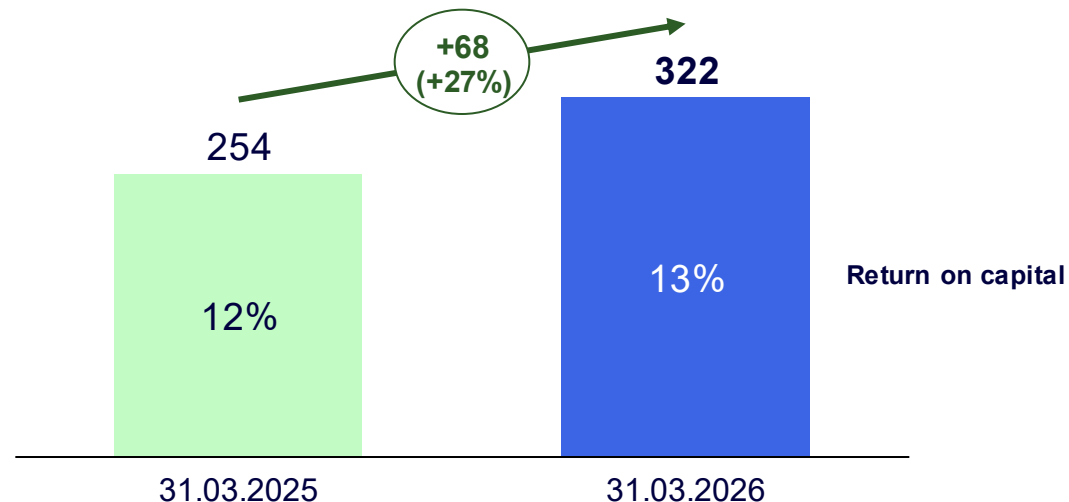


Comprehensive Income and Return on Capital | 27% Increase in Comprehensive Income in Q1

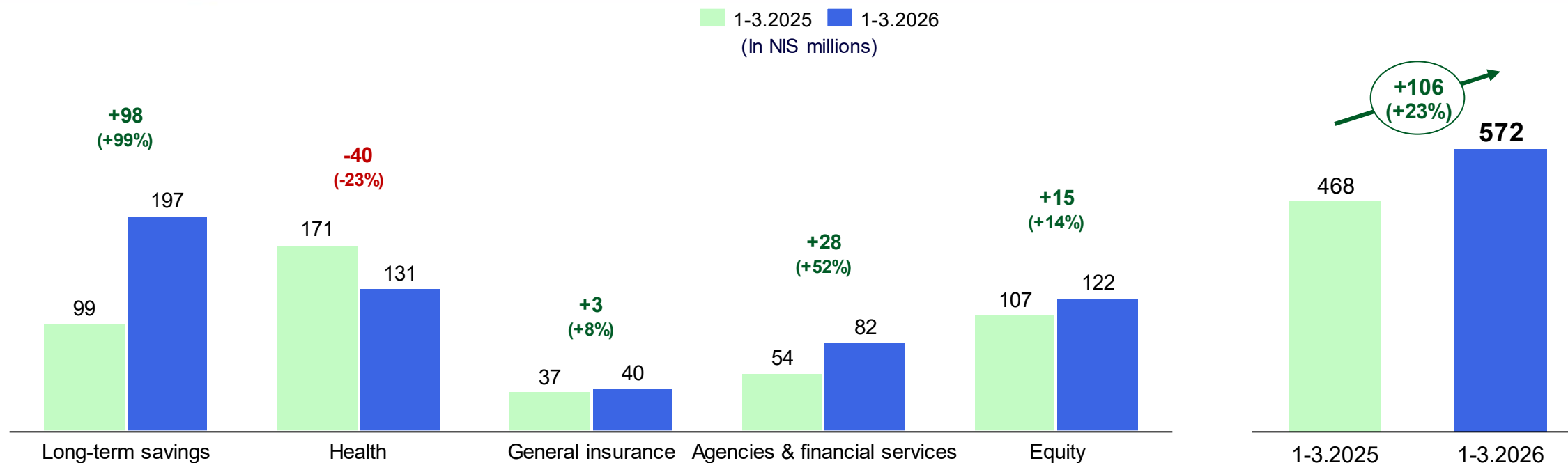
- The improvement in the first quarter is due to the growth in **profit from core activities** and the increase in **investment gains**
- Surplus financial gain reached NIS 49 million
- The special effects within the new participating portfolio resulted from market conditions and an increase in cancellations, leading to a loss of NIS 118 million

Comprehensive income (after tax)

In NIS millions



Profit from Core Activity | Growth Across Most Lines of Business



Long-term savings and Finance | Increase in current profitability within the legacy participating portfolio, driven by the collection of surplus variable management fees. In addition, claim costs improved, alongside increased pension profitability

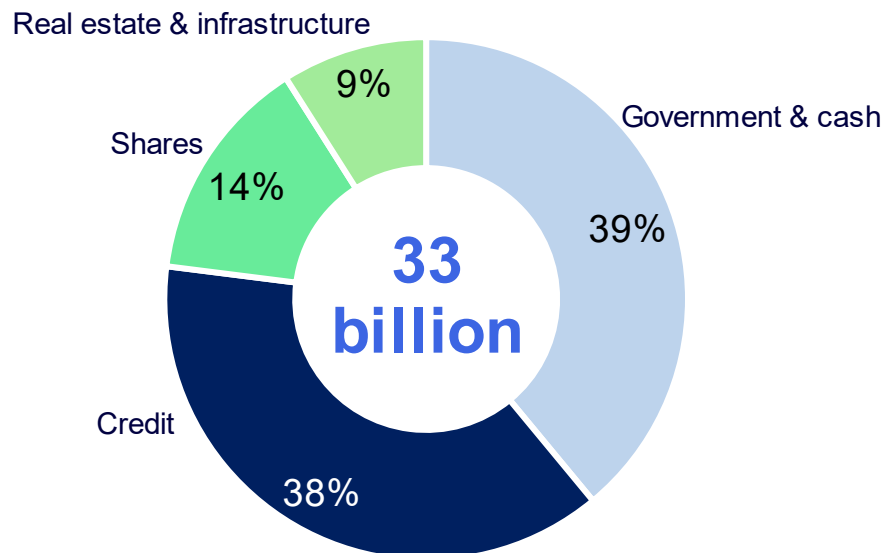
Health Insurance | Decrease in profit from core activities resulting from a negative development in claims experience

General Insurance | Growth in profit from core activities, primarily in home and business insurance, offset by a decrease in profit in vehicle property due to erosion of the average premium

Agencies and Capital Markets | Increased business activity

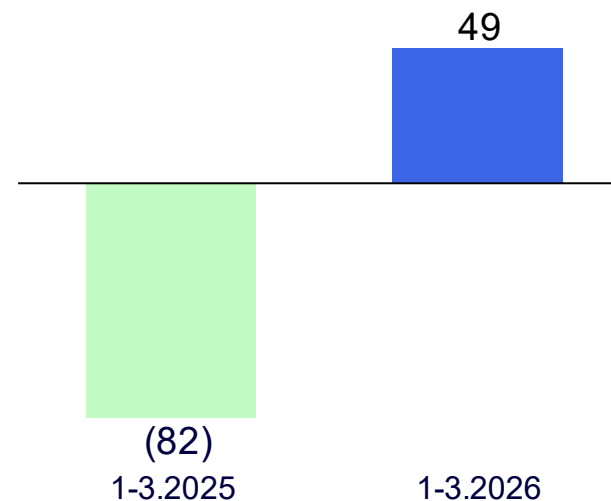
Other operating expenses are included under the core activities

Free nostro portfolio mix



Surplus financial gain

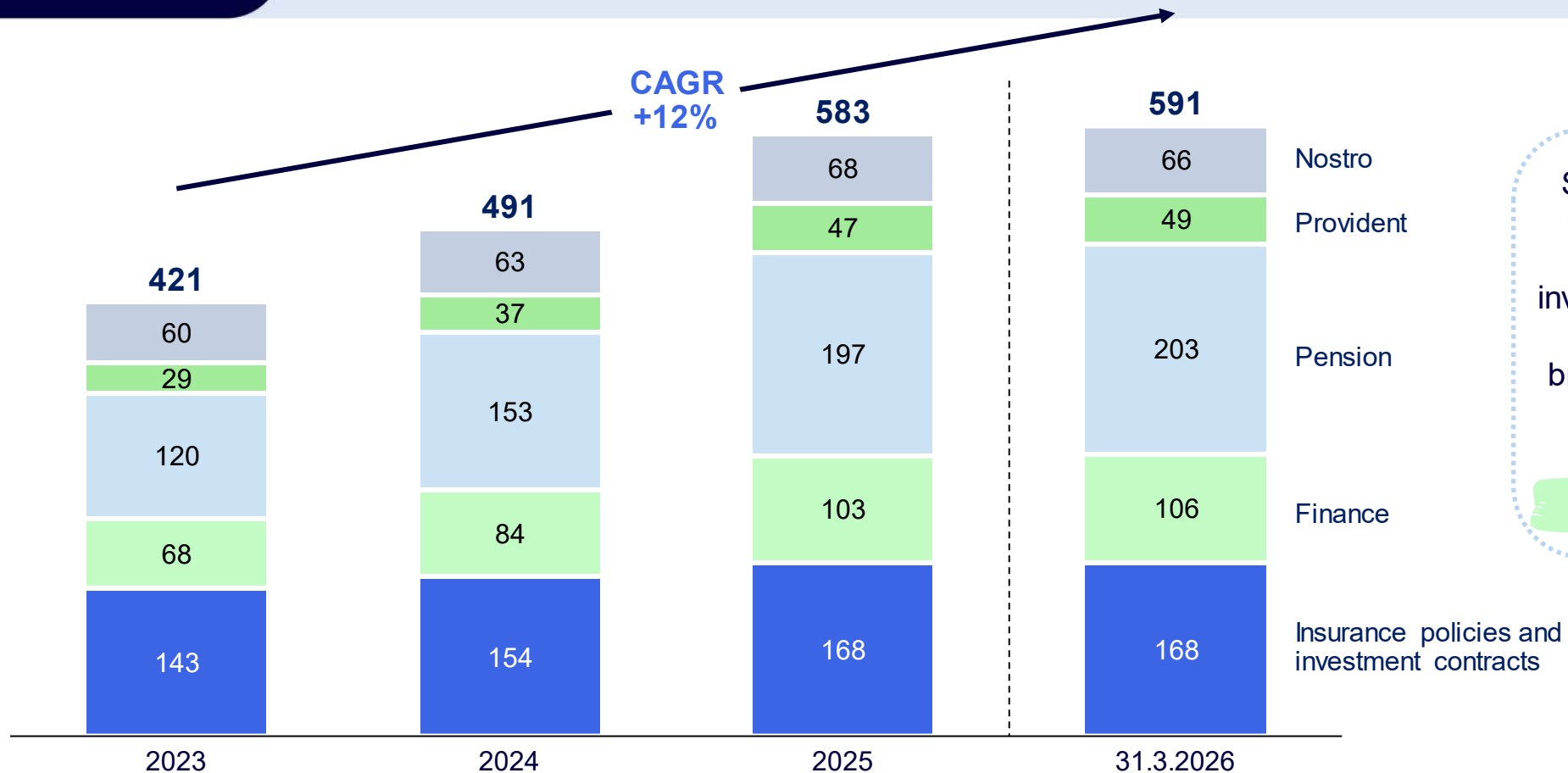
in NIS millions



- The **market's largest** nostro portfolio, totaling **NIS 66 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**
- **Variable** management fees of NIS 118 million recorded in the legacy participating portfolio. Shortly before the report's publication, variable management fees reached NIS 0.5 billion
- **Adjustment to the portfolio mix enhanced the implied profitability:** venture into new fields of investment and expansion of credit

AUM (In NIS billions) | 47% Growth Since 2023 (Up to Report Publication)

AUM Totals NIS 618 Billion (Shortly Before Report Publication)

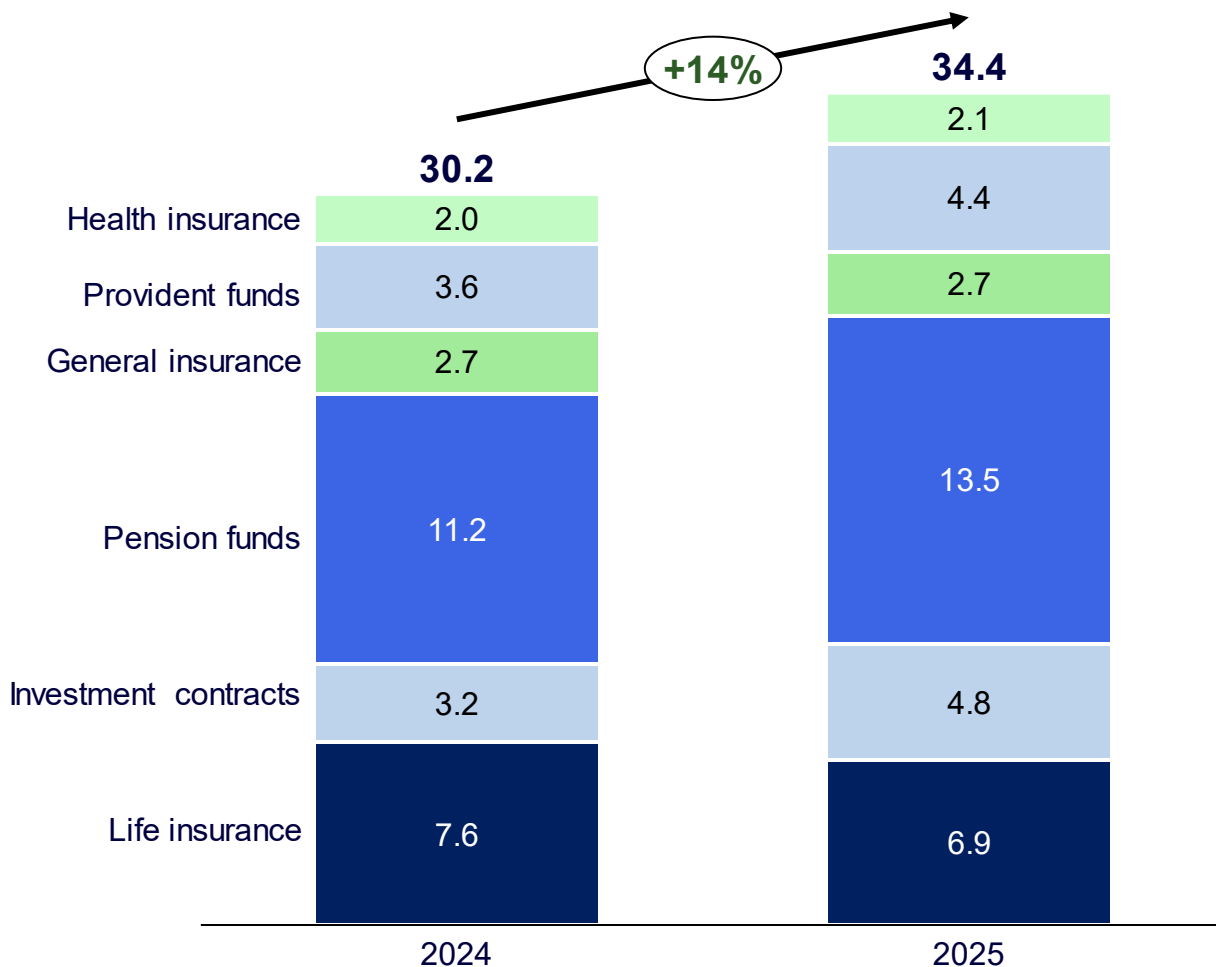


Substantial growth in AUM within pension, and within insurance policies & and investment contracts drove an increase in total AUM, bringing the Company's total AUM shortly before the report's publication to **NIS 618 billion**

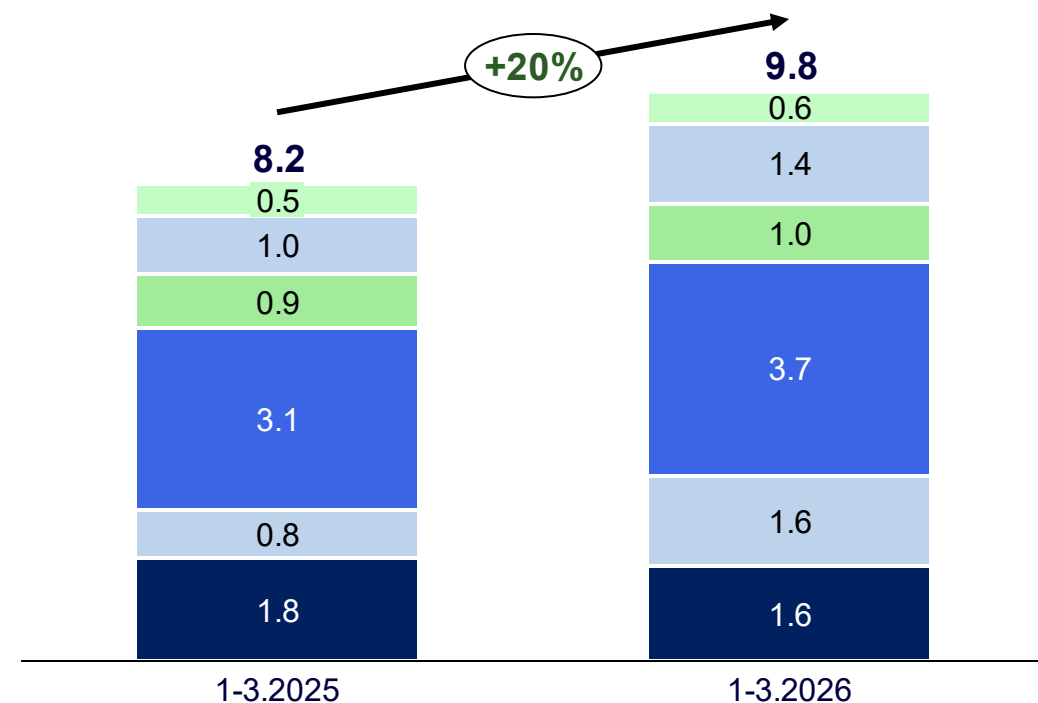
The increase is due to positive returns in the markets and growth in the **pension funds, provident funds, and mutual funds**

Premiums and Contributions (In NIS millions) |

20% Growth in Q1 (compared to the corresponding quarter last year)



- Substantial **18%** increase in pension and **36%** in provident funds
- The **market's fastest-growing** pension fund
- 90%** increase in receipts from investment contracts



CSM Over Time | Higher Profitability Over an Extended Duration

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

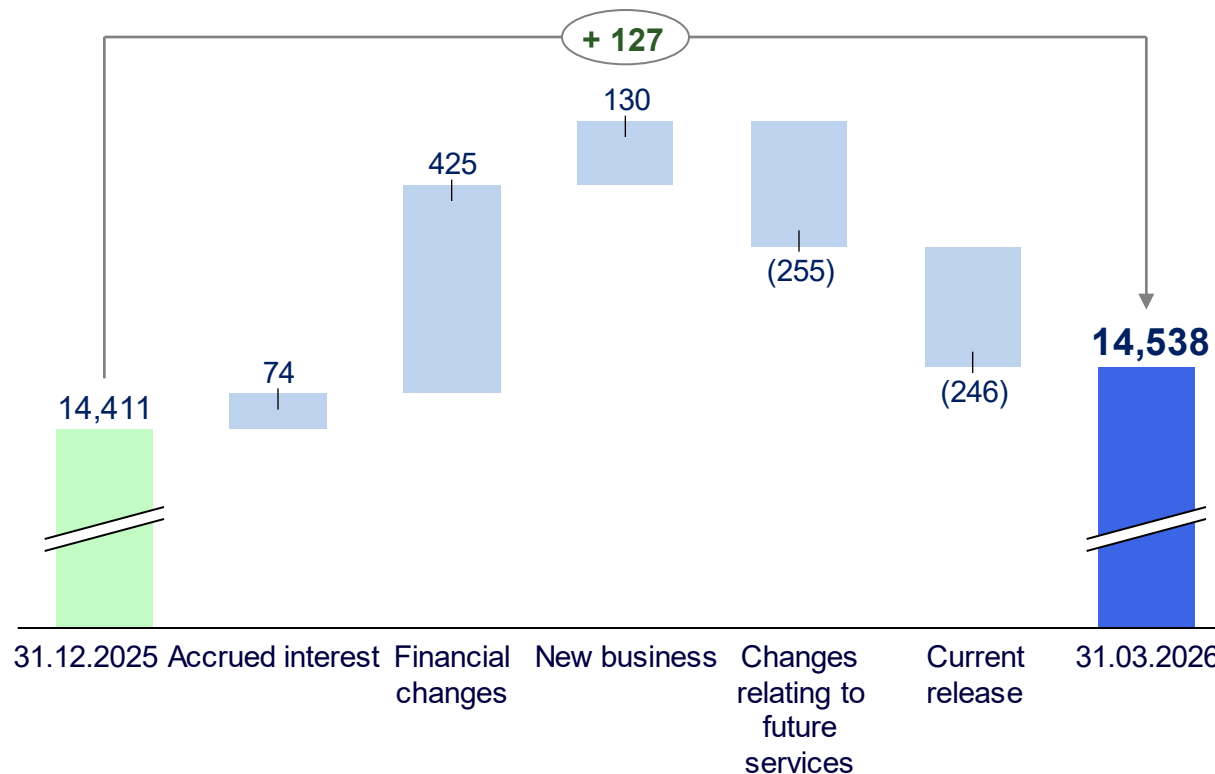
128%

Added Value Creation ratio*

81%

* The “**Added Value Creation**” metric represents the ratio of new business CSM plus CSM growth derived from **excess returns**, to the current CSM release (excluding long-term care release).

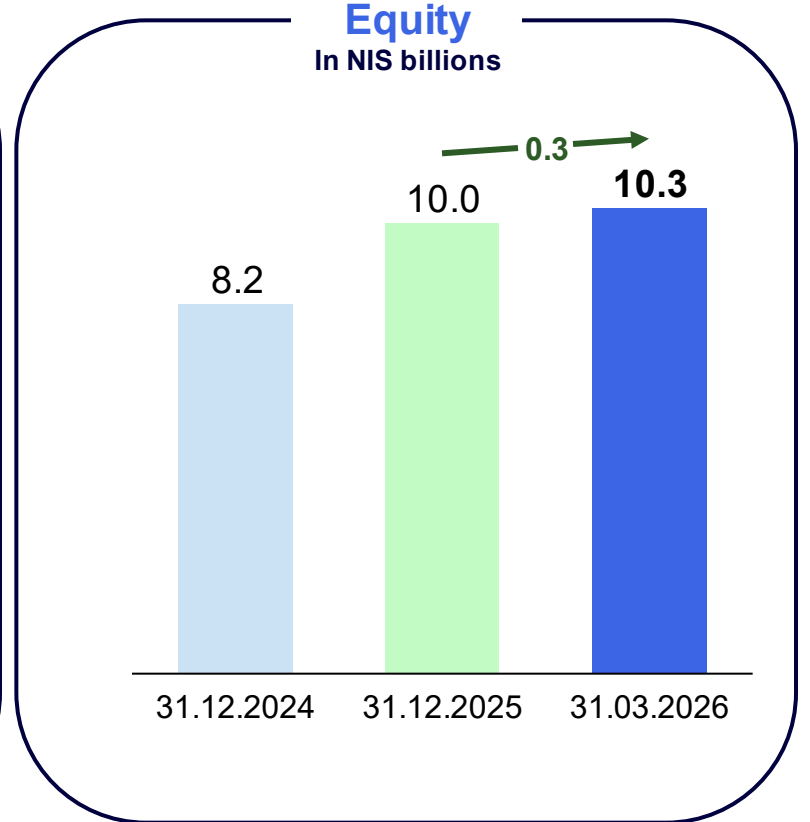
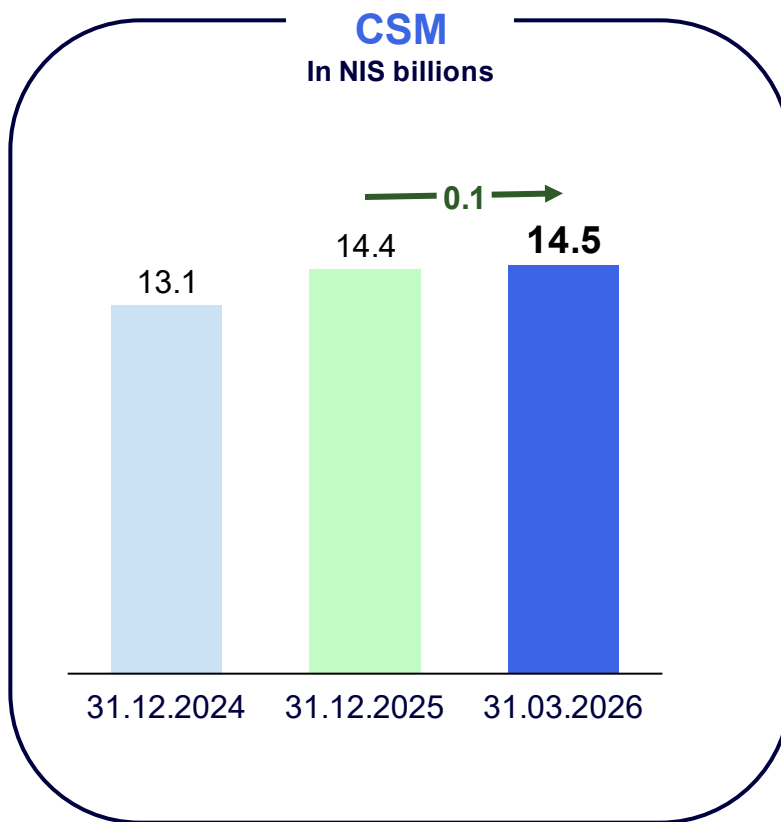
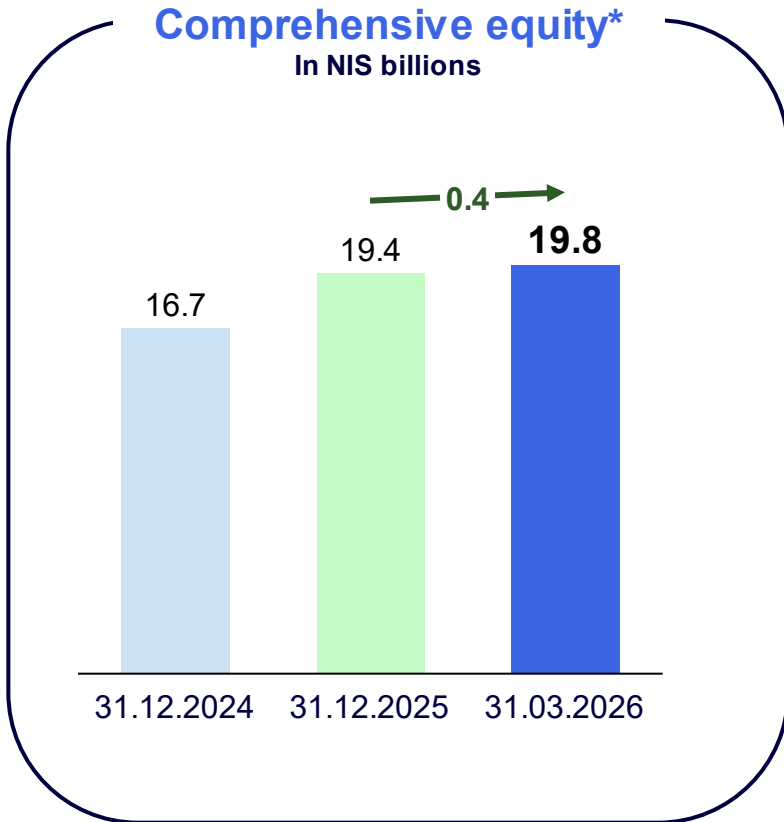
(In NIS millions)



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. This quarter the primary impact resulted from actuarial studies regarding the duration of the savings period *Financial changes include yields in excess of the risk-free rate, inflation, yield curve movements, and financial impacts on the stochastic model

CSM and Comprehensive Equity

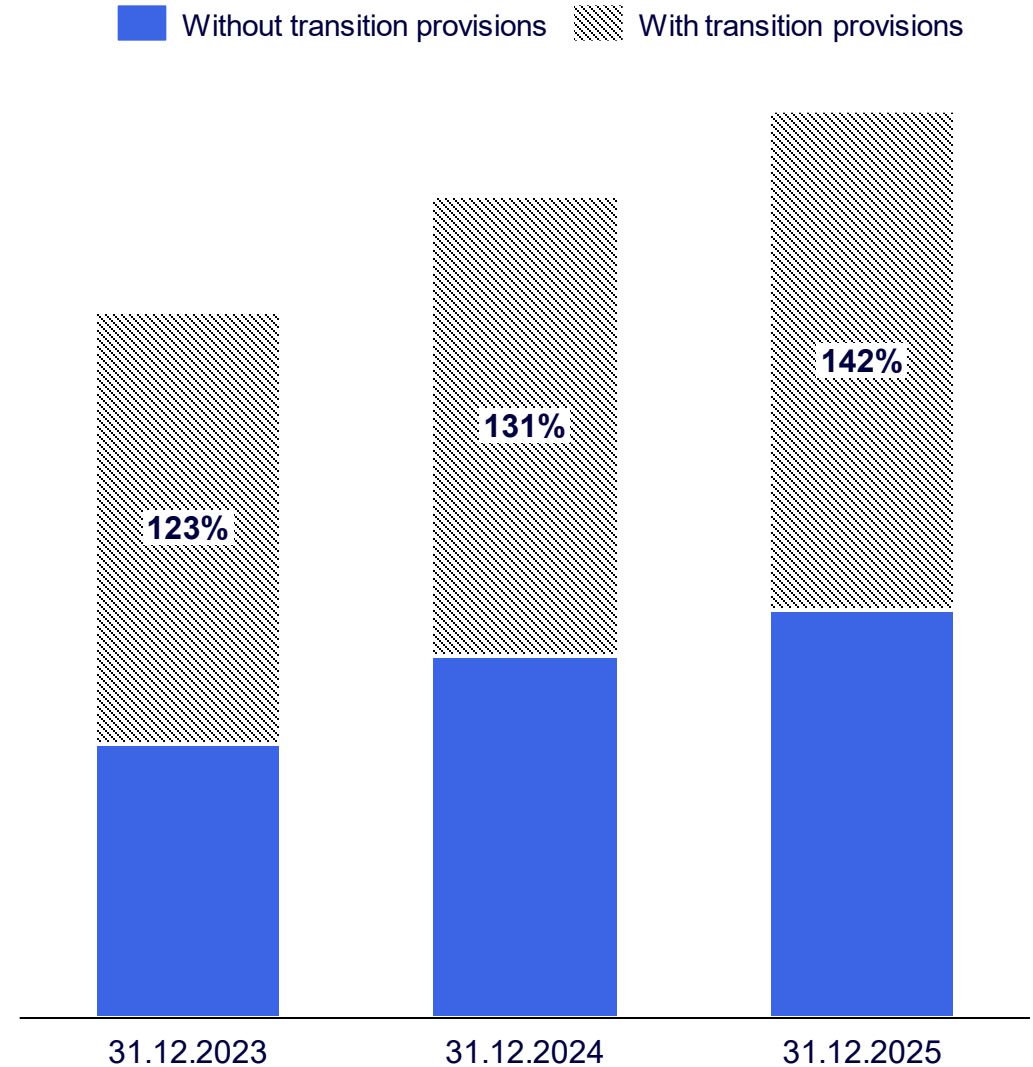


Comprehensive equity growth enhances the Company's financial stability and strength

* Comprehensive equity = equity plus post-tax CSM

Solvency Ratio

- Capital is further enhanced, bringing Migdal Insurance’s solvency ratio to **116%** as of 31.12.25
- Migdal Insurance **meets the minimum capital requirement for dividend distribution** set by the Board of Directors of Migdal Insurance in January 2025 (**115%** without accounting for the transition provisions during the phase-in period)
- On April 16, 2026, Migdal Insurance raised NIS 531 million, recognized as Additional Tier I Capital, in a public offering of a new series of bonds (Series S)



Thank You

Migdal. Seeing Far Ahead

