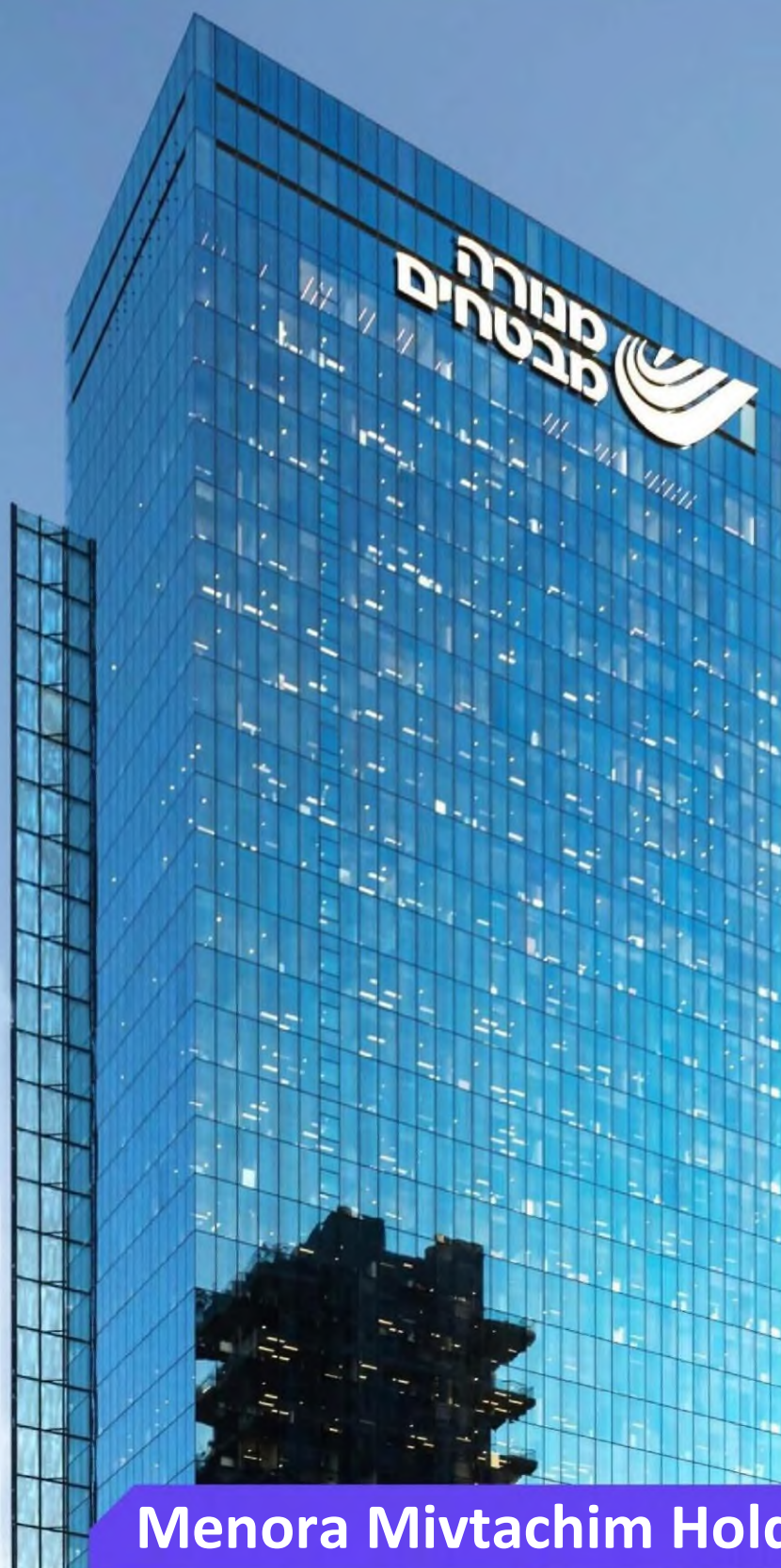




Menora Mivtachim Holdings Ltd.

Financial Statements

As of March 31, 2026

IMPORTANT

This document is an unofficial translation for convenience only of the Hebrew original of the March 31, 2026, financial report of Menora Mivtachim Holdings Ltd. that was submitted to the Tel-Aviv Stock Exchange and the Israeli Securities Authority on May 26, 2026.

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

Interim Financial Statements

As of March 31, 2026

Chapter A: Report of the Board of Directors

Chapter B: Report on the Effectiveness of Internal Control
over Financial Reporting and Disclosure

Chapter C: Financial Statements

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Attributed to the Company

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Chapter A

Report of the Board of Directors

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Menora Mivtachim Holdings Ltd.

Report of the Board of Directors as of March 31, 2026

The following Report of the Board of Directors reviews the activity of Menora Mivtachim Holdings Ltd. (hereinafter - the **"Company"**) for the three months ended March 31, 2026 (hereinafter - the **"Reporting Period"**). The report was prepared in accordance with the Securities Regulations (Periodic and Immediate Reports), 1970, assuming that the reader also has at his/her disposal the Company's full 2025 Periodic Report, which was published on March 30, 2026 (hereinafter - the **"Periodic Report"**).

With regard to the description of the businesses of the insurers consolidated in the Company's reports, the report was prepared pursuant to the Supervision of Insurance Business Regulations (Reporting), 1998, and in accordance with the circulars issued by the Commissioner of the Capital Market, Insurance and Savings Authority (hereinafter - the **"Commissioner"**).

1. Company description

1.1 The Company's shareholders

The Company is a publicly-traded company, whose shares are traded on the Tel Aviv Stock Exchange (TASE). The Company's principal shareholders are Palamas Establishment and Najaden Establishment (foreign corporations), which hold jointly in trust approx. 63%¹ of the Company's shares for Mss. Niva Gurevitch and Tali Griffel, respectively. The foreign corporations awarded Ms. Tali Griffel and Ms. Niva Gurevitch powers of attorney to vote on behalf of each of them (respectively) at the Company's general meetings, and accordingly Ms. Tali Griffel and Ms. Niva Gurevitch are considered as the Company's controlling shareholders (hereinafter - the **"Controlling Shareholders"**). As of the report date, the Company's CEO, Mr. Ari Kalman, holds - through an employee trust company - approx. 2.77%² of the Company's shares. The remaining Company shares are widely held.

¹ Fully diluted, after deduction of the dormant shares acquired within the share buyback plan, as of the report publication date - 62.65%.

² Fully diluted, after deduction of the dormant shares acquired within the share buyback plan, as of the report publication date - 2.74%.

1.2 The Company's areas of activity

As of the report date, the Company is engaged, through subsidiaries under its control, in all of the key insurance segments, including life insurance and long-term savings - which includes pension and provident funds, property and casualty insurance - which includes motor insurance (compulsory and property), other property and casualty insurance, and health insurance. Furthermore, via subsidiaries under its control, the Company engages in additional Credit Segment activities, such as providing undertakings for repayment of means of payment and the provision of retail credit (including mortgages), construction financing and credit activity, as well as financing for SMEs (small and medium-sized enterprises) and credit for real estate (through an associate), as well as providing securities distribution services and underwriting undertakings and investments in real estate.

In addition, the Group holds a control stake and/or means of control in various insurance agencies, through Menora Mivtachim Agencies Ltd. (which is wholly-owned and controlled by the Company), and through subsidiaries of Shomera Insurance Company Ltd. (hereinafter - "**Shomera**").

For a description of the Group's areas of activity, see Section 1.3 in the chapter entitled Description of the Corporation's Business in the Periodic Report.

2. Events and developments since the latest annual report

2.1 Operation Lion's Roar – implications and effects

On February 28, 2026, Operation Lion's Roar commenced - a joint military operation of the United States and Israel for the attack of targets in Iran. Concurrently, fighting against Hezbollah continues in the northern front. To the best of the Company's assessment, as of the report publication date, no material effect is expected on its activity, financial position or results in the medium term, but there is uncertainty regarding future effects mainly on financial markets, in view of the ongoing security developments. A temporary ceasefire entered into effect in April 2026 and has been extended from time to time.

2.2 Acquisition of ERN's remaining shares

On January 11, 2026, the Company's Board of Directors signed an agreement with S.A.B Ltd. (hereinafter - the "**Seller**") and ERN Israel Ltd. (hereinafter - "**ERN**") for the acquisition - by the Company - of ERN's remaining shares (30%), such that subsequent to the acquisition, the Company's holding stake in ERN is 100%. The abovementioned acquisition of shares was carried out in consideration for approx. NIS 234 million, at a Company value of approx. NIS 770 million.

It is noted that the agreement supersedes the existing agreements between the Company, the Seller and ERN and that the regulatory approvals required for the completion of the transaction have been received. The effect of the abovementioned in the Reporting Period is a decrease of approx. NIS 59 million in equity attributable to the Company's shareholders. For further details, see the immediate report dated January 12, 2026 (Ref. No.: 2026-01-004991).

2.3 Acquisition of Yesodot's shares

On January 27, 2025, Menora Mivtachim Insurance (hereinafter - "**Menora Insurance**") and another Menora group subsidiary (hereinafter - the "**Investor**") entered into an agreement with Yesodot A. Financial Support Ltd. (hereinafter - "**Yesodot**") for the provision of subordinate credit facilities (hereinafter - the "**Agreement**"). Menora Insurance and the Investor undertook to advance to Yesodot credit facilities totaling NIS 200 million each, and the credit facility to be advanced by the Investor is convertible into 50.1% of Yesodot's shares; such conversion will result in assumption of control. Furthermore, the parties entered into a shareholder agreement, which will come into effect upon the execution of the conversion (if it is executed), comprising three mutual options (put and call), for a period of up to 4 years, at the end of which (if exercised) the Investor will hold 100% of Yesodot's shares. In April 2025, all the conditions precedent were met and accordingly the Agreement entered into force.

On January 5, 2026, an agreement was signed between the Investor and Yesodot for the conversion of a portion of the credit facility advanced by the Investor - totaling NIS 150 million - into 50.1% of Yesodot's shares, subject to the conditions precedent set in the Agreement. On February 25, 2026, the Company exercised the option into shares of Yesodot A. Financial Support Ltd.'s shares (hereinafter - "**Yesodot**") for NIS 40 million, such that subsequent to the exercise, the Company held 60.1% of Yesodot's shares. The effect of the above in the Reporting Period is a decrease of approx. NIS 202 million in equity attributable to the Company's shareholders and a NIS 50 million gain attributable to the Company's shareholders.

2.4 Rating reiteration

In January 2026, Midroog announced it was reiterating the rating of the Company's Bonds (Series C) at Aa2 with a stable outlook. For further details, see the immediate report dated January 29, 2026 (Ref. No.: 2026-15-010977).

2.5 Dividend distribution

In March 2026, the Company's Board of Directors declared the distribution of NIS 500 million in dividend. For further details see immediate report dated March 30, 2026 (Ref. No.: 2026-01-029246)

2.6 Dividend distribution by subsidiaries

In March 2026, the Boards of Directors of the subsidiaries Menora Insurance, Menora Mivtachim Pension and Menora Mivtachim Pension and Provident Funds, declared a dividend distribution to the Company totaling NIS 400 million and NIS 60 million (the Company's share - NIS 54 million), respectively.

2.7 Legal proceedings

For a description of legal and administrative proceedings, as well as regarding developments in the exposure to class actions and the approval of lawsuits which were filed against the Company and/or its consolidated companies, as class actions and other contingent claims, see Note 11 to the financial statements.

3. Capital requirements according to the solvency regime (in NIS thousand)

3.1 Solvency ratio and minimum capital requirement

A. Solvency ratio

Menora Insurance	As of December 31, 2025	As of December 31, 2024
	Audited*	Audited*
	NIS thousand	
Without taking into account the transitional provisions:		
Own funds for SCR purposes	8,806,507	7,627,026
Solvency capital requirement (SCR)	5,399,539	4,714,197
Surplus	3,406,968	2,912,829
Solvency ratio (%)	163.1%	161.8%
Effect of material equity transactions taken in the period between the calculation date and the publication date of the Solvency Ratio Report		
Capital raising	-	184,204
Own funds for SCR purposes	8,806,507	7,811,230
Surplus	3,406,968	3,097,033
Solvency ratio (%)	163.1%	165.7%
The Board's target for the period (%)	116.9%	115.0%
Excess capital over target	2,495,865	2,389,904
Meeting milestones taking into account the transitional provisions:		
Own funds for SCR purposes	9,077,805	7,885,190
Solvency capital requirement (SCR)	5,267,207	4,576,707
Surplus	3,810,598	3,308,483
Solvency ratio (%)	172.3%	172.3%
Effect of material equity transactions taken in the period between the calculation date and the publication date of the Solvency Ratio Report		
Capital raising	-	400,000
Own funds for SCR purposes	9,077,805	8,285,190
Surplus	3,810,598	3,708,483
Solvency ratio (%)	172.3%	181.0%

B. Minimum capital requirement (MCR)

	As of December 31, 2025	As of December 31, 2024
	Audited*	Audited*
	NIS thousand	
Minimum capital requirement (MCR)	1,429,800	1,377,444
Solvency capital requirement (SCR)	7,181,131	6,459,205

C. Solvency ratio

Shomera Insurance	As of December 31, 2025	As of December 31, 2024
	Audited*	Audited*
	NIS thousand	
Without taking into account the Provisions for the transitional provisions:		
Own funds for SCR purposes	854,109	700,676
Solvency capital requirement (SCR)	638,021	563,152
Surplus	216,088	137,524
Solvency ratio (%)	133.9%	124.4%
The Board's target for the period (%)	115.0%	113.0%
Excess capital over target	120,385	64,314

D. Minimum capital requirement (MCR)

	As of December 31, 2025	As of December 31, 2024
	Audited*	Audited*
	NIS thousand	
Minimum capital requirement (MCR)	233,612	212,286
Solvency capital requirement (SCR)	854,109	700,676

(*) The solvency ratio as of December 31, 2025 and as of December 31, 2024 were reviewed by the Company's independent auditors, in accordance with International Standard on Assurance Engagements (ISAE 3400) - The Examination of Prospective Financial Information. See Note 7 to the Consolidated Financial Statements and the Economic Solvency Ratio Report on the Company's website.

The Solvency Ratio Report was prepared on the basis of the terms and conditions and the best estimate as known to the companies as of the December 31, 2025.

The economic solvency ratio's results as of December 31, 2025 reflect the distribution of the dividend declared subsequent to the balance sheet date, where Menora Insurance included a NIS 400 million dividend which was approved by the Company's Board on March 29, 2026. It is emphasized that in January 2025, the Company distributed a NIS 250 million dividend, which was reflected in the solvency ratio as of December 31, 2024.

According to the Supervision of Financial Services Regulations (Provident Funds) (Minimum Equity Required from a Provident Fund or a Pension Fund's Management Company), 2012, and the circulars by virtue of the said regulations, as of the report date, Menora Mivtachim Pension and Provident Funds has excess capital of approx. NIS 630 million.

As of the approval date of the financial statements, all Group companies comply with the capital requirements which were set for them, as the case may be (see also Note 7 to the Financial Statements).

3.2 The Board's target for the period (in %)

As of 2018, the Boards of Directors of Menora Mivtachim Insurance and Shomera decided to set a “capital target” for the purpose of dividend distribution. The capital target constitutes an addition to the own funds in excess of the solvency capital requirement (SCR).

Over the years, Menora Insurance and Shomera revised the target capital and the manner in which it was achieved. As of the report date, Menora Insurance’s target capital will gradually and linearly increase as from the end of 2024 from 115% to 130% in 2032 (the end of its transitional period); during May 2026, Shomera’s Board approved an increase in the capital target from 113% to 115%.

It is hereby clarified that there is no certainty that the consolidated insurance companies will meet the target capital at each point in time.

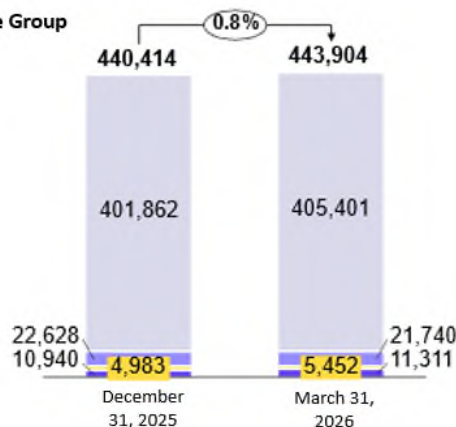
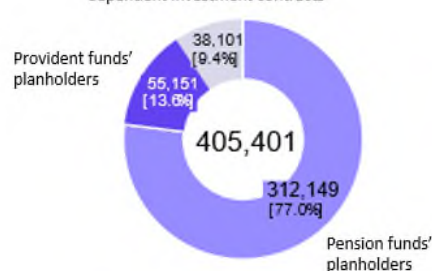
For further details, see Section 8.2.1.2(d)-(e) to the Report on the Corporation's Business in the Annual Report and Note 7 to the Financial Statements.

4. Assets under management, contributions toward benefits and premiums

4.1 Assets under management (in NIS million)

Assets under management for planholders and policyholders in the Group

As of March 31, 2026

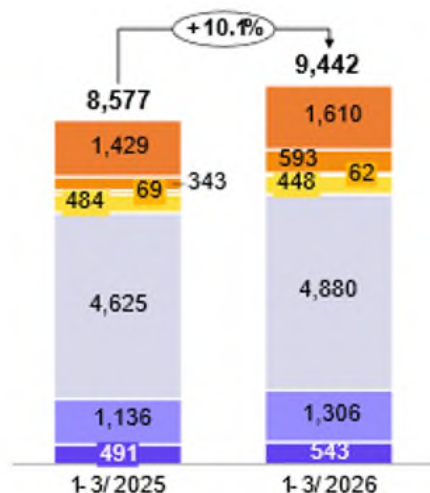
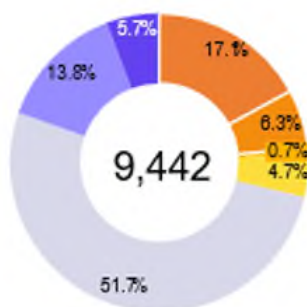


Assets under management for planholders and policyholders in the Group
 Nostro assets
 Credit Segment assets
 Assets under management for operation of LTC funds

The consolidated financial statements do not include the assets under management in the pension funds and provident funds (except for guaranteed return provident fund tracks), asset of associates in the Credit Segment, as well as the assets under management with respect to the operation of long-term care funds.

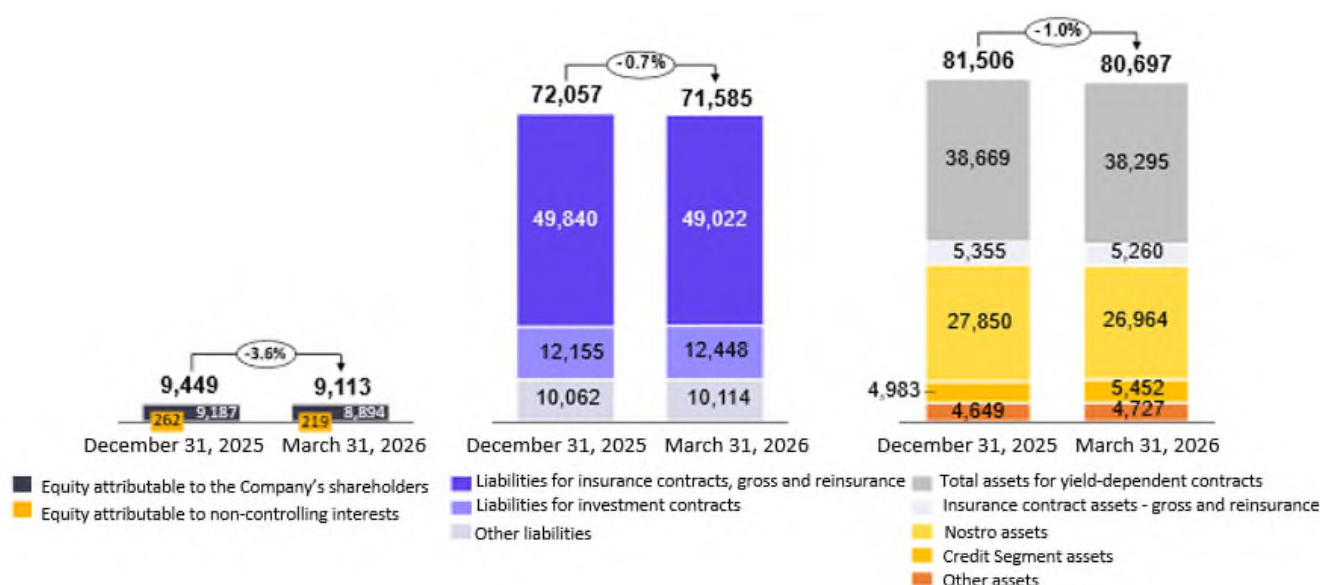
4.2 Contributions toward benefits and premiums in the Reporting Period (in NIS million)

Gross insurance premiums For the 1-3/2026 quarter



P&C Insurance
 Life Insurance - Premiums for investment contracts
 Life insurance - One-off premiums
 Life Insurance - Premiums for insurance contracts
 Pension
 Provident
 Health Insurance

4.3 Key data from the consolidated balance sheets (in NIS million)



There were no material changes in assets and liabilities compared to December 31, 2025. In the Reporting Period, the equity attributable to the shareholders decreased by approx. NIS 293 million.

4.4 Changes in equity

The equity attributable to the Company's shareholders amounted to approx. NIS 8,894 million as of March 31, 2026, compared to approx. NIS 9,187 million as of December 31, 2025. The change in equity is primarily due to comprehensive income for the period attributable to the shareholders totaling approx. NIS 464 million offset by a dividend distributed totaling approx. NIS 500 million, and the effect of completing the ERN and Yesodot acquisition transactions (see Sections 2.2 and 2.3 above and Notes 12B and C to the Financial Statements).

5. Operating results

The Reporting Period and the corresponding quarter last year were characterized by positive returns which were lower than the normative return (see 6.1 below). In addition, the shift in the interest rate curve and the illiquidity premium during the Reporting Period and the corresponding quarter last year resulted in higher net insurance liabilities.

The Company recorded an improvement in adjusted profit in the Long-Term Savings, Health and Credit segments, and maintained high profitability in the P&C Insurance segment. The improvement in Health Insurance profitability arises primarily from an increase and improvement in medical expenses insurance, and the improvement in profitability in the Long-Term Savings Segment arises primarily from a decrease in claims in death benefit insurance compared to the corresponding quarter last year and from continued improvement in the Pension and Provident subsegments. Furthermore, there was an improvement in the Credit Segment, driven mainly by a growth in activity and the effect of consolidating Yesodot as from the second quarter of 2025. It is noted that the Credit Segment was previously presented under the Company's various operating segments; the comparative figures were restated accordingly.

5.1 Comprehensive income from operating segments during the Reporting Period

The Company assesses all its results while separating the operating results of the business activities from the operating results of the financial activity and special effects.

In measuring the business activity results (including nostro activity which non-segmented) (hereinafter - "**adjusted profit**"), the Company:

- (1) Imputation of a normative real return of 4%³ (annualized) plus the consumer price index (CPI) at 2.5% (annualized) in respect of the balance of investment assets at the beginning of the period, plus the actual return on Israeli government Hetz bonds, adjusted to an annualized CPI of 2.5%.⁴
- (2) Neutralizes the effects of the change in the interest rate curve on insurance liabilities and assets (including Hetz bonds) and adjusts the effects of the CPI according to a 2.5% rate.
- (3) In respect of deposits of the Accountant General in the guaranteed return provident funds, the actual return is imputed.

³ The normative return is based on the nominal interest rate curve plus the illiquidity premium and the spread in accordance with the Company's Nostro Assets portfolio. The Company will periodically examine the effects of the curve and the spread and will update the normative rate of return when there is a significant change in the relevant parameters.

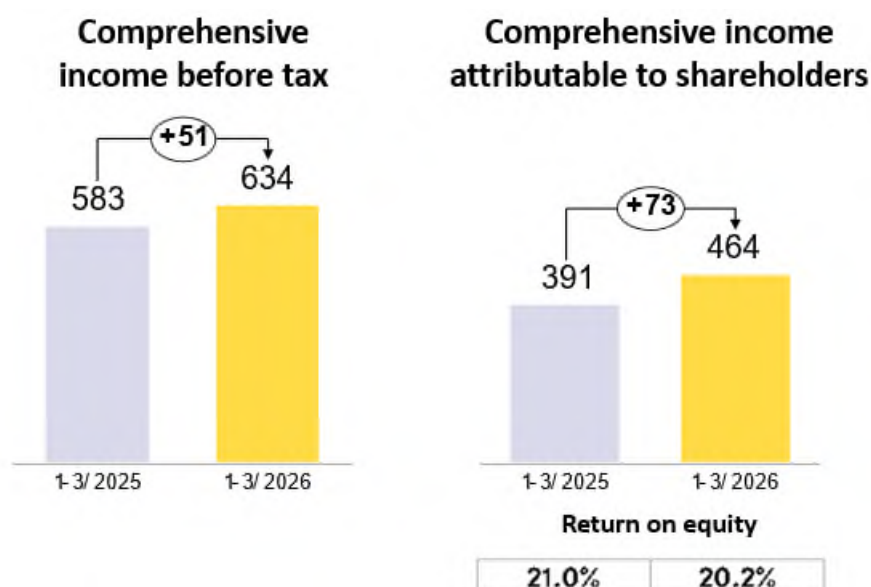
⁴ The adjusted profit does not include the effect on the performance-dependent compensation (grants) to the Group's employees for the normative return.

The financial activity includes the difference between the actual return and the above-mentioned normative return plus the differences in respect of the adjustment of the CPI (hereinafter - “**investment income**”); the effects of changes in the risk-free interest rate curve adapted to the illiquid nature of the insurance liabilities as well as the interest rate effect arising from demographic updates carried to profit and loss (including Hetz bonds) (hereinafter - the “**interest rate effect**”).

Special effects include material events outside the ordinary course of business, at management's discretion (hereinafter - “**special effects**”).

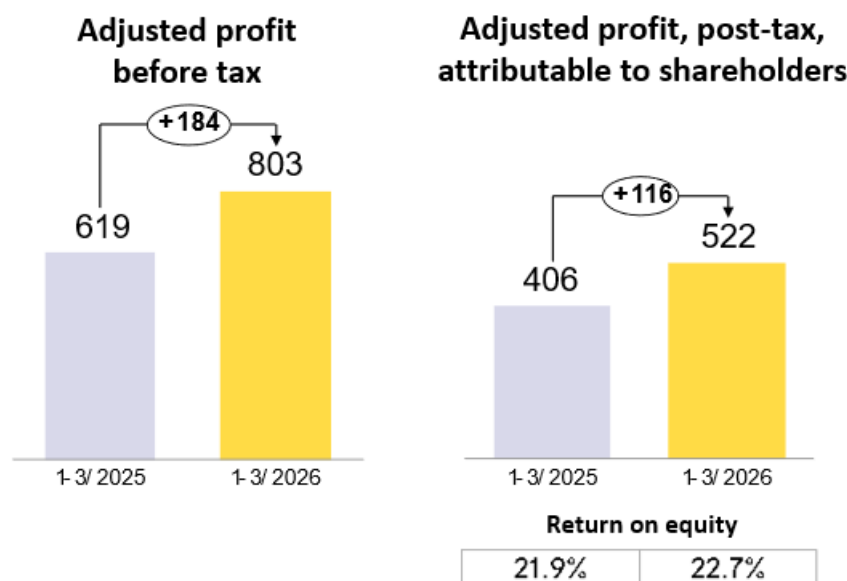
5.2 Data from the consolidated statements of income data

5.2.1 Comprehensive income and net income during the Reporting Period (in NIS million)



The return on equity is annualized and calculated based on the comprehensive income for the period, post-tax, adjusted for a period of one year, divided by equity as of the beginning of the year.

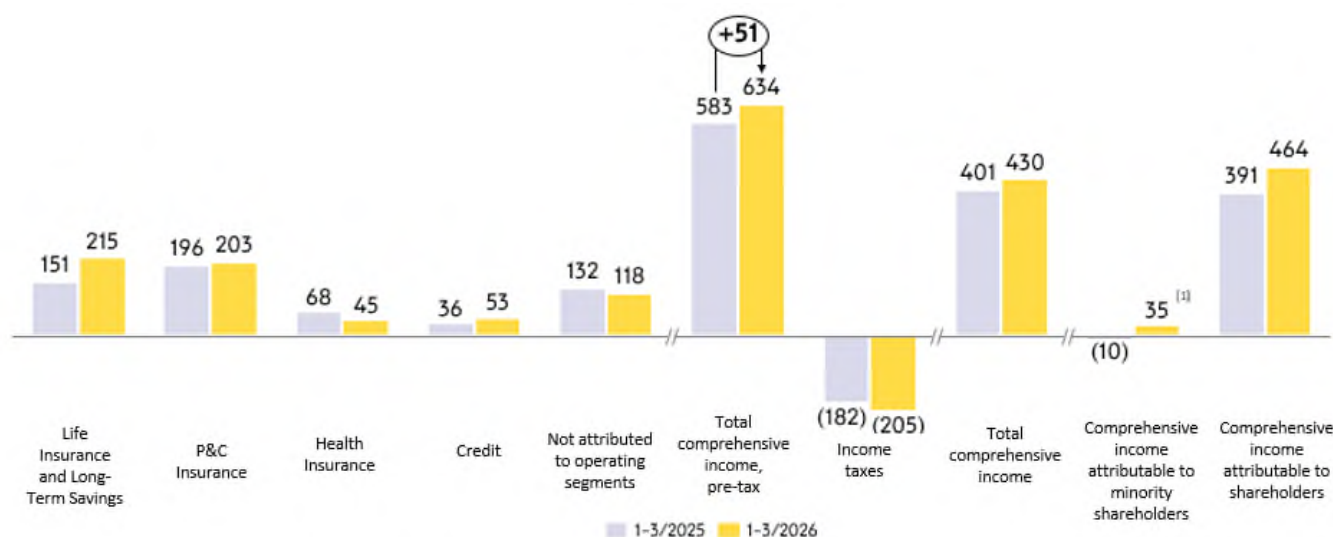
5.2.2 Adjusted profit during the Reporting Period (in NIS million)



The return on equity is annualized and calculated based on the adjusted profit for the period, post-tax, divided by equity as of the beginning of the year.

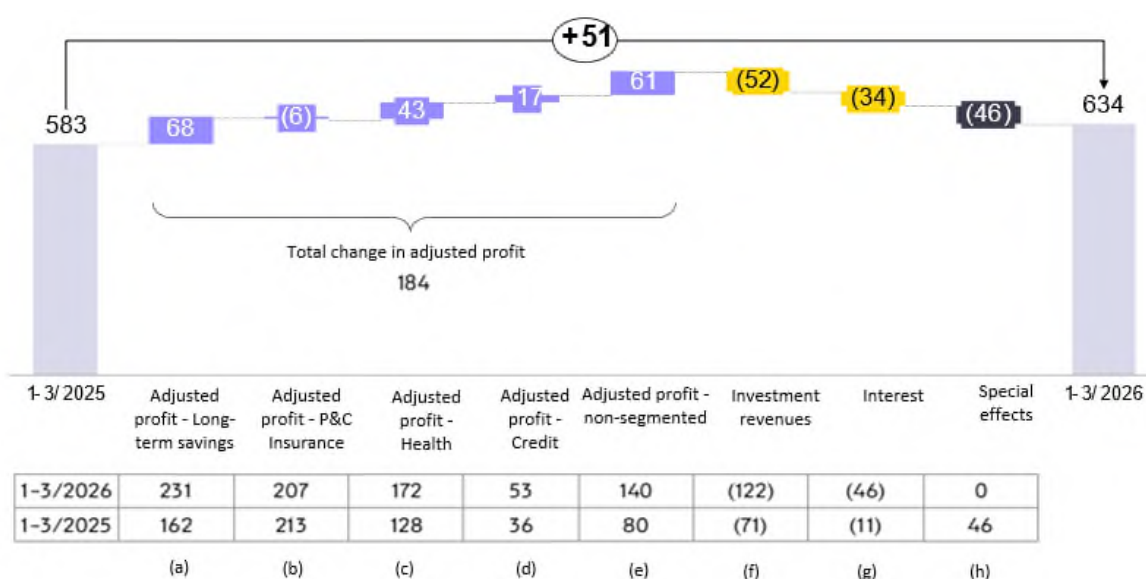
It is noted that the adjusted income for the first quarter of 2025 was restated in order to classify the effect of discounting in respect of P&C Insurance claims incurred during the period; the classification increased the pre-tax adjusted income by approx. NIS 26 million and the post-tax adjusted income by approx. NIS 17 million.

5.2.3 Comprehensive income from operating segments during the Reporting Period (in NIS million)



[1] In the Reporting Period, the comprehensive income attributable to minority shareholders reflects the effect of the Yesodot transaction; for further details see Note 12C to the Financial Statements.

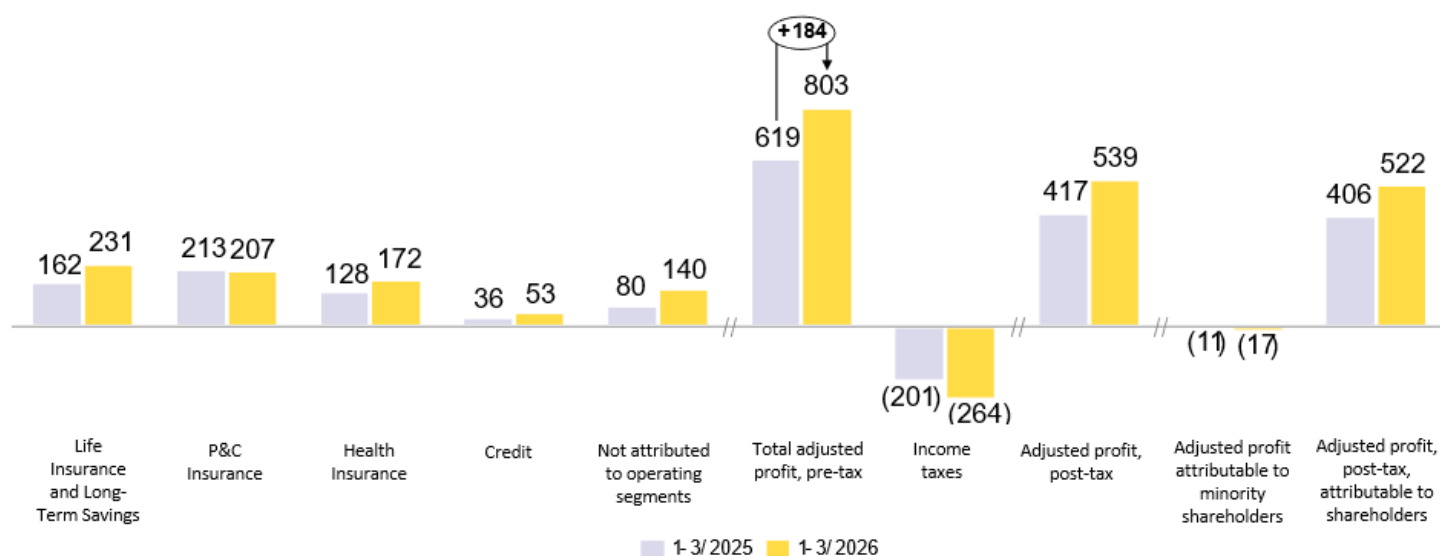
5.2.4 Changes in the operating results during the Reporting Period (NIS million)



- A. **Long-Term Savings - adjusted profit:** The improvement in adjusted profit in the Reporting Period compared to the corresponding period last year arises from death benefit insurance, which had unusually unfavorable results in the corresponding quarter last year, an improvement in profitability in the participating savings products due to the increase in CSM in 2025, an improvement in the results of permanent health insurance and a continued growth in the Pension and Provident subsegments. For further details, see Section 5.4.5 below.
- B. **Adjusted profit - P&C Insurance:** The decrease in adjusted profit during the Reporting Period compared to the corresponding period last year arises from lower income in the Motor Property Subsegment offset by an increase in the Compulsory Motor and Property and Other Liability subsegments. For further details, see Section 5.7.3 below.
- C. **Adjusted profit - Health Insurance:** The improvement in adjusted profit in the Reporting Period compared to the corresponding period last year is attributed primarily to medical expenses insurance offset by a moderate decline in critical illness and individual long-term care products. For further details, see Section 5.8.3 below.
- D. **Adjusted income - credit:** The higher income in the Reporting Period compared to the corresponding period last year stems from the continued growth of the Group's credit portfolio and includes the effect of Yesodot, which was consolidated for the first time in the second quarter of 2025.
- E. **Non-segmented adjusted profit:** The increase in non-segmented adjusted profit is mainly due to an increase in the investment portfolio attributed to equity.
- F. **Investment income:** In the Reporting Period and in the corresponding period last year, investment income was lower than the normative return.

- G. **Interest:** Interest rate effects on insurance liabilities were negative during the Reporting Period and in the corresponding quarter last year due to an increase in the risk-free interest rate curve.
- H. **Special effects:** Special effects include significant events outside the ordinary course of business, at management's discretion, and in the corresponding period last year, mostly a one-off revenue due to approx. NIS 62 million in compensation from Isracard.

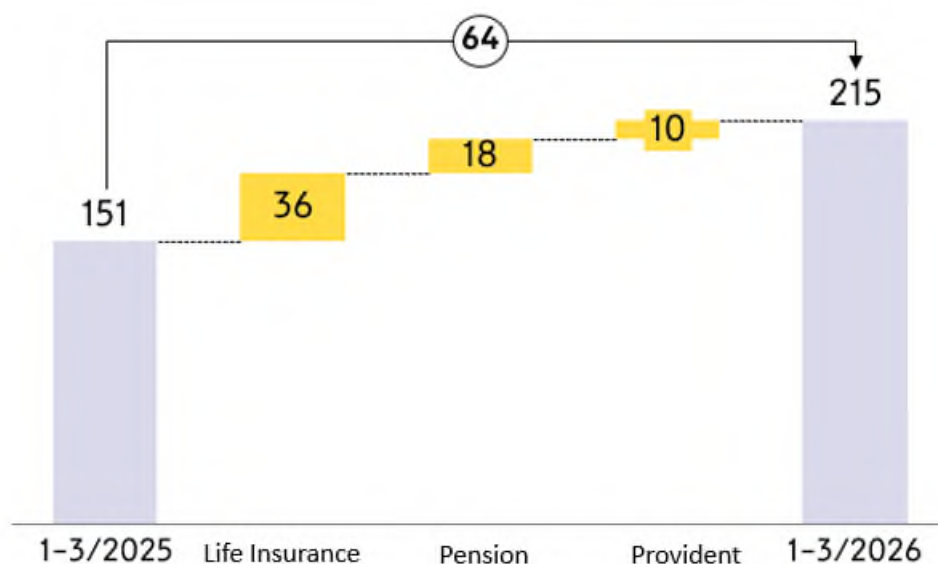
5.2.5 Adjusted profit from operating segments during the Reporting Period (in NIS million)



5.3 Financial information by area of activity

5.4 Life Insurance and Long-term Savings (in NIS million)

5.4.1 Key results of the Life Insurance and Long-Term Savings Segment in the Reporting Period (before tax, in NIS million)

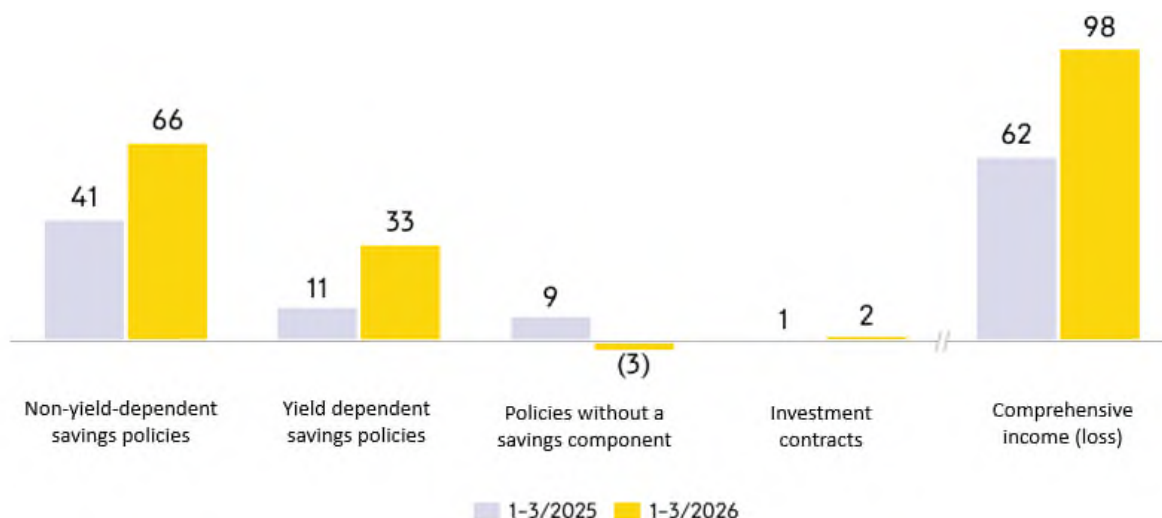


1-3/2026	98	93	24
1-3/2025	62	75	14

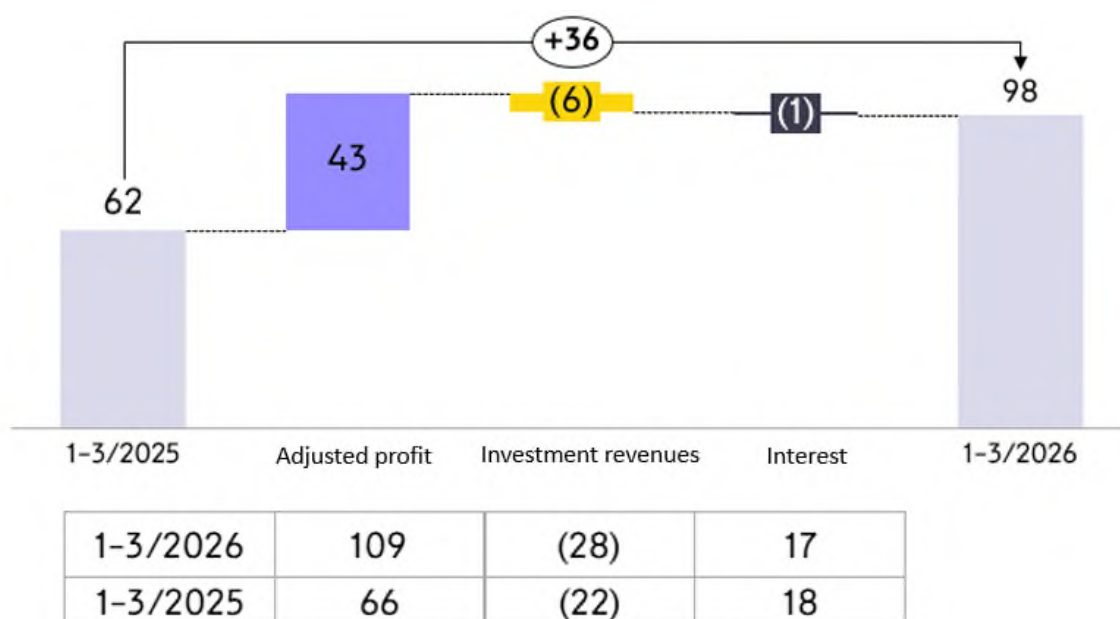
5.4.2 Operating results of the Life Insurance Subsegment

The profitability of the Long-Term Savings Subsegment is affected by the changes in the capital market, which impact the guaranteed-return policies (which are backed mainly by designated bonds). In addition, changes in the interest rate curve plus the illiquidity premium have a different effect depending on the types of products and consequently affect the segment's results.

5.4.3 Comprehensive income (loss) in Life Insurance during the Reporting Period (before tax, in NIS million)



5.4.4 Changes in the results of the Life Insurance Segment during the Reporting Period (before tax, in NIS million)

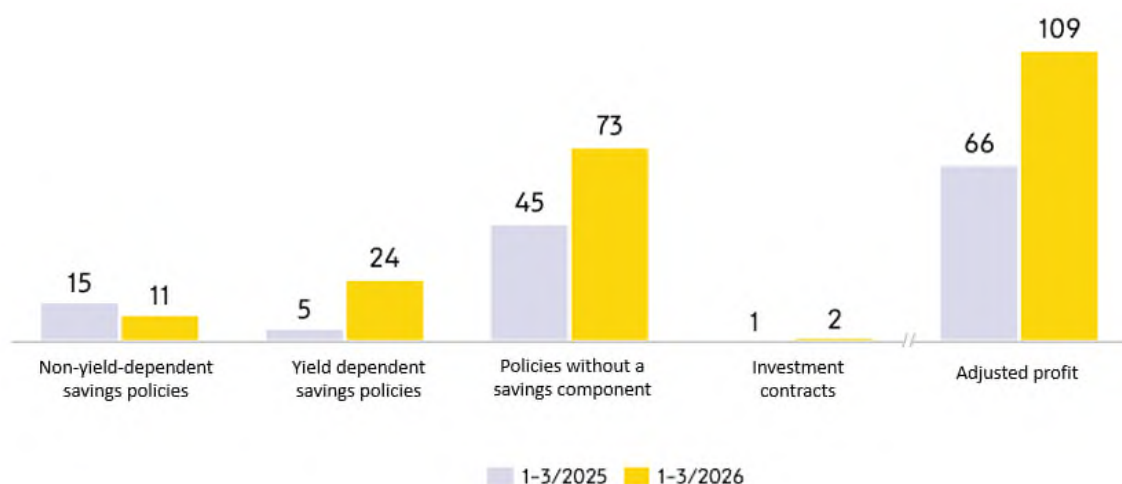


The increase in comprehensive income from the Life Insurance and Long-Term Savings Operations in the Reporting Period compared to the corresponding period last year, stems mainly from an increase in Adjusted Profit due to a significant decrease in claims in life insurance products (death). It should be noted that during the last year, there was an exceptional increase in life insurance claims (death).

Furthermore, during the Reporting Period investment income (losses) declined compared to the corresponding period last year (after imputation of normative return as stated in Section 5.1 above).

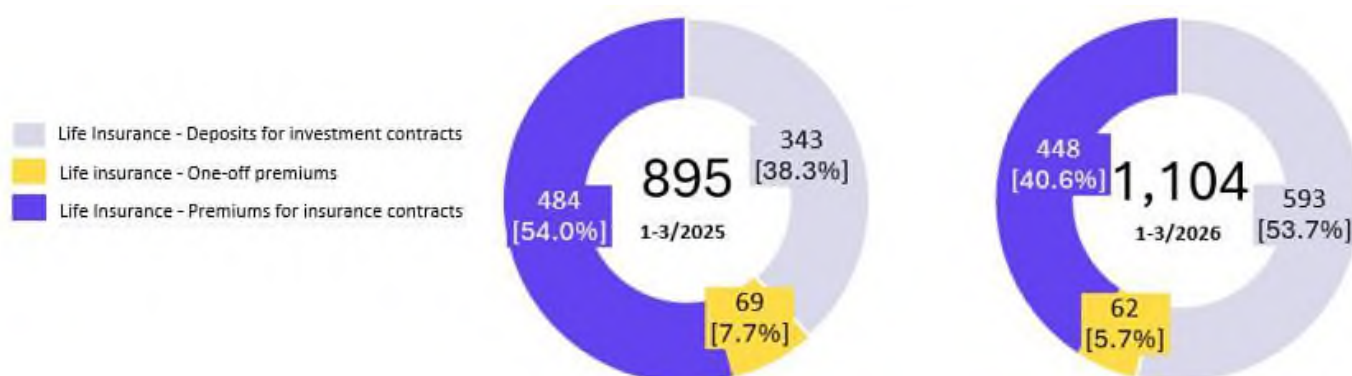
The interest rate effect reduced the insurance liabilities (including the Hetz bonds' effects) by approx. NIS 17 million in the Reporting Period, compared to a decrease of approx. NIS 18 million in the corresponding period last year.

5.4.5 Results of the adjusted profit in the various Life Insurance Subsegments during the Reporting Period (before tax, in NIS million)



- Non-yield dependent savings policies** – The decrease in adjusted profit arises from a decrease in contractual service margin released and from a deterioration in reinsurance compared to the corresponding period last year.
- Yield-dependent savings policies** - The increase in adjusted profit in the Reporting Period compared to the corresponding period last year arises mainly from an increase in the release of the contractual service margin.
- Policies without a savings component** - the increase in Adjusted Profit in the Reporting Period compared to the corresponding period last year is mainly due to a significant decrease in claims in life insurance products (death) compared to corresponding period last year. It should be noted that during the last year, there was an exceptional increase in life insurance claims (death). Furthermore, during the Reporting Period there was an improvement in permanent health insurance and disability insurance claims compared to the corresponding period last year.

5.4.6 Premiums and redemptions in the Reporting Period (in NIS million)



The policies which were redeemed during the Reporting Period amounted to approx. NIS 630 million, compared to approx. NIS 599 million in the corresponding period last year. The rate of redemptions out of the average reserve in the Reporting Period was approx. 7.55% compared to approx. 7.63% in the corresponding period last year.

Redemptions in respect of policies where premiums were charged directly to liabilities for insurance contracts (without a significant insurance risk-weighted component) amounted to approx. NIS 227 million in the Reporting Period, compared to approx. NIS 213 million in the corresponding period last year.

Yield-dependent insurance policies

Insurance reserves funds which accumulate in yield-dependent insurance policies are invested in accordance with the Supervision of Financial Services Law (Insurance), 1981 and the regulations promulgated thereunder. This investment income is charged to the policyholders net of management fees.

In yield-dependent insurance policies issued from 1991 to 2003, an insurer may collect fixed management fees and variable management fees at the rates set in the regulations and derived from the real return of the investment portfolio. The variable management fees are collected only in respect of positive real return. If a negative real return was achieved, the insurer can only collect the variable management fees once the return which is achieved covers the cumulative real loss. During the course of 2022, a negative real return, which has yet to be offset as of the second quarter of 2025, was achieved, and consequently, the Company was prevented from collecting variable management fees until a cumulative positive return was achieved in the first quarter of 2025. It should be noted that in connection with yield-dependent insurance policies issued as from 2004, only fixed management fees are collected, and therefore real investment losses do not have a direct effect on the collection of those management fees as stated above.

The fixed management fees in yield-dependent life insurance policies collected during the Reporting Period amounted to approx. NIS 65 million, compared to approx. NIS 62 million in the corresponding period last year.

The variable management fees collected in the Reporting Period totaled approx. NIS 8 million, whereas in the corresponding period last year no variable management fees were collected.

It is noted that the variable and fixed management fees are not recorded as revenue in the financial statements, but rather attributed to the contractual service margin (CSM), in accordance with the management fee forecast ratio in the actuarial models.

Details regarding the rates of return in yield-dependent insurance policies:

Policies issued in 1991-2003 (Fund J)

	1-3/2026	1-3/2025	1-12/2025
Real return before payment of management fees	0.46%	(0.40%)	13.50%
Real return after payment of management fees	0.26%	(0.55%)	11.03%
Nominal return before payment of management fees	0.37%	(0.11%)	16.18%
Nominal return after payment of management fees	0.17%	(0.26%)	13.65%

Policies issued from 2004 and thereafter (the new Fund J)

	1-3/2026	1-3/2025	1-12/2025
Real return before payment of management fees	0.46%	(0.40%)	13.50%
Real return after payment of management fees	0.25%	(0.63%)	12.51%
Nominal return before payment of management fees	0.37%	(0.11%)	16.18%
Nominal return after payment of management fees	0.16%	(0.34%)	15.17%

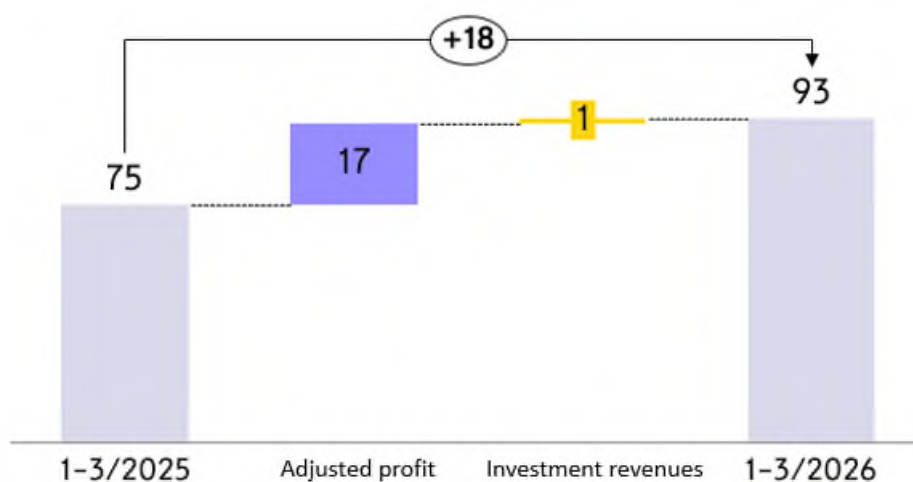
Details regarding the investment income (losses) credited to policyholders in yield-dependent insurance policies and management fees

In NIS million	1-3/2026	1-3/2025	1-12/2025
Nominal investment income (losses) credited to policyholders net of management fees	(13)	(61)	4,730
Fixed management fees	65	62	251
Variable management fees	8	-	239
Total management fees	73	62	490

5.5 Pension funds

The operating results in the Pension Funds Subsegment relate to the results of a consolidated management company - Menora Mivtachim Pension and Provident Funds.

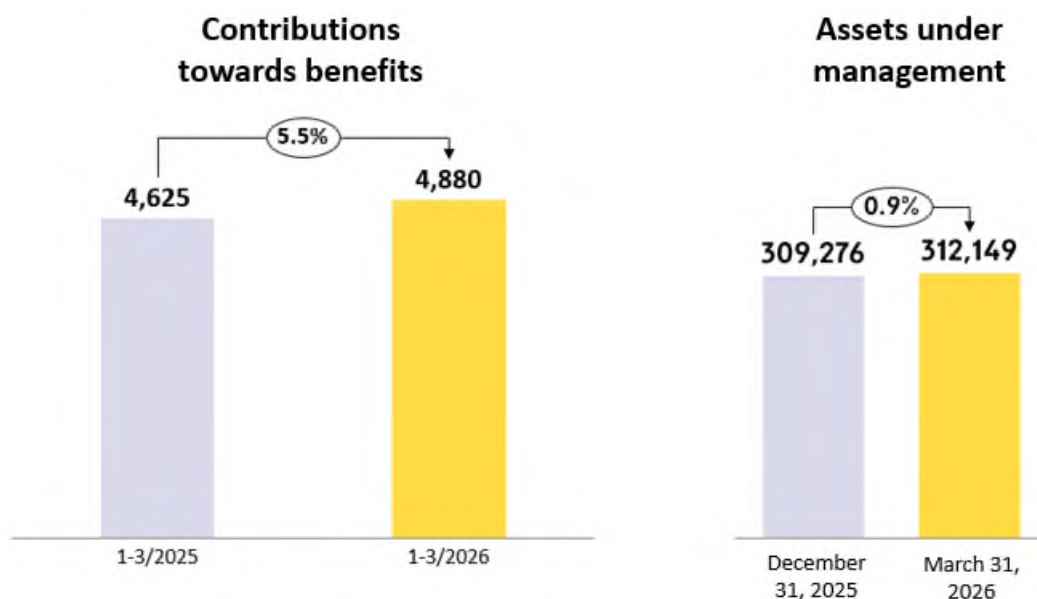
5.5.1 Changes in the pension funds activity results during the Reporting Period (before tax, in NIS million)



1-3/2026	94	(1)
1-3/2025	77	(2)

In the Reporting Period, the income amounted to approx. NIS 93 million, compared to income of approx. NIS 75 million last year. The increase in income in the Reporting Period compared to the corresponding period last year arises from an improvement of approx. NIS 17 million in adjusted profit, which stems mainly from an increase in revenues from management fees (net) due to the increase in total assets under management and an increase in collection, after discounts to planholders, and a moderate increase in expenses.

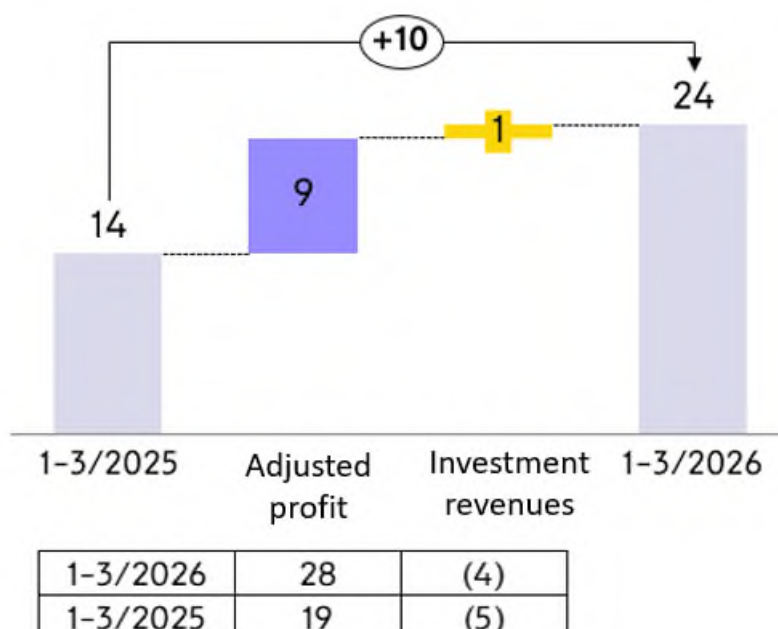
5.5.2 Assets under management and contributions toward benefits (in NIS million)



5.6 Provident Funds Subsegment

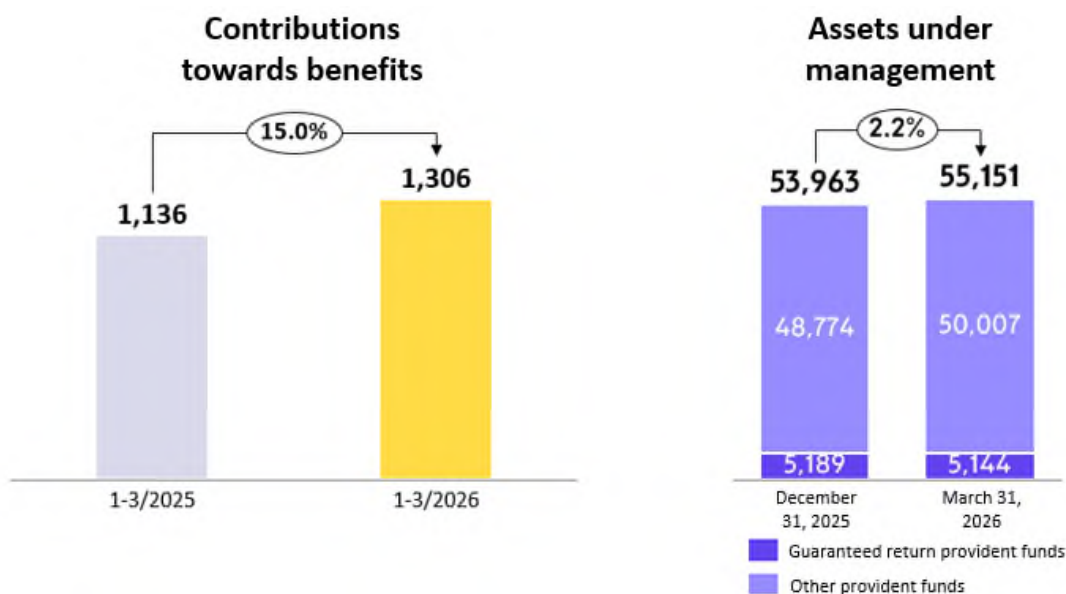
The activity in the Provident Funds Subsegment is carried out in consolidated management companies, Menora Mivtachim Pension and Provident Funds and Menora Mivtachim Engineers.

5.6.1 Changes in the provident funds activity results during the Reporting Period (before tax, in NIS million)



In the Reporting Period, the income amounted to approx. NIS 24 million, compared to income of approx. NIS 14 million last year. During the Reporting Period, there was an increase in adjusted profit of approx. NIS 9 million, arising mainly from an increase in management fees.

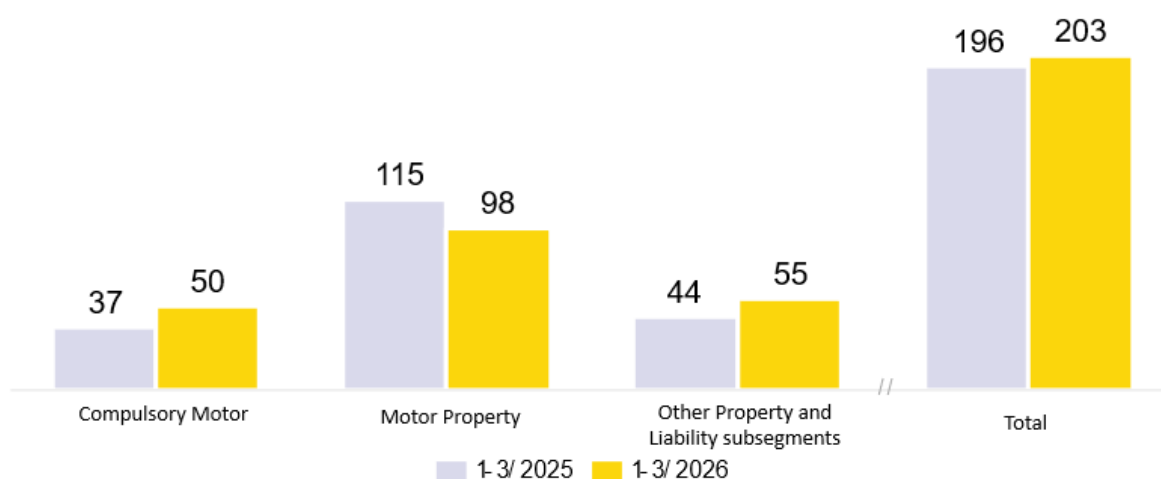
5.6.2 Assets under management and contributions toward benefits (in NIS million)



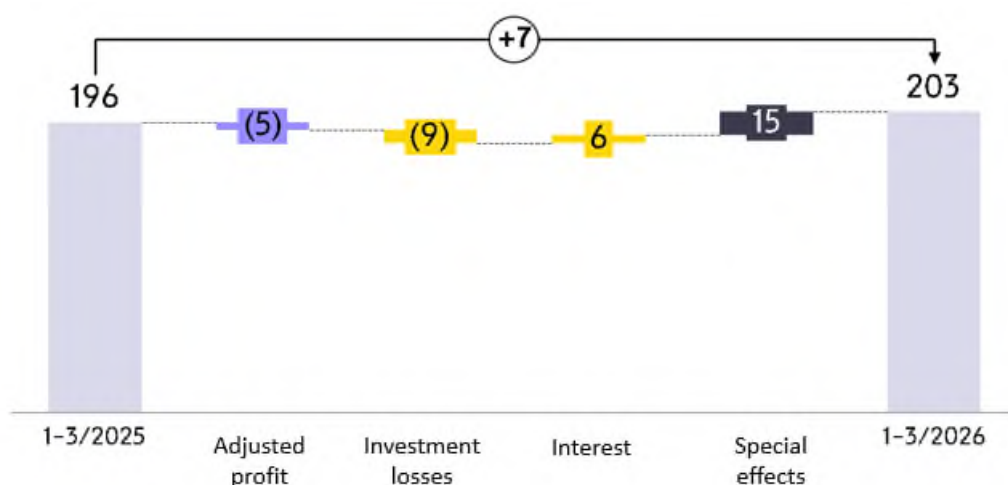
5.7 Results of Property and Casualty Insurance Subsegments

The Property and Casualty Insurance Segment is divided into three main subsegments: Compulsory Motor, Motor Property, and Property and Other Liability.

5.7.1 Comprehensive income in Property and Casualty Insurance during the Reporting Period (before tax, in NIS million)



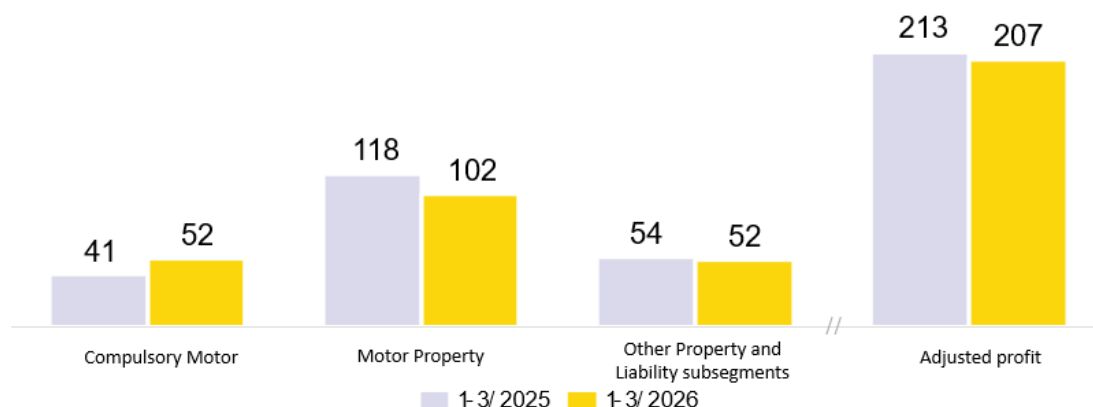
5.7.2 Analysis of key changes in comprehensive income during the Reporting Period, compared to last year (before tax, in NIS million)



1-3/2026	207	(25)	21	0
1-3/2025	213	(16)	15	(15)

The higher comprehensive income in the Reporting Period compared to the corresponding period last year arises from the interest rate effect, which reduced the insurance liabilities in the quarter by approx. NIS 21 million, compared to a decrease of approx. NIS 15 million in the corresponding period last year, and from special effects, which reduced the comprehensive income in the corresponding period last year by approx. NIS 15 million. On the other hand, adjusted profit declined by approx. NIS 5 million and investment losses increased by approx. NIS 9 million (after imputation of a normative return as stated in Section 5.1 above).

5.7.3 Results of adjusted profit by operating segment in the Reporting Period (before tax, in NIS million)

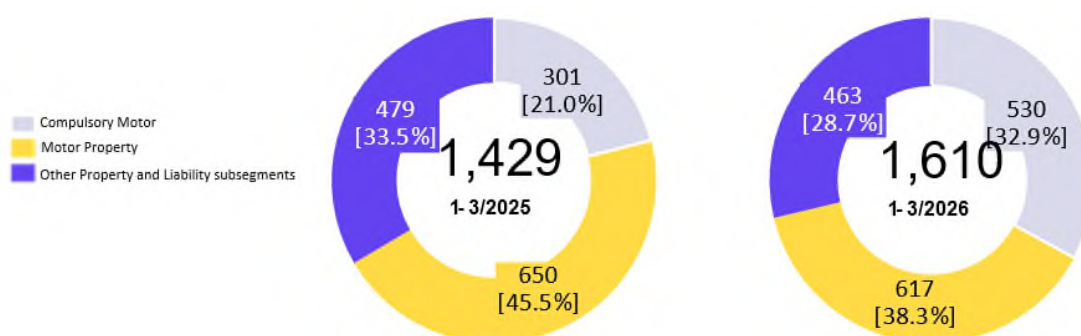


Compulsory Motor – the increase in adjusted profit in the Reporting Period compared to the corresponding period last year arises primarily from an improvement in the results of the current year.

Motor Property – The decrease in adjusted profit in the Reporting Period compared to the corresponding period last year is mainly due to a decrease in positive developments in respect of previous years.

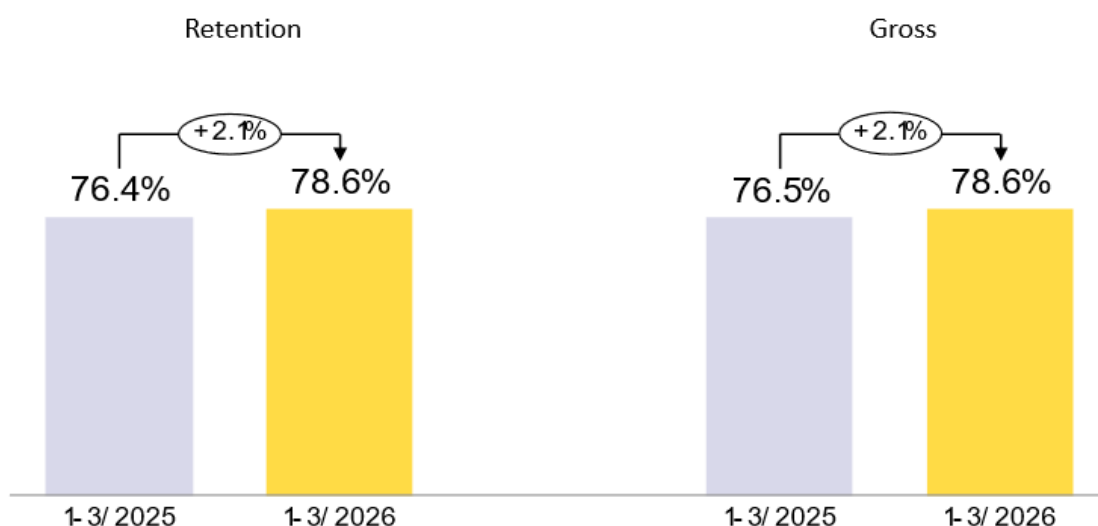
Property and Other Liability subsegments – The decrease in adjusted profit in the Reporting Period compared to the corresponding period last year is mainly due to a decrease in current year profitability offset by positive developments in the Reporting Period in respect of previous years compared to negative developments in the corresponding period last year.

5.7.4 Premiums during the Reporting Period and corresponding period last year (in NIS million)



The increase in total premiums from the compulsory motor subsegment during the quarter compared to the corresponding quarter last year arises from timing differences in respect of transactions which were renewed in the first quarter of 2026.

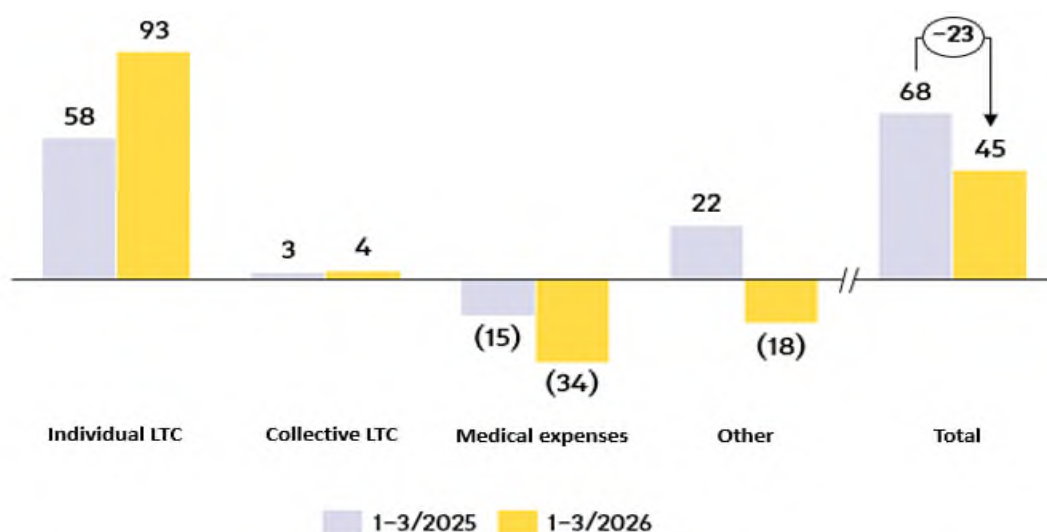
Following is the combined loss ratio - gross and retention - in Motor Property:



- **Combined loss ratio, gross** – reflects the ratio between insurance service expenses and revenues from insurance services.
- **Combined loss ratio, retention** – reflects the ratio between net insurance service expenses out of reinsurance revenues and revenues from insurance services, net out of reinsurance expenses.

5.8 Operating results of the Health Insurance Segment

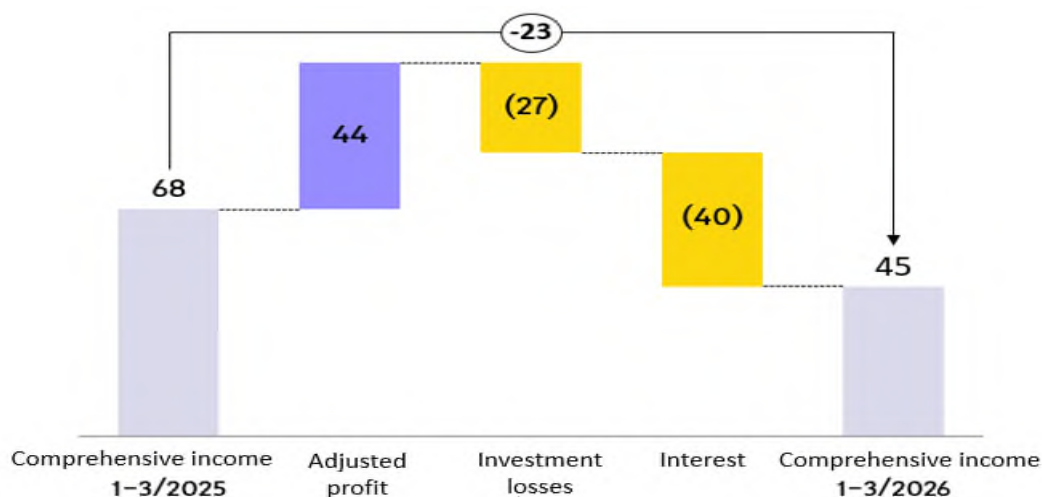
5.8.1 Comprehensive income (loss) in Health insurance during the Reporting Period (before tax, in NIS million)



“Collective Long-Term Care” – including operational LTC for HMOs

“Other” - includes critical illnesses, personal accidents, and short-term subsegments

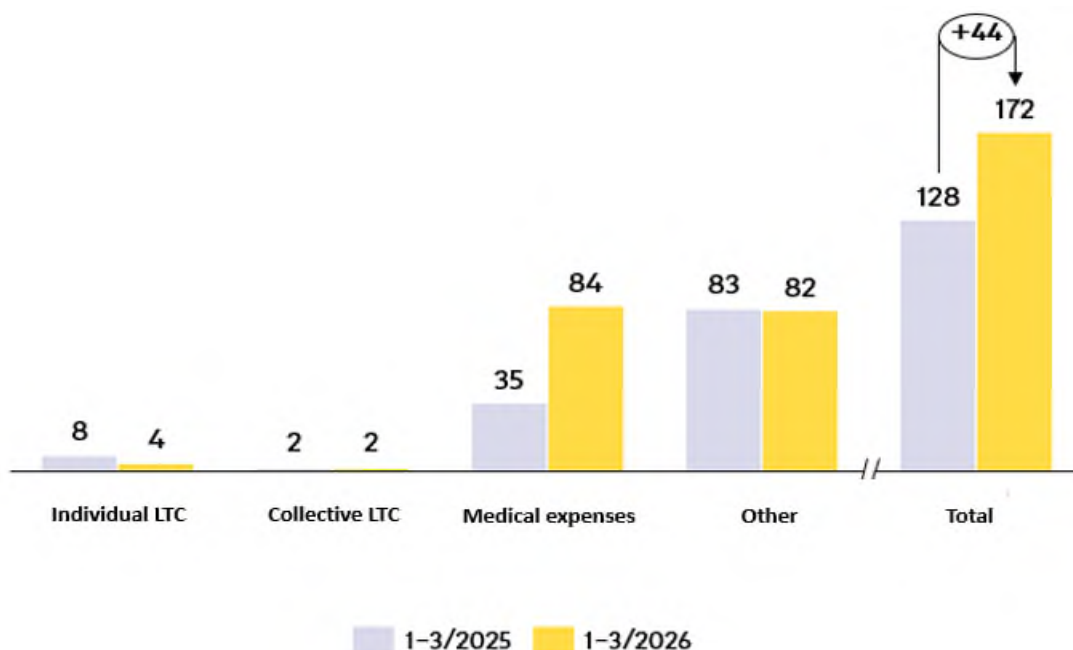
5.8.2 Analysis of key changes in comprehensive income during the Reporting Period, compared to the corresponding period last year (before tax in NIS million)



1-3/2026	172	(43)	(84)
1-3/2025	128	(16)	(44)

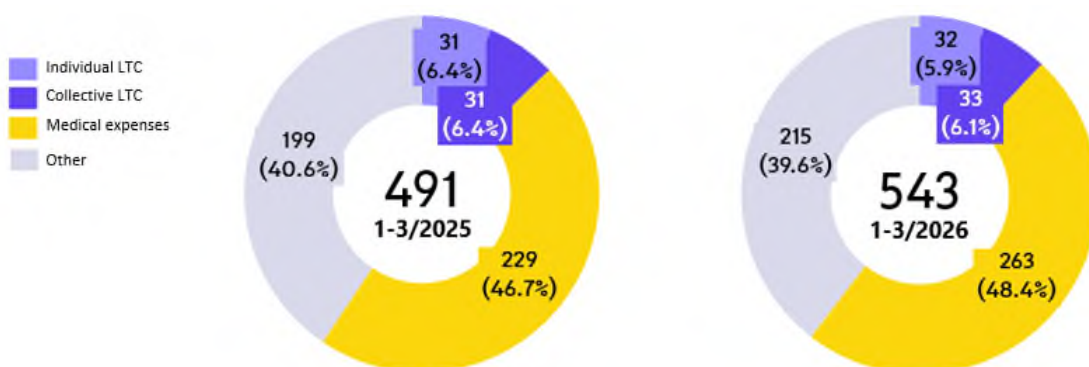
The increase in adjusted profit in the Reporting Period compared to the corresponding period last year is attributed primarily to an improvement in medical expenses claims.

5.8.3 Results of adjusted profit by operating segment in the Reporting Period (before tax, in NIS million)



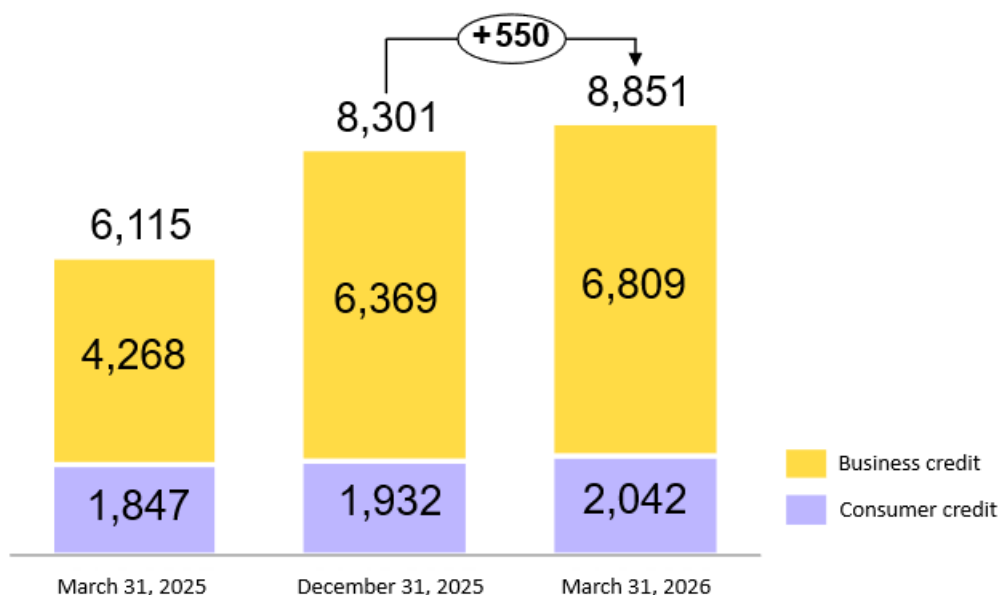
- **Individual long-term care** – The decrease in adjusted profit during the Reporting Period arises primarily from a higher-than-expected negative claim history.
- **Medical expenses** - the higher income stems mainly from an increase in activity, from a positive claims history in relation to the forecast, as well as from an increase in the release amount from the contractual service margin.
- **Other** - The adjusted profit in the Reporting Period is essentially without material change compared to the corresponding period last year.

5.8.4 Gross premiums during the Reporting Period and corresponding period last year (in NIS million)



5.9 Operating results of the Group's Credit Segment

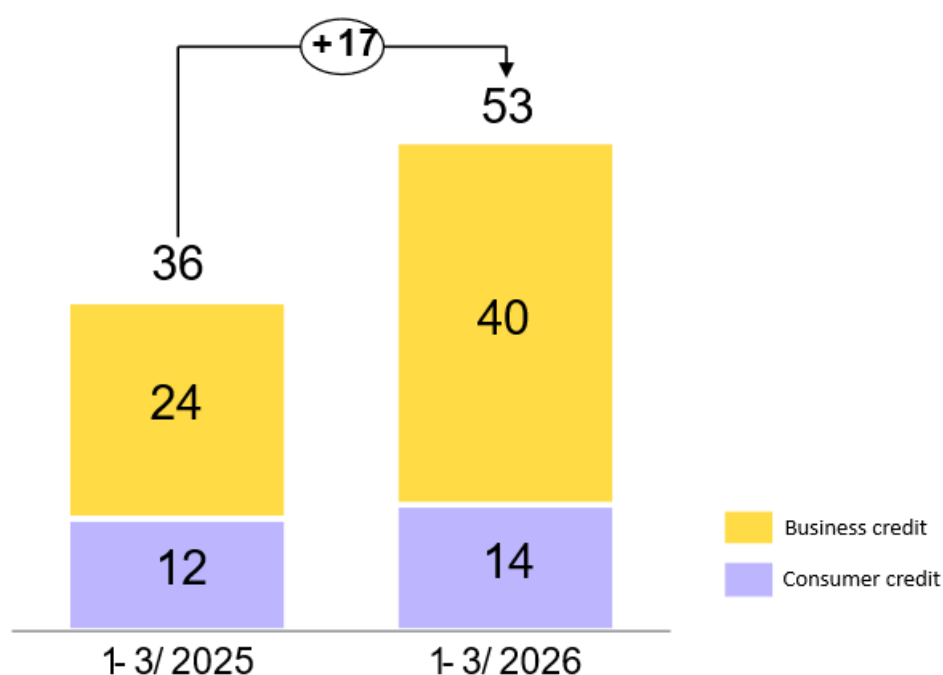
5.9.1 The Group's total credit portfolio (in NIS million)



The increase in the business credit portfolio compared to December 2025 is mainly due to growth in the activities of Yesodot and Ampa Capital. The increase in consumer credit activity is due to ERN's activity. The increase compared to the corresponding period last year arises primarily from a growth in the activity of Yesodot and Ampa totaling approx. NIS 2 billion and from the effect of first-time consolidation of Yesodot totaling approx. NIS 900 million.

The credit portfolio also includes the activity of the associate Ampa Capital.

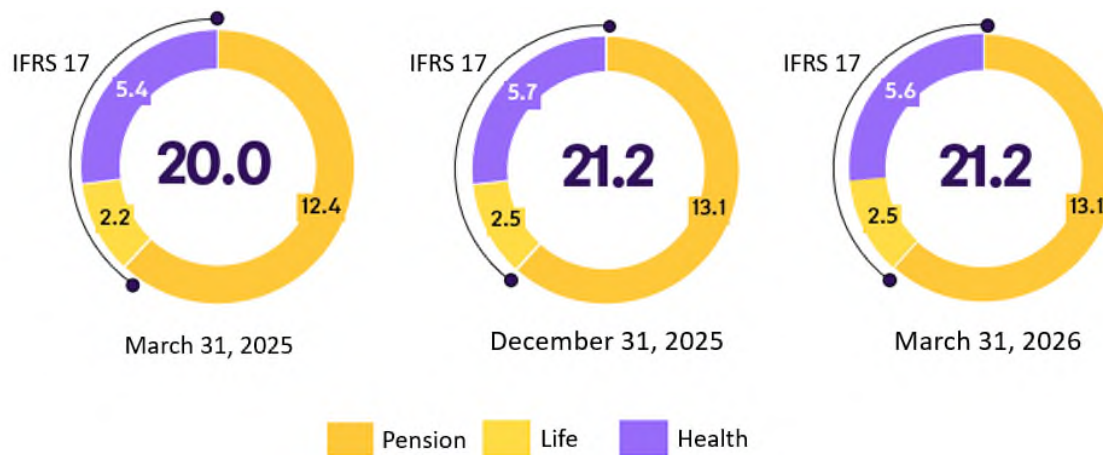
5.9.2 Profit before tax during the Reporting Period compared to last year (in NIS million)



The increase in profit from credit activity in the Reporting Period reflects the growth in Yesodot's activity and its first-time consolidation in the first quarter of 2025 and the continued growth in the activity of ERN and Ampa.

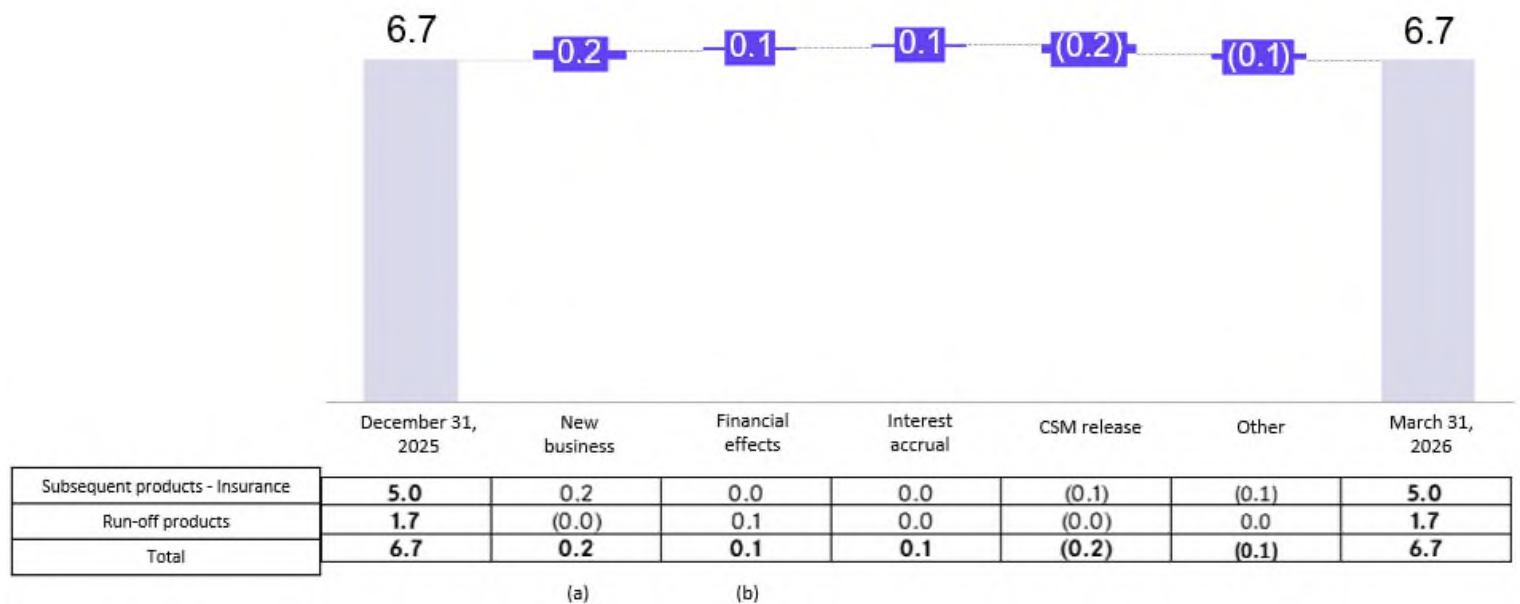
5.10 Value of future earnings

5.10.1 The balance of future earnings divided into CSM and RA and the embedded value of pension (in NIS billion)

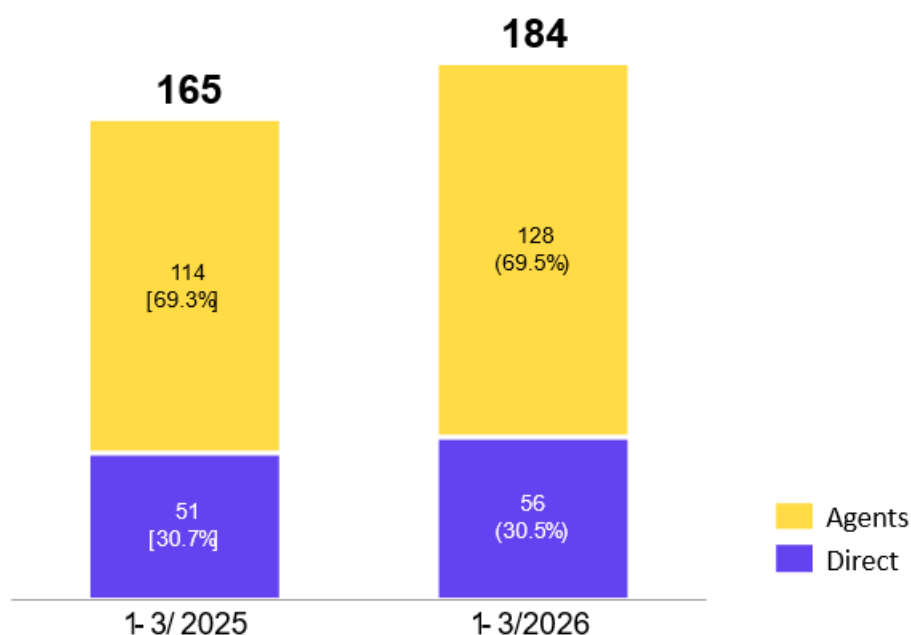


* The value of future earnings as of March 31, 2026 and as of March 31, 2025 includes Pension's embedded value as of December 31, 2025 and as of December 31, 2024 respectively.

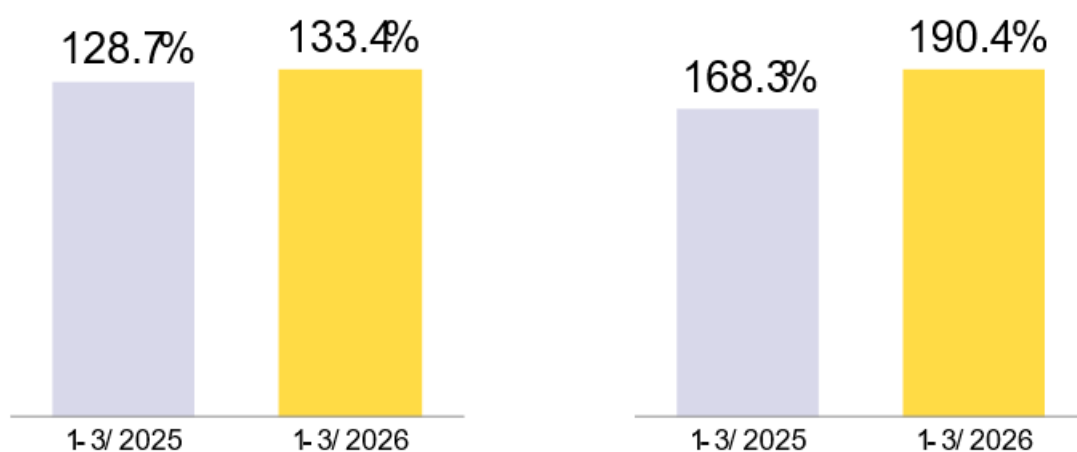
5.10.2 Movement in CSM in 1-3/2026 (in NIS billion)



**A. Below is a breakdown of the new business (CSM) by distribution channels
(in NIS million)**



CSM rates - new business with respect to release (including interest)



CSM - new business with respect to release

All products

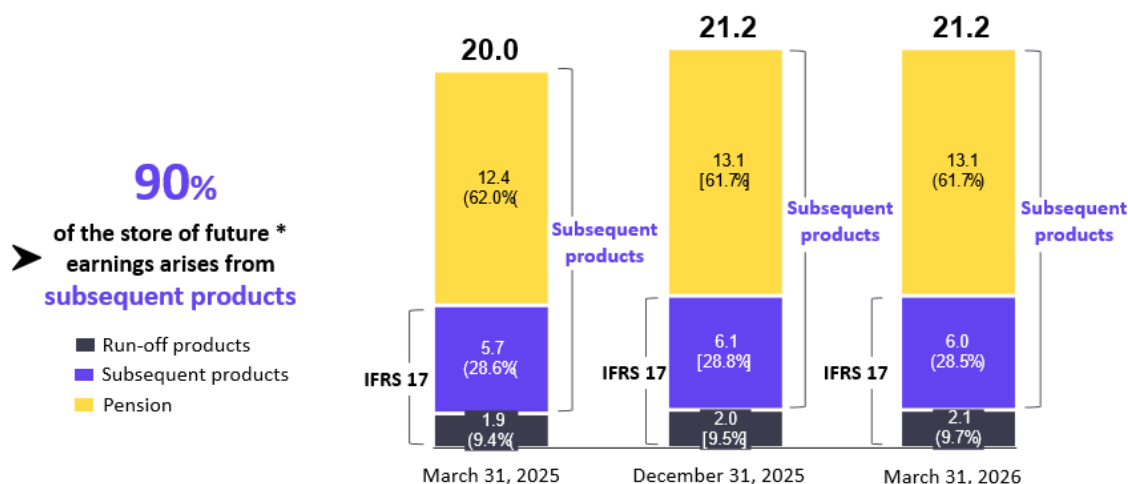
CSM - new business with respect to release

Subsequent products

B. Special effects

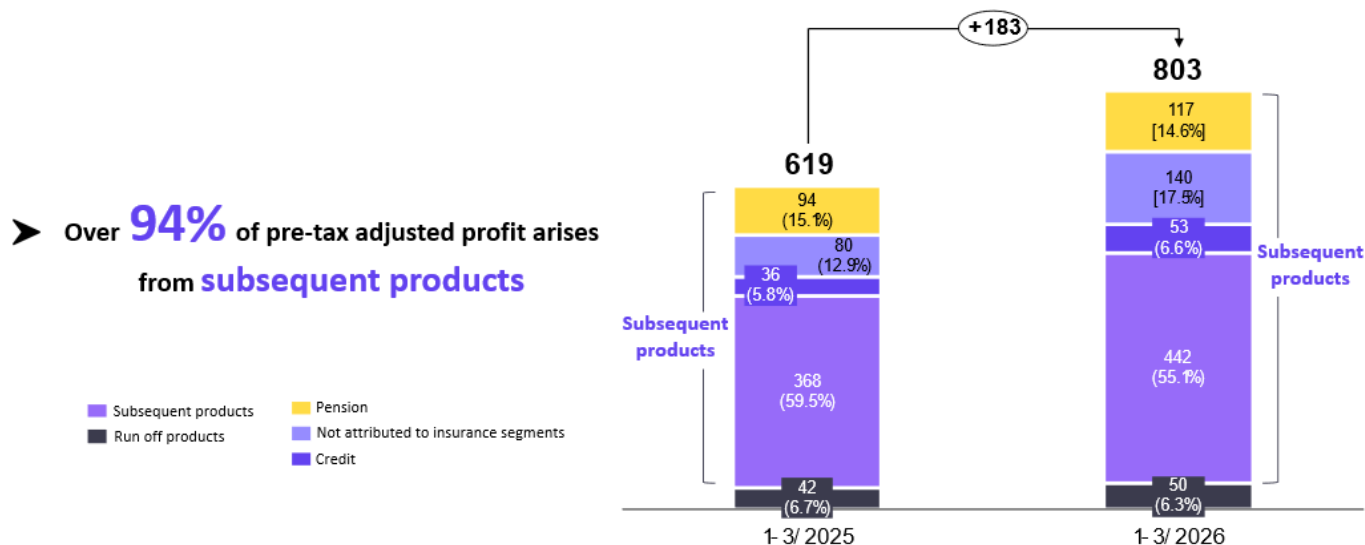
Reflects the effect of the interest rate curve and capital market returns on the balance of future earnings in participating savings products and pension products.

5.10.3 The balance of future earnings by products as of March 31, 2026 and December 31, 2025 (in NIS billion)



* The value of future earnings as of March 31, 2026 and March 31, 2025 includes Pension's embedded value as of December 31, 2025 and December 31, 2024 respectively.

5.10.4 Adjusted profit by breakdown of products for 1-3/2026 and the corresponding quarter last year (before tax, in NIS million)



6. Embedded value - pension

The calculation of the embedded value was carried out in accordance with the rules and principles set by the Commissioner of the Capital Market Authority, which adopted the rules and principles set in the report of a joint committee of the insurance companies and the Capital Market Authority, which was supported by consultants from Israel and abroad, in accordance with the provisions of the disclosure to the public directives; such a calculation is voluntary, but is reported to the Commissioner once a year as from 2017.

The embedded value of the Pension Subsegment is calculated in accordance with a best estimate⁵ based on assumptions that are mainly a result of projecting to the future existing experience relating to past events, within the environment in which the Company operates, and without conservatism factors. As a rule, the calculation of the embedded value of the Pension Subsegment was carried out in accordance with the practice of calculating the embedded value (EV) of insurance contracts in Israel. It is noted that the embedded value does not include the adjusted shareholders' equity.

The measurement of the embedded value of the Pension Subsegment is based on discounting by a risk-free interest rate of projected future cash flows, including future income, based on a best estimate which does not include margins of conservatism.

The calculation of the Pension Subsegment's embedded value was carried out by discounting the Pension Subsegment's expected future cash flows, using a model applied to existing information in the Company's operational systems and to multiple demographic, economic and behavioral assumptions. The expected cash flows include future management fees in view of the expected cancellation rates, net of expenses incurred to the Company, including fees and commissions to agents, etc.

The calculation of the Pension Subsegment's embedded value does not include cash flows in respect of new planholders, who have not yet joined the Company; however, it does include an assumption of continued contributions in respect of existing planholders. Furthermore, the calculation assumes that the Company shall continue as a going concern, i.e., that the structure of the Pension Subsegment will not change, and therefore, some of the fixed expenses in the future shall not be allocated to the current portfolio, but rather to a new business which is expected to be sold in the future.

⁵ Limitations and qualifications with regard to calculation of the best estimate:

- Generally, the underlying assumptions of the models were formulated mainly on the basis of studies and analyses which are based on Company's experience over the past few years, which did not include extreme events. Although there is low probability that extreme events will occur, the Company is unable to estimate this probability or the extent of the effect of those events.
- Since the Company did not have sufficient data, when calculating the BE it did not check the level of correlation between demographic and operational assumptions (such as lapse rates) and assumptions pertaining to market conditions (such as the interest rate), which may materially affect the BE.
- The determination of the BE should be based on an estimation of the distribution of the potential BEs. With no available significant statistical data that can be used to evaluate the distribution of BE for all demographic and operational factors, the Company used real assumptions of each and every parameter, according to the expected value of each relevant factor, without taking into account any correlation or dependency between the different assumptions, or between the assumptions and external economic parameters such as taxation, interest or employment levels in Israel.

It is likely that actual cash flows will vary to some degree on another from the estimates made on a best estimate basis, even if the underlying parameters of the calculation will not change in any way.

Following are the key assumptions on which the Company relied in the calculations:

A. Economic assumptions

Discount rate - risk-free interest rate curve based on the yield to maturity of bonds of the Government of Israel ("**risk-free interest**").

B. Operational assumptions

General and administrative expenses - the Company analyzed the expenses attributed to the Pension Subsegment and attributed them to various products and planholder types and to various activities such as ongoing operation, investment management, payment of pensions, etc. The expenses study is revised periodically and the different types of expenses are carried to the future cash flow with respect to the relevant factors. Future expenses and their allocation to future cash flows are determined based on multiple assessments and judgments applied by the Company, which affect the embedded value.

C. Demographic assumptions

- Cancellations (discontinuation of contributions, customer churn and redemptions) - in accordance with Company's experience, as observed in periodic cancellation studies, while making adjustments in accordance with the Company's estimates in cases where past experience does not faithfully represent the Company's expectations as to future changes.
- Future pay raises of active planholders - in accordance with Company's experience, as observed in periodic studies, while making adjustments in accordance with the Company's estimates in cases where past experience does not faithfully represent the Company's expectations as to future changes.
- Planholders and pensioners' mortality - in accordance with the consolidated circular regarding measurement of liabilities – revision of the demographic assumptions in life insurance and pension funds, which is valid as of the assessment date.
- Pension takeup rates, annuity takeup age - in accordance with the Company's experience as observed in periodic studies.

7. Cash flow

In NIS million	1-3/2026	1-3/2025	% of change	1-12/2025
Net cash provided by (used for) activity:				
Operating	(801)	29		2,227
Investment	(558)	(282)	98.2%	(1,289)
Financing	146	438	(66.6%)	563
Exchange rate differences in respect of cash and cash equivalent balances	(3)	13		(100)
Change in the cash balance	(1,216)	199		1,401
Cash balance at end of period	4,168	4,182	(0.3%)	5,385

8. Developments in the macroeconomic environment

In September 2025, a ceasefire and hostage release agreement was reached in Israel regarding the war in Gaza, which broke out on October 7, 2023 (hereinafter - the **"Gaza War"**). Following the end of the war with Iran (hereinafter - the **"War with Iran"**) in June 2025 and the ceasefire with Gaza, economic growth in Israel recovered. In the entire year of 2025, GDP growth reached 2.9% following a 1% growth in 2024.

On February 27, 2026, the United States and Israel attacked Iran in order to halt its advance towards nuclear weapons and impair its military capabilities. Fighting continued as of the end of the first quarter of 2026. In response, Iran attacked Israel and other countries in the region, blocked the Strait of Hormuz and disrupted the supply of energy and raw materials, primarily to Asian countries. Energy commodity prices spiked sharply, with financial markets showing high volatility.

According to Bank of Israel and Ministry of Finance forecasts published prior to the War with Iran, the Israeli economy was expected to grow at a rate of 5.2% in 2026. The substantial adverse effect on activity in the first quarter triggered a downward revision of the forecasts to approx. 3.8%. The underlying assumption of the forecast is that Operation Lion's Roar reduces the severity of the threat posed by Iran, and that no additional round of fighting will occur within the forecast period; however, the geopolitical environment will be such that in 2027 and thereafter defense expenses will be required in order to prepare for the possibility of another round.

Indicators of economic activity since the beginning of the War point to a decline in private consumption, investments and foreign trade, particularly imports. However, the relatively moderate level of restrictions imposed on economic activity by the government upon the outbreak of the War assisted in maintaining higher activity levels compared to the War in June 2025 (Operation Rising Lion).

The job market remained tight, with a low unemployment rate of approx. 2.7%. However, the number of job vacancies declined sharply in March. Average wages continue to grow at a relatively high rate. Concurrently, the decline in apartment purchases continues, alongside a drop in prices.

The Bank of Israel revised the inflation forecast for 2026 upwards - from 1.7% to 2.2%. The increase in oil prices contributes to a short term increase in inflation. In the medium term, restrictions on economic activity – particularly on imports, disruption to air travel and labor shortages – may result in relatively high inflation over time.

The Bank of Israel lowered the interest rate to 4% in January, against the background of lower inflation and strengthening of the shekel. According to its forecast, the interest rate is expected to decline to 3.5-3.75% in one year.

The government's budget deficit fell to 4.2% in March. The government approved the 2026 budget with a deficit target of approx. 4.9% of GDP, which is higher than the target set prior to the War with Iran. According to the Bank of Israel's forecast, the deficit is expected to be approx. 5.3% and 4.4% of GDP in 2026 and 2027, respectively. Public debt-to-GDP is expected to increase and stabilize during those years around approx. 70.5%.

Since the beginning of the year, Israel's financial markets outperformed global markets, particularly since the outbreak of the War with Iran. The shekel has also appreciated substantially, despite the underlying conditions.

The IMF has lowered its global economic growth forecast for 2026 to 3.1%, down from 3.3% prior to the outbreak of the War, following a 3.4% growth in 2025. The forecast is based on the assumption that the effects of the War will weaken substantially by the middle of the year. According to the IMF, developed economies are expected to grow by 1.8% in 2026 (compared with 1.9% in 2025), and developing economies - by 3.9% (compared with 4.4%).

According to the IMF, the American economy is expected to grow by 2.3% in 2026, having grown by 2.1% in 2025. The upward revision of the growth forecast, despite the War, arises from a substantial increase in investments in artificial intelligence infrastructure, the reduction of tariffs on imports following the court ruling, and fiscal incentives following the tax reform approved in mid-2025.

The American economy grew in the first quarter by 1.6% following growth of 0.5% in the fourth quarter of 2025. A considerable portion of GDP growth is driven by rapidly expanding investments in artificial intelligence. Private consumption in the US remained weak. Consumers are adversely affected by the stagnation in recruitment, despite a low unemployment rate and a slowdown in wage growth. Developments in artificial intelligence capabilities raise concerns about adverse effects on activity across various sectors, particularly in professional services, which may lead to lower employment levels.

Following the increase in energy prices, inflation in the United States increased in March to 3.3%, compared with 2.7% at the end of the fourth quarter of 2025. On the other hand, core inflation (excluding food and energy) remained unchanged at 2.6%. The Fed left the interest rate without change during the first quarter, at 3.50%-3.75%.

The IMF has lowered its Eurozone economic growth forecast for 2026 to 1.1%, down from 1.3% prior to the outbreak of the War with Iran. The potential adverse effect on the European economy is greater than that of the United States, due to, among other things, its high level of reliance on energy imports. Following the rise in oil and gas prices, inflation was up from 2% at the end of the fourth quarter of 2025 to 2.6% in March 2026. The interest rate remained at approx. 2% during the quarter; however, market expectations indicate the possibility of an interest rate hike in the coming year.

Asian countries are particularly exposed to disruptions in supply from the Middle East, with some having approx. 80%-90% of their energy consumption imported from Persian Gulf countries. Accordingly, the increase in energy prices and energy shortages are already causing supply chain disruptions. Countries rely on emergency reservoirs, whose scope is limited and sufficient for only a few months. Energy shortages may lead to substantial adverse effects on industrial production in the region. The Chinese economy grew in the first quarter of the year by approx. 1.3% after growth of 1.2% in the fourth quarter of 2025. Some Latin American countries, particularly those rich in natural resources and specifically oil producers, are benefiting from an increase in demand for energy and raw materials due to wartime shortages.

The bonds and equities markets

At the beginning of 2026, trading in global markets was mainly affected by the effects of the War with Iran on global energy prices, the effect of the AI revolution on technology companies, and the weakening of the USD. In the first quarter of 2026, most of the world's stock indices declined, with most of the decline occurring during March. Software shares have underperformed worldwide due to concerns over the effects of the AI revolution on their profits, with Microsoft recording a sharp decline of 23%. In the first quarter of 2026, the Israeli capital market continued to demonstrate impressive positive performance, against the backdrop of a continued decline in the risk premium alongside sharp rises in prices of shares of renewable energy, technology and insurance companies.

In the first quarter of 2026, the TA 35 and TA 125 indices increased by 9.6% and 11.1%, respectively, while the TA 90 index decreased by 1.9%. The overperformance of the TA-Cleantech Index (which consists mainly of renewable energy companies) was up by 23.5%, the TA-Insurance Index increased by 18.0% and the TA-Technology Index was up by 19.7%. On the other hand, the underperformance of the TA-Real Estate Index stood out, which decreased by 1.0%, as well as the TA-Banks Index that rose by 0.5% and the TA-Oil and Gas Index that rose by 1.5%.

In the United States, in the first quarter of 2026, the S&P 500, NASDAQ and Dow Jones indices decreased by 4.6%, 7.1% and 3.6%, respectively. The trend in Europe, excluding the UK, was similar. The STOXX Europe 600 decreased by 1.5%, the French CAC was down 4.1%, and the German DAX decreased 7.4%, while the UK's FTSE index was up 2.5%. Conversely, in the east indices were up, with the Japanese Nikkei rising by 1.5%.

In the first quarter of 2026, trading in Israeli bonds was affected by the renewed War with Iran and the surge in energy prices, which resulted in slumps, mainly in the index-linked channels. The yield on 10-year NIS bonds, which stood at 3.96% at the end of 2025, increased to 4.10% at the end of the first quarter. The price of a 10-year NIS bond declined slightly (by 0.15%) while the 10-year index-linked bond fell by approx. 2.0%. The yield spread between 2-10 year and 10-30 year maturities remained without change at 0.2% and 0.5%, respectively. The Tel Gov Shekel Index was up by 0.1% in the first quarter of 2026 while the CPI-Linked Government Bonds Index decreased by 1.2%. 10-year implied inflation expectations declined by approx. 0.1 % during the quarter, reaching 2.0%. The Tel Bond 20 Index decreased by 0.8% and the Tel Bond 60 Index decreased by 0.3%. Index-linked Israeli government bonds redeemable in 2051 declined by 5.2% in the first quarter.

In the United States, 10-year bond yields recorded volatility during the first quarter of 2026. Until the outbreak of the War with Iran, yields decreased by approx. 0.2% and crossed the 4.0% threshold. Subsequent to the War, yields began to climb gradually, ending the quarter at a level of 4.3%.

In the first quarter of 2026, the NIS strengthened slightly against the USD - 0.8% to NIS 3.16, during which time it even reached NIS 3.07 per USD 1. This reflects a trend which started after the first war with Iran and which continued subsequent to the balance sheet date. The foreign currency reserves of the Bank of Israel decreased by approx. USD 1.1 billion in the first quarter of 2026, amounting to approx. USD 223.7 billion.

Events subsequent to the balance sheet date

In early April 2026, President Trump declared a ceasefire in the war between Iran and the United States and Israel. In response, slumps in global equity markets were halted and markets rallied. Concurrently, the NIS started appreciating against the USD and the exchange rate fell below NIS 3.

At the beginning of May 2026, the rating agency S&P reiterated Israel's credit rating at A with a stable outlook.

9. Financing sources

The outstanding balance of the loans and credit as of March 31, 2026 is approx. NIS 7,135 million compared to NIS 6,708 million as of December 31, 2025.

As of the report date, the Company's separate financial liabilities total approx. NIS 54 million originating from Bonds (Series C) whose maturity date falls in 2026. The Company considers it important to maintain available financial assets at the amounts required to repay bonds and to cover its operating activities and those of its investees. In this regard, it is noted that as of the report date the Company has liquid financial assets totaling approx. NIS 854 million. As part of the rating of the bonds it raised, the Company declared that it intends to maintain liquid assets and credit facilities at a rate of 100% of debt repayments (principal and interest) one year in advance, in accordance with the bonds' amortization schedule.

10. Disclosure on exposure to, and management of, market risks

In accordance with the Securities Regulations (Periodic and Immediate Reports), 1970, the report regarding market risks and mitigation thereof relates to exposures of the Company and its consolidated companies, except for insurance companies. During the first three months of 2026, there were no material changes in the Company's exposures to market risks and their management, compared to what is described in the Periodic Report for 2025.

11. Corporate governance aspects

11.1 Disclosure on the financial statements' approval procedure in the Company

■ The identity of the organs charged with governance in the corporation

The organs charged with governance in the corporation are the CEO and CFO, at management level, and the Company's Financial Statements Review Committee, as defined in the Companies Regulations (Provisions and Conditions for Financial Statement Approval Procedure), 2010, which is the Balance Sheet Committee appointed by the Company's Board of Directors, whose role is - among other things - to discuss and issue recommendations to the Company's Board of Directors in connection with matters pertaining to the Company's financial statements, including the assessments and estimates made in connection with the financial statements, the internal controls regarding financial reporting, the integrity and adequacy of the disclosure in the financial statements, the opinion of the independent auditor, the accounting policy adopted and accounting treatment applied in connection with the corporation's material matters (hereinafter - the "**Balance Sheet Committee**"). It is noted that the Balance Sheet Committee is not the Company's Audit Committee.

■ Committee members

As of the report publication date, the Balance Sheet Committee comprises three members, all of whom serve as Company directors, as follows: Msrs. Gabriel Perel (ED and Chairman of the Balance Sheet Committee), Shai Feldman and Orit Stav (EDs) who possess accounting and financial expertise. All committee members possess the ability to read and understand financial statements. For details regarding the skills and experience of the directors, based on which the Company views them as persons who possess the ability to read and understand financial statements, see the Additional Details Report in the Periodic Report,. All members of the Balance Sheet Committee signed statements in accordance with the Companies Regulations (Provisions and Conditions for Financial Statement Approval Procedure), 2010. Meetings of the Company's Balance Sheet Committee are also attended by the Company's independent auditors.

■ Approval procedure of the financial statements

The financial statements of the Company were discussed in a meeting of the Balance Sheet Committee held on May 24, 2026. All members of the Balance Sheet Committee attended the above-mentioned meeting. The meeting was also attended by Group officers and managers, as detailed below: Mssrs. Ari Kalman, CEO; Eran Griffel, Chairman of the Board of Directors; Ran Kalmi, CFO; Shimon Ir-Shai, Chief Legal Counsel, and Eti Hirshman, Chief Internal Auditor. The independent auditors and the following officers and managers of the subsidiary - Menora Mivtachim Insurance - were also in attendance: Mssrs. Yehuda Ben Assayag - Chairman of the Board; Michael Kalman - CEO; Ran Kalmi - CFO, Dan Bar-On - Chief Actuary; Omri Gal - Head of Finance and Accounting; Katy Resnick - Actuary, Life and Health Insurance; Jacob Mauser - Supervisor Actuary (Property and Casualty Insurance) and representative of the Company's Secretariat.

The draft interim financial statements of the Company as of March 31, 2026, including the Report of the Board of Directors, and the financial statements, were delivered to the members of the Balance Sheet Committee and Board of Directors in advance, several days prior to their approval date.

The Balance Sheet Committee selected - through a detailed presentation by the Company's officers - the material issues in its financial reporting; as part of this process, the following were presented and reviewed: Assessments and estimates made in connection with the financial statements; internal controls regarding financial reporting; the integrity and adequacy of financial statements disclosures; the accounting policies and accounting treatment applied to material issues, and the Company's financial statements data. Furthermore, data included in the financial statements was presented, including information regarding the Company's financial position and operating activities.

As part of the above-mentioned discussions, a review was held of the effectiveness of internal control over financial reporting.

The members of the committee assessed the judgment exercised by management in connection with the different issues, and after listening to the position of the Company's independent auditor, they reached the conclusion that the Company applied adequate accounting policies, and used adequate estimates and assessments. The committee formulated its recommendations regarding the various issues that were discussed, and recommended that the Board of Directors approve the interim financial statements for the period ended March 31, 2026.

12. Dedicated disclosure for bond holders

12.1 Details regarding the corporation's bonds

There were no material changes with respect to Section 13 to The Report of the Board of Directors in the Periodic Report.

13. Disclosure provisions relating to the corporation's financial reporting

13.1 Reporting critical accounting estimates

There were no material changes in critical accounting estimates compared to those referred to in the Periodic Report.

13.2 Internal Control over Financial Reporting and Disclosure

The Group's institutional entities implement the provisions required under Sections 302 and 404 to the Sarbanes Oxley Act, all in accordance with the Commissioner's directives. In that context, the Group's institutional entities established work processes, that include, among other things, processes for disclosing and discussing events that affect the disclosure, and which are participated by those who take part in the preparation of the financial statements.

Accordingly, and further to the above, managements of the institutional entities, together with their CEOs and CFOs, assessed the effectiveness of the controls and procedures concerning the institutional entity's disclosure as of the end of the period covered in this report. Based on this assessment, it was 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 entity is required to disclose in its quarterly report in accordance with the provisions of the law and the reporting provisions set by the Commissioner and on the date set out in these provisions. In addition, during the quarter ending March 31, 2026, no changes took place in the internal control over financial reporting of the institutional entities that had a material effect, or is expected to have a material effect, on the institutional entities' internal control over financial reporting.

14. Events subsequent to the balance sheet date

14.1 Appointment of CEO for a subsidiary

On April 16, 2026, Mivtachim Pension and Provident's Board approved the appointment of Mr. Eyal Elia as CEO of Menora Pension and Provident Funds as from 2026, further to the request of the outgoing CEO - Mr. Itai Yaakov - to step down from his position.

14.2 Extension of ED's tenure

In May 2026, an extraordinary meeting of the Company was held, during which Ms. Orit Stav was reappointed for a further term of office as an ED; the meeting also approved her compensation. For further details, see the immediate report dated May 5, 2026 (Ref. No.: 2026-01-041189).

The Board of Directors wishes to extend its sincere appreciation to the Group's employees, its management and agents for their work and contribution to the Group's achievements.

Eran Griffel
Chairman of the Board

Ari Kalman
CEO

Ramat Gan, May 25, 2026

Chapter B

Report on the Effectiveness of 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 Menora Mivtachim 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 as follows:

1. Ari Kalman, CEO;
2. The other members of management:
Ran Kalmi, CFO
Lior Yochpaz, Chief Investment Officer

Internal control over financial reporting and disclosure consists of the Corporation's existing controls and procedures that have been planned by the chief executive officer and the most senior financial officer or under their supervision, or by the equivalent acting officers, under the supervision of the Corporation's Board of Directors, designed to provide reasonable assurance about the reliability of financial reporting and the preparation of the financial statements in compliance with applicable laws, and ensure that all information that the Company is required to disclose in the financial statements its publishes pursuant to law is collected, processed, summarized and reported in a timely manner and according to the format prescribed by 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.

Menora Mivtachim Insurance Ltd., Shomera Insurance Company Ltd. and Menora Mivtachim Pension and Provident Funds Ltd., subsidiaries of the Corporation, are institutional entities which are subject to the directives of the Commissioner of the Capital Market, Insurance and Savings Authority (hereinafter - the “**Commissioner**” regarding the assessment of the effectiveness of internal controls over financial reporting.

With regard to the internal control in the aforementioned subsidiaries, the Corporation applies the following Commissioner's Directives: Institutional Entities Circular 2009-9-10, “Management's Responsibility for Internal Control over Financial Reporting” and Institutional Entities Circular 2010-9-7, “Internal Control over Financial Reporting - Certifications, Reports and Disclosures”, including amendments to said circulars.

In the annual report on the effectiveness of internal control over financial reporting and the disclosure attached to the periodic report for the period ended December 31, 2025 (hereinafter - the **"Most Recent Annual Report of Internal Control"**), the internal control was found to be effective; based on this assessment, the Corporation's Board of Directors and management have concluded that the said internal control, as of December 31, 2025, is 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 Annual Report of Internal Control;

As of the report date, based on the Most Recent Annual Report over Internal Control and based on information brought to the attention of management and the Board of Directors as stated above, the internal control is effective.

Certification

Certification by the CEO

I, Ari Kalman, hereby certify as follows:

- (1) I have examined the quarterly report of Menora Mivtachim Holdings Ltd. (hereinafter - the **"Corporation"**) for the first quarter of 2026 (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 fairly represent, 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) No event or matter has been brought to my attention during the period between the date of the most recent periodic report and the date of this report that changes the conclusion of the Board of Directors and Management in respect of the effectiveness of the 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.

Ramat Gan, May 25, 2026

Ari Kalman, CEO

Certification

Certification by the Most Senior Financial Officer

I, Ran Kalmi, hereby certify that as follows:

- (1) I have reviewed interim financial statements and other financial information included in the interim report of Menora Mivtachim Holdings Ltd. (hereinafter - the **"Corporation"**) for the first quarter of 2026 (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, that 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) I have not been informed of any event or matter that occurred during the period between the most recent periodic report date and the date of this Report, relating to the Interim Financial Statements and to any other financial information included in the Interim Financial Statements, which may, in my opinion, 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.

Ramat Gan, May 25, 2026

Ran Kalmi, CFO

Chapter C

Financial Statements

Consolidated Interim Financial Statements

As of March 31, 2026
Unaudited

Menora Mivtachim Holdings Ltd.

Consolidated Interim Financial Statements

As of March 31, 2026

Unaudited

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Review Report of Independent Auditors to the Shareholders of Menora Mivtachim Holdings Ltd.

Introduction

We have reviewed the accompanying financial information of Menora Mivtachim Holdings Ltd. and its subsidiaries (hereinafter - the **"Group"**), including the Condensed Consolidated Statement of Financial Position as of March 31, 2026 and the Condensed Consolidated Statements of Profit or Loss, Comprehensive Income, Changes in Equity and Cash Flows for the three-month period then ended. The Board of Directors and management are responsible for the preparation and presentation of financial information for this interim period in accordance with IAS 34 - Interim Financial Reporting and in accordance with the disclosure requirements set by the Commissioner of the Capital Market, Insurance and Savings in accordance with the Financial Services Supervision Law (Insurance), 1981 (hereinafter - the **"Commissioner's Disclosure Requirements"**) and are also responsible for the preparation of financial information for this interim period in accordance with Chapter D to the Securities Regulations (Periodic and Immediate Reports), 1970, insofar as these regulations apply to a corporation consolidating insurance companies. Our responsibility is to express a conclusion regarding the financial information for this interim period based on our review.

Neither did we audit the condensed interim financial information of equity-accounted companies, the investment in which amounted to NIS 280,178 thousand as of March 31, 2026, and the Group's share in the income of which amounted to NIS 8,890 thousand for the three-month period then ended. The condensed interim financial information of the above companies was audited by other independent auditors, whose review reports have been furnished to us, and our conclusion, insofar as it relates to financial information in respect of these companies, is based on the review reports of the other independent auditors.

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 making inquiries, primarily of persons responsible for financial and accounting matters, and 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 and the review reports of other independent auditors, nothing has come to our attention that causes us to believe that the abovementioned financial information does not comply, in all material respects, with IAS 34 and with the Commissioner's Disclosure Requirements.

In accordance with the previous paragraph, based on our review and the review reports of other independent auditors, nothing has come to our attention that causes us to believe that the above-mentioned financial information does not comply, in all material respects, with the disclosure provisions of Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970, insofar as the regulations are applicable to a corporation consolidating insurance companies.

Emphasis of matter

Without qualifying the above conclusion, we draw attention to that which is stated in Note 11 to the Consolidated Interim Financial Statements regarding exposure to contingent liabilities.

Tel Aviv,
May 25, 2026

Kost Forer Gabbay & Kasierer
Certified Public Accountants

Consolidated Interim Statements of Financial Position

Assets

		As of March 31		As of
		2026	2025	December 31
		Unaudited		2025
		NIS thousand		Audited
	Note			
Cash and cash equivalents for yield-dependent contracts		2,456,118	2,232,419	2,730,487
Other cash and cash equivalents		1,712,143	1,949,533	2,654,152
Financial investments for yield-dependent contracts	5.A	35,674,418	32,678,365	35,770,819
Other financial investments measured at fair value	5.B	18,895,705	16,325,975	18,805,305
Other financial investments measured at depreciated cost	5.B	10,969,036	9,379,235	10,568,239
Receivables and debit balances		287,747	481,803	296,100
Current tax assets		5,992	9,984	15,292
Insurance contract assets		1,602,155	1,169,097	1,671,191
Reinsurance contract assets		3,657,828	3,397,345	3,683,771
Equity-accounted investments		720,272	654,658	710,149
Investment property for yield-dependent contracts		164,339	173,132	167,471
Investment property - other		718,139	690,546	683,811
Property, plant, and equipment measured at fair value		881,100	885,843	849,758
Other property, plant and equipment		151,387	153,463	158,541
Intangible assets and goodwill		1,891,187	1,843,662	1,881,368
Costs of obtaining investment management service contracts		909,226	772,065	858,694
Deferred tax assets		1,174	6,636	907
Total assets		<u>80,697,966</u>	<u>72,803,761</u>	<u>81,506,055</u>
Total assets for yield-dependent contracts		<u>38,294,875</u>	<u>35,083,916</u>	<u>38,668,777</u>

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

Consolidated Interim Statements of Financial Position (cont.)

Equity and liabilities

	Note	As of March 31		As of
		2026	2025	December 31
		Unaudited		2025
		NIS thousand		Audited
<u>Liabilities</u>				
Loans and credit	6	7,134,905	4,955,244	6,707,932
Liabilities for derivative instruments		274,260	607,717	78,576
Payables and credit balances		1,712,406	1,138,436	1,420,437
Liability for current taxes		160,562	232,518	959,235
Liabilities for yield-dependent investment contracts	4	7,302,689	5,713,572	6,964,698
Liabilities for non-yield-dependent investment contracts *)	4	5,145,636	5,188,911	5,190,266
Liabilities for insurance contracts	4	48,922,960	46,155,476	49,742,262
Liabilities for reinsurance contracts	4	99,474	92,777	97,632
Liabilities for employee benefits, net		133,453	130,042	134,470
Liabilities for deferred taxes		698,451	709,564	761,392
Total liabilities		<u>71,584,796</u>	<u>64,924,257</u>	<u>72,056,900</u>
<u>Equity</u>				
Share capital		99,429	99,429	99,429
Share premium		317,041	317,289	316,522
Treasury shares		(58,005)	(66,689)	(64,641)
Capital reserves		76,593	347,515	340,217
Retained earnings		<u>8,459,325</u>	<u>6,976,314</u>	<u>8,495,199</u>
Total equity attributable to the Company's shareholders		<u>8,894,383</u>	<u>7,673,858</u>	<u>9,186,726</u>
Non-controlling interests		<u>218,787</u>	<u>205,646</u>	<u>262,429</u>
Total equity		<u>9,113,170</u>	<u>7,879,504</u>	<u>9,449,155</u>
Total liabilities and equity		<u>80,697,966</u>	<u>72,803,761</u>	<u>81,506,055</u>

*) This line item also includes liabilities for contracts for the management of guaranteed return provident funds.

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

May 25, 2026

**Approval date of the
financial statements**

**Eran Griffel
Chairman of
the Board**

**Ari Kalman
CEO**

**Ran Kalmi
CFO**

Consolidated Interim Statements of Profit or Loss

	Note	For the 3 months ending March 31		For the year ended December 31
		2026	2025	2025
		Unaudited		Audited
		NIS thousand [excluding earnings per share data]		
Revenues from insurance services		2,183,856	2,037,874	8,508,317
Expenses from insurance services		(1,671,458)	(1,697,743)	(6,448,154)
Income from insurance services before reinsurance policies held		512,398	340,131	2,060,163
Reinsurance expenses		(354,406)	(385,947)	(1,456,273)
Reinsurance revenues		264,710	382,934	983,492
Net expenses from reinsurance contracts held		(89,696)	(3,013)	(472,781)
Income from insurance services	8	422,702	337,118	1,587,382
Investment income, net from assets held against insurance contracts and yield-dependent investment contracts		62,362	1,301	5,202,857
Other investment income (losses), net:				
Interest revenues calculated using the effective interest method		200,888	185,287	901,746
Net losses from impairment of financial assets		(25,702)	(1,157)	(79,678)
Other investment income, net		133,149	115,499	1,816,872
Share in income (losses) of equity-accounted subsidiaries closely related to the investing activity		(1,749)	609	36,241
Total income from other investments, net		306,586	300,238	2,675,181
Total investment income, net		368,948	301,539	7,878,038
Finance expenses, net arising from insurance contracts		(115,081)	(89,652)	(4,947,625)
Finance income (expenses), net arising from reinsurance contracts		(25,684)	(2,054)	148,826
Increase in liabilities in respect of investment contracts due to the yield component *)		(38,787)	(65,379)	(1,195,388)
Net investment and finance income	9	189,396	144,454	1,883,851
Income, net from insurance and investment		612,098	481,572	3,471,233
Revenues from management fees		321,069	281,515	1,198,893
Revenue from fees and commissions		35,421	35,600	151,462
Other operating expenses		(274,676)	(256,307)	(1,108,004)
Other revenues (expenses), net		(5,411)	61,171	85,407
Other finance expenses		(69,486)	(38,727)	(253,280)
Share in income of equity-accounted subsidiaries which are not closely related to the investing activity		15,188	10,053	52,750
Profit before income tax		634,203	574,877	3,598,461
Income tax		204,906	181,137	1,191,544
Income for the period		429,297	393,740	2,406,917
Attributable to:				
Company's shareholders		463,871	383,724	2,350,981
Non-controlling interests		(34,574)	10,016	55,936
Net income		429,297	393,740	2,406,917
<u>Basic earnings per share attributable to the Company's shareholders (in NIS)</u>		<u>7.43</u>	<u>6.16</u>	<u>37.71</u>
<u>Diluted earnings per share attributable to the Company's shareholders (in NIS)</u>		<u>7.32</u>	<u>6.09</u>	<u>37.29</u>

*) This line item also includes the interest expenses calculated using the effective interest method for non-yield-dependent investment contracts and the finance expenses for contracts for management of guaranteed return provident funds.

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

Consolidated Interim Statements of Comprehensive Income

	For the 3 months ending March 31		For the year ended December 31
	2026	2025	2025
	Unaudited		Audited
	NIS thousand		
Net income	429,297	393,740	2,406,917
Other comprehensive income (loss):			
<u>Items of other comprehensive income (loss) not subsequently carried to profit or loss:</u>			
Revaluation of property, plant, and equipment, net	-	-	(30,058)
Income (loss) from remeasurement of defined benefit plan for employees	380	(201)	2,224
Total other comprehensive income (loss) not to be subsequently carried to profit or loss before income tax	380	(201)	(27,834)
Income tax (tax benefit) associated with items of other comprehensive income not to be subsequently carried to profit or loss	126	(64)	(6,150)
Total other comprehensive income (loss) not to be subsequently carried to profit or loss, net of tax	254	(137)	(21,684)
<u>Items of other comprehensive income (loss) subsequently carried or will be carried to profit or loss:</u>			
Foreign currency translation differences for a foreign operation	1,389	(185)	578
Share in other comprehensive income (loss), net of associates	(1,637)	8,508	8,590
Total other comprehensive income (loss) which has been or will be carried to profit or loss, before income tax	(248)	8,323	9,168
Income tax (tax benefit) applicable to the remaining items of other comprehensive income which were carried or will be carried to profit or loss:	(289)	788	(3,630)
Total other comprehensive income which has been or will be carried to profit or loss, net of tax	41	7,535	12,798
Total other comprehensive income (loss) for the period, net of tax	295	7,398	(8,886)
Total comprehensive income for the period	429,592	401,138	2,398,031
Attributable to:			
Company's shareholders	464,197	391,089	2,342,143
Non-controlling interests	(34,605)	10,049	55,888
Total comprehensive income	429,592	401,138	2,398,031

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

Notes to the Consolidated Financial Statements

Consolidated Interim Statements of Changes in Equity

	Attributable to the Company's shareholders										
	Share capital	Share premium	Treasury shares	Capital reserve for share-based payment transaction	Adjustments arising from translation of financial statements of foreign operations	Revaluation capital reserve	Other capital reserves	Retained earnings	Total	Non-controlling interests	Total equity
Unaudited											
NIS thousand											
Balance as of January 1, 2026 (audited)	99,429	316,522	(64,641)	59,855	(26,924)	291,480	15,806	8,495,199	9,186,726	262,429	9,449,155
Net income (loss)	-	-	-	-	-	-	-	463,871	463,871	(34,574)	429,297
Adjustments arising from translation of financial statements of foreign operations	-	-	-	-	1,419	-	-	-	1,419	(30)	1,389
Gain (loss) due to remeasurement of defined benefit plans	-	-	-	-	-	-	-	381	381	(1)	380
Share in other comprehensive loss of associates	-	-	-	-	(1,637)	-	-	-	(1,637)	-	(1,637)
Tax benefit (income tax) relating to items of other comprehensive income	-	-	-	-	289	-	-	(126)	163	-	163
Total other comprehensive income (loss)	-	-	-	-	71	-	-	255	326	(31)	295
Total comprehensive income (loss)	-	-	-	-	71	-	-	464,126	464,197	(34,605)	429,592
Exercise of employee options	-	519	6,636	(7,155)	-	-	-	-	-	-	-
Cost of share-based payment	-	-	-	4,485	-	-	-	-	4,485	-	4,485
Acquisition of non-controlling interests - see Note 12, Subsection B and C	-	-	-	-	-	-	(255,376)	-	(255,376)	(1,621)	(256,997)
Change in non-controlling interests for a put option	-	-	-	-	-	-	(5,649)	-	(5,649)	(1,070)	(6,719)
Declared dividend	-	-	-	-	-	-	-	(500,000)	(500,000)	(6,346)	(506,346)
Balance as of March 31, 2026	99,429	317,041	(58,005)	57,185	(26,853)	291,480	(245,219)	8,459,325	8,894,383	218,787	9,113,170

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

Notes to the Consolidated Financial Statements

Consolidated Interim Statements of Changes in Equity (cont.)

	Attributable to the Company's shareholders										
	Share capital	Share premium	Treasury shares	Capital reserve for share-based payment transaction	Adjustments arising from translation of financial statements of foreign operations	Revaluation capital reserve	Other capital reserves	Retained earnings	Total	Non-controlling interests	Total equity
Unaudited											
NIS thousand											
Balance as of January 1, 2025 (audited)	99,429	326,460	(84,019)	58,833	(39,739)	314,624	13,535	6,742,727	7,431,850	198,871	7,630,721
Net income	-	-	-	-	-	-	-	383,724	383,724	10,016	393,740
Adjustments arising from translation of financial statements of foreign operations	-	-	-	-	(218)	-	-	-	(218)	33	(185)
Loss due to remeasurement of defined benefit plans	-	-	-	-	-	-	-	(201)	(201)	-	(201)
Share in other comprehensive income of associates	-	-	-	-	8,508	-	-	-	8,508	-	8,508
Tax benefit (income tax) relating to items of other comprehensive income (loss)	-	-	-	-	(788)	-	-	64	(724)	-	(724)
Total other comprehensive income (loss)	-	-	-	-	7,502	-	-	(137)	7,365	33	7,398
Total comprehensive income	-	-	-	-	7,502	-	-	383,587	391,089	10,049	401,138
Exercise of employee options	-	(9,171)	17,330	(8,159)	-	-	-	-	-	-	-
Cost of share-based payment	-	-	-	1,433	-	-	-	-	1,433	13	1,446
Change in non-controlling interests for a put option	-	-	-	-	-	-	(514)	-	(514)	(1,127)	(1,641)
Dividend distributed	-	-	-	-	-	-	-	(150,000)	(150,000)	(2,160)	(152,160)
Balance as of March 31, 2025	99,429	317,289	(66,689)	52,107	(32,237)	314,624	13,021	6,976,314	7,673,858	205,646	7,879,504

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

Notes to the Consolidated Financial Statements

Consolidated Interim Statements of Changes in Equity (cont.)

	Attributable to the Company's shareholders										
	Share capital	Share premium	Treasury shares	Capital reserve for share-based payment transaction	Adjustments arising from translation of financial statements of foreign operations	Revaluation capital reserve	Other capital reserves	Retained earnings	Total	Non-controlling interests	Total equity
Audited											
NIS thousand											
Balance as of January 1, 2025	99,429	326,460	(84,019)	58,833	(39,739)	314,624	13,535	6,742,727	7,431,850	198,871	7,630,721
Net income	-	-	-	-	-	-	-	2,350,981	2,350,981	55,936	2,406,917
Adjustments arising from translation of financial statements of foreign operations	-	-	-	-	595	-	-	-	595	(17)	578
Impairment of property, plant and equipment	-	-	-	-	-	(30,058)	-	-	(30,058)	-	(30,058)
Gain (loss) due to remeasurement of defined benefit plans	-	-	-	-	-	-	-	2,266	2,266	(42)	2,224
Share in other comprehensive income, net of associates	-	-	-	-	8,590	-	-	-	8,590	-	8,590
Tax benefit (income tax) relating to items of other comprehensive income (loss)	-	-	-	-	3,630	6,914	-	(775)	9,769	11	9,780
Total other comprehensive income (loss)	-	-	-	-	12,815	(23,144)	-	1,491	(8,838)	(48)	(8,886)
Total comprehensive income (loss)	-	-	-	-	12,815	(23,144)	-	2,352,472	2,342,143	55,888	2,398,031
Exercise of employee options	-	(9,938)	19,378	(9,440)	-	-	-	-	-	-	-
Cost of share-based payment	-	-	-	10,462	-	-	-	-	10,462	(334)	10,128
Non-controlling interests in a company consolidated for the first time	-	-	-	-	-	-	-	-	-	37,614	37,614
Change in non-controlling interests for a put option	-	-	-	-	-	-	2,271	-	2,271	(5,125)	(2,854)
Declared dividend	-	-	-	-	-	-	-	(600,000)	(600,000)	(24,485)	(624,485)
Balance as of December 31, 2025	99,429	316,522	(64,641)	59,855	(26,924)	291,480	15,806	8,495,199	9,186,726	262,429	9,449,155

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

Consolidated Interim Statements of Cash Flow

	Appendix	For the 3 months ending March 31		For the year ended December 31
		2026	2025	2025
		Unaudited		Audited
		NIS thousand		
Cash flows provided by (used for) operating activities	(a)	(800,991)	29,072	2,227,174
Cash flows provided by investing activities				
Investments (repayment of investments) in investees		(301)	(703)	1,764
Cash received due to acquisition of a newly consolidated subsidiary	(d)	-	-	4,779
Investment in property, plant and equipment		(35,547)	(4,416)	(32,079)
Investment in intangible assets		(61,095)	(50,383)	(217,144)
Acquisitions of financial investments by non-insurer Group companies, net		(463,228)	(223,621)	(1,052,716)
Repayment (provision) of loans to investees		176	(3,350)	(926)
Dividend received from investees		1,070	704	6,294
Proceeds from disposal of property, plant and equipment		446	8	643
Net cash used for investing activities		(558,479)	(281,761)	(1,289,385)
Cash flows provided by financing activities				
Consideration from issuance of financial liabilities (less issuance expenses)		440,135	448,201	1,473,359
Repayment of financial liabilities		(13,518)	(8,019)	(285,684)
Acquisition of non-controlling interests		(274,000)	-	-
Dividend paid to the Company's shareholders		-	-	(600,000)
Dividend paid to non-controlling interests		(6,346)	(2,160)	(24,485)
Net cash provided by financing activities		146,271	438,022	563,190
Exchange rate differences for cash and cash equivalent balances		(3,179)	13,293	(99,666)
Increase (decrease) in cash and cash equivalents		(1,216,378)	198,626	1,401,313
Balance of cash and cash equivalents as of the beginning of period	(b)	5,384,639	3,983,326	3,983,326
Balance of cash and cash equivalents as of the end of the period	(c)	4,168,261	4,181,952	5,384,639

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

Consolidated Interim Statements of Cash Flow (cont.)

	For the 3 months ending March 31		For the year ended December 31
	2026	2025	2025
	Unaudited		Audited
	NIS thousand		
(a) <u>Cash flows from operating activities</u>			
Net income for the period	429,297	393,740	2,406,917
<u>Adjustments to profit and loss line items:</u>			
The Company's share in profits of equity-accounted investees	(13,439)	(10,662)	(88,991)
Income, net on financial investments for insurance contracts and yield-dependent investment contracts	(37,025)	(196,767)	(5,428,882)
Income, net on other financial investments:			
Measured at fair value through profit and loss	(49,135)	(45,266)	(1,835,432)
Measured at amortized cost	(113,831)	(129,421)	(420,822)
Finance expenses for financial and other liabilities	87,507	45,920	242,902
Profit (loss) from disposal:			
Property, plant & equipment	625	(105)	459
Decrease (increase) in fair value of investment property for yield-dependent contracts	4,684	-	(2,600)
Decrease in fair value of other investment property	4,670	-	6,889
Impairment of intangible assets	-	-	1,794
Cost of share-based payment	4,246	1,055	8,828
Depreciation and amortization:			
Property, plant & equipment	20,467	20,505	84,219
Intangible assets	51,278	48,784	199,372
Income tax	204,906	181,137	1,191,544

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

Consolidated Interim Statements of Cash Flow (cont.)

	For the 3 months ending March 31		For the year ended December 31
	2026	2025	2025
	Unaudited		Audited
	NIS thousand		
(a) <u>Cash flows from operating activities (cont.)</u>			
<u>Changes in assets and liabilities line items:</u>			
Change in assets and liabilities for insurance contracts	(750,266)	(1,084,513)	2,000,179
Change in assets for reinsurance contracts	(34,225)	(85,593)	(305,154)
Change in liabilities for yield-dependent investment contracts	337,991	111,166	1,362,291
Change in liabilities for non-yield-dependent investment contracts	(44,630)	12,901	14,256
Change in costs of obtaining investment management service contracts	(50,532)	(23,883)	(110,512)
Change in receivables and debit balances	70,828	44,047	177,680
Change in payables and credit balances	(208,864)	78,560	494,768
Change in liabilities for employee benefits, net	(637)	(420)	6,433
Financial investments and investment property for insurance contracts and yield-dependent investment contracts:			
Acquisition of investment property	(1,552)	(4,838)	(8,799)
Proceeds from sale of investment property	-	-	12,222
Proceeds of disposal of financial investments, net	8,995	509,335	1,553,754
Financial investments and other investment property:			
Acquisition of investment property	(38,998)	(4,818)	(13,371)
Proceeds from sale of investment property	-	-	8,400
Acquisitions of financial investments, net	(49,970)	(243,731)	(872,862)
Total adjustments required to present cash flows from operating activities	(596,907)	(776,607)	(1,721,435)
Cash paid and received during the period for:			
Interest paid	(86,868)	(33,192)	(191,184)
Interest received	353,027	329,937	1,279,626
Taxes paid	(1,085,600)	(161,528)	(404,023)
Taxes received	27,323	98,539	108,474
Dividend received	158,737	178,183	748,799
	(633,381)	411,939	1,541,692
Total cash flows provided by (used for) operating activities	(800,991)	29,072	2,227,174

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

Consolidated Interim Statements of Cash Flow (cont.)

	For the 3 months ending March 31		For the year ended December 31
	2026	2025	2025
	Unaudited		Audited
	NIS thousand		
(b) <u>Cash and cash equivalents as of the beginning of the period</u>			
Cash and cash equivalents for yield-dependent contracts	2,730,487	2,526,357	2,526,357
Other cash and cash equivalents	2,654,152	1,456,969	1,456,969
Balance of cash and cash equivalents as of the beginning of period	<u>5,384,639</u>	<u>3,983,326</u>	<u>3,983,326</u>
(c) <u>Cash and cash equivalents as of the end of the period</u>			
Cash and cash equivalents for yield-dependent contracts	2,456,118	2,232,419	2,730,487
Other cash and cash equivalents	1,712,143	1,949,533	2,654,152
Balance of cash and cash equivalents as of the end of the period	<u>4,168,261</u>	<u>4,181,952</u>	<u>5,384,639</u>
(d) <u>Cash received due to acquisition of a newly consolidated subsidiary</u>			
Intangible assets	-	-	(23,330)
Other financial investments measured at depreciated cost	-	-	(955,417)
Property, plant & equipment	-	-	(12,556)
Receivables and debit balances	-	-	(8,991)
Deferred taxes	-	-	3,705
Current taxes	-	-	4,646
Loans and credit	-	-	945,708
Payables and credit balances	-	-	13,400
Non-controlling interests	-	-	37,614
	<u>-</u>	<u>-</u>	<u>4,779</u>
(e) <u>Noncash activity</u>			
Dividend distributed against payables and credit balances	<u>500,000</u>	<u>150,000</u>	<u>-</u>

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

Notes to the Consolidated Financial Statements

NOTE 1 - GENERAL

Company description

Menora Mivtachim Holdings Ltd. (hereinafter - the “**Company**”) is a publicly-traded company, whose shares are listed on the Tel Aviv Stock Exchange. The Company’s principal shareholders are Najaden Establishment and Palamas Establishment (foreign corporations), which are held in trust for Mssrs. Niva Gurevitch and Tali Griffel, and which (jointly) hold approx. 63% of the Company’s shares. The Company operates through companies under its control in all of the main insurance subsegments, including life insurance and long-term savings (life insurance, pension and provident funds), health insurance and property and casualty (P&C) insurance. The Company is also engaged - through subsidiaries and associates - in credit activity, which includes the provision of business credit, including real estate credit, consumer credit (consumer loans in the private market, including mortgages), provision of undertakings for repayment of means of payment and bringing forward of payment dates, securities distribution services, underwriting undertakings, and insurance brokerage.

The Company is an Israeli resident company incorporated in Israel, and its official address is 23 Jabotinsky St., Ramat Gan.

- A. These financial statements were prepared in condensed format as of March 31 2026 and for the three-month period then ended (hereinafter - the “**Consolidated Interim Financial Statements**”).

These financial statements should be read in conjunction with the Company's Consolidated Annual Financial Statements as of December 31, 2025 and for the year then ended and the accompanying notes (hereinafter - the “**Consolidated Annual Financial Statements**”).

- B. Implications of Operation Lion’s Roar

On February 28, 2026, Operation Lion’s Roar commenced - a joint military operation of the United States and Israel for the attack of targets in Iran. Concurrently, fighting against Hezbollah continues in the northern front. A temporary ceasefire entered into effect in April 2026 and has been extended from time to time.

To the best of the Company's assessment, as of the report publication date, no material effect is expected on its activity, financial position or results in the medium term, but there is uncertainty regarding future effects mainly on financial markets, in view of the ongoing security developments.

Notes to the Consolidated Financial Statements

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

A. Preparation format of the Condensed Consolidated Interim Financial Statements

The Consolidated Interim Financial Statements are prepared in accordance with IAS 34 - "Interim Financial Reporting", and in accordance with the disclosure requirements set by the Commissioner of the Capital Market, Insurance and Savings in accordance with the Financial Services Supervision Law (Insurance), 1981. 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.

In preparing the condensed 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, revenues and expenses. It is clarified that the actual results may differ from those estimates.

The accounting policies applied in the preparation of the Consolidated Interim Financial Statements are consistent with those implemented in the preparation of the Consolidated Annual Financial Statements, except as follows.

B. First-time application of amendments to existing accounting standards

Amendments to IFRS 9 - Financial Instruments and IFRS 7 - Financial Instruments: Disclosures

On May 30, 2024, the International Accounting Standards Board (hereinafter - "IASB") published amendments to IFRS 9 Financial Instruments (hereinafter - "IFRS 9") and IFRS 7 Financial Instruments: Disclosures (hereinafter - "IFRS 7"), which amend certain aspects of classification and measurement of financial instruments.

The amendments address the following topics:

- **Derecognition of a financial liability settled through an electronic payment system** - an entity may deem a financial liability (or part thereof), which is settled in cash through an electronic payment system, to be discharged before the settlement date if specified criteria are met. The above option constitutes an accounting policy, and an entity that elects to apply this policy would be required to apply it to all settlements made through the same electronic payment system.
- **Assessing the features of contractual cash flows for the purpose of classifying financial assets** - the amendments provide clarity on how to assess the features of the contractual cash flows of financial assets with environmental, social and corporate governance (ESG) features and other similar contingent features. Furthermore, the amendments expand the definition of the term non-recourse and clarify the features of contractually linked instruments (CLIs).
- **Disclosures** - new disclosure requirements were added to IFRS 7 for financial assets and liabilities with contractual conditions related to contingent events (including those with ESG-linked features), and equity instruments measured at fair value through other comprehensive income (FVTOCI).

Notes to the Consolidated Financial Statements

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. First-time application of amendments to existing accounting standards (cont.)

The Amendments were applied retrospectively for annual reporting periods beginning on January 1, 2026. No restatement of prior periods is required to reflect the application of these amendments; the effect of initial application will be recognized as an adjustment to the opening balances of financial assets and liabilities, and the cumulative effect, if any, will be recognized as an adjustment to the opening balance of retained earnings (or other equity component, as appropriate) on the initial application date.

The above Amendment did not have a material effect on the Company's Condensed Consolidated Interim Financial Statements.

Notes to the Consolidated Financial Statements

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

- C. Details regarding the discount rates (real spot interest, including the illiquidity premium) used by the Company

	As of March 31, 2026								
	Portfolio's duration								
	One	3	5	10	15	25	35	45	60
	year	years	years	years	years	years	years	years	years
	Unaudited								
Policies with a non-yield-dependent savings component and annuity policies (weighted at 100%) (*)	2.3%	2.2%	2.3%	2.4%	2.6%	2.7%	2.8%	2.8%	2.8%
Policies that include a yield-dependent savings component and include variable management fees, individual long-term care and compulsory motor (weighted at 80%)	2.3%	2.2%	2.2%	2.4%	2.5%	2.6%	2.7%	2.8%	2.8%
Policies that include a yield-dependent savings component and include fixed management fees (weighted at 60%)	2.2%	2.1%	2.2%	2.3%	2.4%	2.6%	2.7%	2.7%	2.7%
Remaining portfolios (weighted at 50%)	2.2%	2.1%	2.1%	2.3%	2.4%	2.6%	2.6%	2.7%	2.7%

	As of March 31, 2025								
	Portfolio's duration								
	One	3	5	10	15	25	35	45	60
	year	years	years	years	years	years	years	years	years
	Unaudited								
Policies with a non-yield-dependent savings component and annuity policies (weighted at 100%) (*)	2.4%	2.4%	2.4%	2.5%	2.6%	2.6%	2.7%	2.8%	2.8%
Policies that include a yield-dependent savings component and include variable management fees, individual long-term care and compulsory motor (weighted at 80%)	2.4%	2.3%	2.3%	2.5%	2.5%	2.6%	2.6%	2.7%	2.7%
Policies that include a yield-dependent savings component and include fixed management fees (weighted at 60%)	2.3%	2.2%	2.3%	2.4%	2.4%	2.5%	2.5%	2.6%	2.6%
Remaining portfolios (weighted at 50%)	2.2%	2.2%	2.2%	2.3%	2.4%	2.4%	2.5%	2.5%	2.6%

(*) This curve is also used to calculate the fair value of the designated bonds.

Notes to the Consolidated Financial Statements

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

- C. Details regarding the discount rates (real spot interest, including the illiquidity premium) used by the Company (cont.)

	As of December 31, 2025								
	Portfolio's duration								
	One	3	5	10	15	25	35	45	60
	year	years	years	years	years	years	years	years	years
	Audited								
Policies with a non-yield-dependent savings component and annuity policies (weighted at 100%) (*)	2.4%	2.1%	2.1%	2.1%	2.2%	2.4%	2.5%	2.6%	2.7%
Policies that include a yield-dependent savings component and include variable management fees, individual long-term care and compulsory motor (weighted at 80%)	2.3%	2.0%	2.0%	2.1%	2.2%	2.3%	2.5%	2.5%	2.6%
Policies that include a yield-dependent savings component and include fixed management fees (weighted at 60%)	2.3%	1.9%	1.9%	2.0%	2.1%	2.3%	2.4%	2.5%	2.6%
Remaining portfolios (weighted at 50%)	2.2%	1.9%	1.9%	2.0%	2.1%	2.3%	2.4%	2.5%	2.6%

(*) This curve is also used to calculate the fair value of the designated bonds.

- D. Reclassification

Menora Insurance reclassified the results of held reinsurance portfolios in the life and health subsegments in order to allocate them in a manner that reflects the insurance contract portfolios' coverage of the by the reinsurance contracts held. This classification does not have a material effect on the segment results nor on the various portfolios.

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

	Consumer Price Index		USD
	In lieu CPI	Known CPI	representative exchange rate
	%	%	%
For the three months ended:			
March 31, 2026	0.3	(0.1)	(0.8)
March 31, 2025	1.1	0.3	1.9
For the year ended December 31, 2025	2.6	2.4	(12.5)

Notes to the Consolidated Financial Statements

NOTE 3 - OPERATING SEGMENTS

The operating segments were determined based on the information assessed by the chief operating decision maker for the purpose of making decisions regarding the allocation of resources and the assessment of performance.

The assets and liabilities of each segment include items that are directly attributable to the segment, and items that may be attributed on a reasonable basis. Insofar as a segment's assets are managed separately from those of another segment and there is no regulatory restriction, the assets and results are presented according to the specific accounts managed for that segment; otherwise, the results are attributed according to the rate of insurance liabilities.

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, imputation of interest calculated in accordance with the provisions of the law.

Subordinated notes that serve Menora Insurance's capital requirements and finance expenses in respect thereof are presented in the "non-segmented" 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 funds and provident funds including advanced education funds), as well as insurance coverage for various risks such as: death, disability, permanent health insurance, 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 includes long-term care, medical expenses, critical illness, surgery and transplants, dental, foreign workers insurance, etc.

3. Property and Casualty Insurance Segment

The Property and Casualty Insurance Segment includes the liability and property subsegments. In accordance with the Commissioner's Directives, the Property and Casualty Insurance Segment is broken down into compulsory motor insurance, motor property, property and other, 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

Non-motor property and liability subsegments.

4. Credit Segment

The activities included in the Credit Segment include provision of business credit, including real estate credit, the provision of consumer credit (consumer loans in the private market, including mortgages), as well as early payment services or repayment undertakings. Business credit is provided through Menora Insurance and through Company subsidiaries: Yesodot A. Financial Support Ltd. (hereinafter - "**Yesodot**") and ERN Israel Ltd. (hereinafter - "**Menora ERN**") and through Ampa Capital Ltd., a Company associate (hereinafter - "**Ampa**"). Consumer credit is provided through Menora Mortgages (hereinafter - "**Menora Mortgages**"), and via Menora ERN. The operating segment also includes a holding in an associate, IBI Quality Credit Ltd., which engages in credit brokerage, and whose activity is immaterial.

These activities were previously presented under the Company's various operating segments. The comparative figures included under the operating segments note were restated accordingly.

Notes to the Consolidated Financial Statements

NOTE 3 - OPERATING SEGMENTS (cont.)

5. The activity, which is non-segmented, includes investments in real estate, the provision of underwriting obligations, insurance brokerage and investment revenue and finance expenses that were not attributed to the other operating segments.

The accounting policies of the operating segments as stated above is identical to the one presented in Note 2 to the Consolidated Annual Financial Statements. The performances of the segments are assessed based on profit (loss), as presented in the financial statements. The results of the segments, which are reported to the chief operating decision maker, include items that are attributable directly to the segment and items that may be reasonably attributable.

Notes to the Consolidated Financial Statements

NOTE 3 - OPERATING SEGMENTS (cont.)

	For the 3 months ended March 31, 2026					
	Life Insurance and Long-Term Savings	Health Insurance	P&C Insurance	Credit Unaudited	Non-segmented	Adjustments and offsets
	NIS thousand					
Revenues from insurance services	439,888	573,484	1,170,484	-	-	-
Expenses from insurance services	(340,318)	(423,157)	(916,841)	-	-	8,858
Income from insurance services before reinsurance policies held	99,570	150,327	253,643	-	-	8,858
Reinsurance expenses	(26,079)	(73,386)	(254,941)	-	-	-
Reinsurance revenues	19,636	66,301	178,773	-	-	-
Net expenses from reinsurance contracts held	(6,443)	(7,085)	(76,168)	-	-	-
Income from insurance services	93,127	143,242	177,475	-	-	8,858
Investment income (losses), net of assets held against insurance contracts and yield-dependent investment contracts	62,454	(92)	-	-	-	-
Other investment income (losses), net:						
Interest revenues calculated using the effective interest method	55,256	-	2,787	131,345	11,500	-
Decrease in net losses (losses) from impairment of financial assets	(1,141)	-	(1,526)	(23,997)	962	-
Other investment income (losses), net	(32,383)	12,168	35,585	14	123,271	(5,506)
Share in income (losses) of equity-accounted subsidiaries closely related to the investing activity	(240)	(151)	524	-	(1,882)	-
Total income from other investments, net	21,492	12,017	37,370	107,362	133,851	(5,506)
Total investment income, net	83,946	11,925	37,370	107,362	133,851	(5,506)
Finance income (expenses), net arising from insurance contracts	(33,055)	(88,886)	6,860	-	-	-
Finance income (expenses), net arising from reinsurance contracts	3,431	(23,256)	(5,859)	-	-	-
Increase in liabilities for investment contracts due to the yield component	(38,787)	-	-	-	-	-
Income (loss) from investments and financing, net	15,535	(100,217)	38,371	107,362	133,851	(5,506)
Income, net from insurance and investment	108,662	43,025	215,846	107,362	133,851	3,352
Revenues from management fees	305,050	15,662	-	-	2,623	(2,266)
Revenue from fees and commissions	-	-	-	16,782	42,598	(23,959)
Other operating expenses	(197,008)	(13,958)	(13,698)	(33,883)	(36,357)	20,228
Other expenses, net	(38)	-	-	(4,006)	(656)	(711)
Other finance income (expenses)	(1,162)	-	575	(42,543)	(28,690)	2,334
Share in income of equity-accounted subsidiaries which are not closely related to the investing activity	-	-	-	9,588	5,600	-
Profit before income tax	215,504	44,729	202,723	53,300	118,969	(1,022)
Other comprehensive income (loss) before income tax:						
Other	(264)	(140)	12	-	524	-
Total comprehensive income before income tax	215,240	44,589	202,735	53,300	119,493	(1,022)
As of March 31, 2026						
	Unaudited					
	NIS thousand					
Total segment assets	52,061,363	6,129,021	8,516,100	6,471,540	9,434,592	(1,914,650)
Total segment assets for yield-dependent contracts	36,949,852	1,345,023	-	-	-	-
Total segment liabilities	49,999,835	5,812,725	7,996,250	4,455,916	5,241,147	(1,921,077)

Notes to the Consolidated Financial Statements

NOTE 3 - OPERATING SEGMENTS (cont.)

	For the 3 months ended March 31, 2025					
	Life Insurance and Long-Term Savings	Health Insurance	P&C Insurance	Credit	Non-segmented	Adjustments and offsets
	Unaudited					
	NIS thousand					
Revenues from insurance services	403,807	507,969	1,126,098	-	-	-
Expenses from insurance services	(348,985)	(385,559)	(969,323)	-	-	6,124
Income from insurance services before reinsurance policies held	54,822	122,410	156,775	-	-	6,124
Reinsurance expenses	(31,031)	(79,408)	(275,508)	-	-	-
Reinsurance revenues	32,132	65,887	284,915	-	-	-
Revenues (expenses), net from reinsurance contracts held	1,101	(13,521)	9,407	-	-	-
Income from insurance services	55,923	108,889	166,182	-	-	6,124
Investment income (losses), net of assets held against insurance contracts and yield-dependent investment contracts	(5,694)	6,995	-	-	-	-
Other investment income (losses), net:						
Interest revenues calculated using the effective interest method	70,853	-	-	96,255	18,179	-
Reversal of net losses (losses) from impairment of financial assets	(439)	-	-	(24,911)	24,193	-
Other investment income, net	18,095	20,852	52,015	358	27,685	(3,506)
Share in income of equity-accounted subsidiaries closely related to the investing activity	44	19	332	-	214	-
Total income from other investments, net	88,553	20,871	52,347	71,702	70,271	(3,506)
Total investment income, net	82,859	27,866	52,347	71,702	70,271	(3,506)
Finance expenses, net arising from insurance contracts	(7,894)	(62,094)	(19,664)	-	-	-
Finance income (expenses), net arising from reinsurance contracts	691	(8,677)	5,932	-	-	-
Increase in liabilities for investment contracts due to the yield component	(65,379)	-	-	-	-	-
Income (loss) from investments and financing, net	10,277	(42,905)	38,615	71,702	70,271	(3,506)
Income, net from insurance and investment	66,200	65,984	204,797	71,702	70,271	2,618
Revenues from management fees	266,028	15,130	-	-	2,740	(2,383)
Revenue from fees and commissions	-	-	-	17,865	34,880	(17,145)
Other operating expenses	(181,200)	(13,560)	(9,336)	(27,902)	(39,407)	15,098
Other revenues (expenses), net	(456)	-	-	(2,840)	65,043	(576)
Other finance income (expenses)	(949)	-	314	(29,502)	(9,985)	1,395
Share in income of equity-accounted subsidiaries which are not closely related to the investing activity	-	-	-	6,662	3,391	-
Profit before income tax	149,623	67,554	195,775	35,985	126,933	(993)
Other comprehensive income before income tax:						
Other	991	629	300	-	6,202	-
Total comprehensive income before income tax	150,614	68,183	196,075	35,985	133,135	(993)
As of March 31, 2025						
Unaudited						
NIS thousand						
Total segment assets	50,537,140	6,302,131	7,848,146	4,487,004	6,199,583	(2,570,243)
Total segment assets for yield-dependent contracts	33,582,414	1,501,502	-	-	-	-
Total segment liabilities	46,908,938	5,360,737	7,227,080	2,549,080	5,454,725	(2,576,303)

Notes to the Consolidated Financial Statements

NOTE 3 – OPERATING SEGMENTS (cont.)

	For the year ended December 31, 2025						
	Life Insurance and Long-Term Savings	Health Insurance	P&C Insurance	Credit Audited	Non- segmented	Adjustments and offsets	Total
	NIS thousand						
Revenues from insurance services	1,699,977	2,168,845	4,639,495	-	-	-	8,508,317
Expenses from insurance services	(1,389,378)	(1,553,532)	(3,533,070)	-	-	27,826	(6,448,154)
Income from insurance services before reinsurance policies held	310,599	615,313	1,106,425	-	-	27,826	2,060,163
Reinsurance expenses	(126,542)	(313,711)	(1,016,020)	-	-	-	(1,456,273)
Reinsurance revenues	91,060	237,207	655,225	-	-	-	983,492
Net expenses from reinsurance contracts held	(35,482)	(76,504)	(360,795)	-	-	-	(472,781)
Income from insurance services	275,117	538,809	745,630	-	-	27,826	1,587,382
Investment income, net from assets held against insurance contracts and yield-dependent investment contracts	5,018,862	183,995	-	-	-	-	5,202,857
Other investment income (losses), net:							
Interest revenues calculated using the effective interest method	344,306	-	4,165	481,468	71,807	-	901,746
Reversal of net losses (losses) from impairment of financial assets	(848)	-	(163)	(117,771)	39,104	-	(79,678)
Other investment income (losses), net	589,057	202,354	368,840	(910)	668,856	(11,325)	1,816,872
Share in income (losses) of equity-accounted subsidiaries closely related to the investing activity	(2,858)	(1,118)	40,691	-	(474)	-	36,241
Total income from other investments, net	929,657	201,236	413,533	362,787	779,293	(11,325)	2,675,181
Total investment income, net	5,948,519	385,231	413,533	362,787	779,293	(11,325)	7,878,038
Finance expenses, net arising from insurance contracts	(4,442,844)	(226,678)	(278,103)	-	-	-	(4,947,625)
Finance income (expenses), net arising from reinsurance contracts	(10,628)	60,371	99,083	-	-	-	148,826
Increase in liabilities for investment contracts due to the yield component	(1,195,388)	-	-	-	-	-	(1,195,388)
Net investment and finance income	299,659	218,924	234,513	362,787	779,293	(11,325)	1,883,851
Income, net from insurance and investment	574,776	757,733	980,143	362,787	779,293	16,501	3,471,233
Revenues from management fees	1,131,792	65,672	-	-	10,591	(9,162)	1,198,893
Revenue from fees and commissions	-	-	-	70,134	149,147	(67,819)	151,462
Other operating expenses	(760,149)	(64,445)	(53,416)	(117,152)	(172,356)	59,514	(1,108,004)
Other revenues (expenses), net	(3,667)	-	-	(13,691)	105,143	(2,378)	85,407
Other finance income (expenses)	(5,359)	-	4,400	(152,706)	(112,237)	12,622	(253,280)
Share in income of equity-accounted subsidiaries which are not closely related to the investing activity	-	-	-	33,978	18,772	-	52,750
Profit before income tax	937,393	758,960	931,127	183,350	778,353	9,278	3,598,461
Other comprehensive loss before income tax:							
Other	(4,491)	(2,803)	(1,374)	(138)	(1,209)	(8,651)	(18,666)
Total comprehensive income before income tax	932,902	756,157	929,753	183,212	777,144	627	3,579,795
As of December 31, 2025							
	Audited						
	NIS thousand						
Total segment assets	52,592,114	6,194,121	8,601,992	6,037,916	9,724,294	(1,644,382)	81,506,055
Total segment assets for yield-dependent contracts	37,310,637	1,358,140	-	-	-	-	38,668,777
Total segment liabilities	50,556,610	5,872,408	8,133,438	3,849,407	5,295,804	(1,650,767)	72,056,900

Notes to the Consolidated Financial Statements

NOTE 4 - ADDITIONAL INFORMATION REGARDING THE COMPANY'S ACTIVITIES BY MAIN PORTFOLIO GROUPS

A. Life Insurance and Long-Term Savings Segment

	For the 3 months ended March 31, 2026				
	Provident	Pension	Investment contracts (*)	Life Insurance	Total
	Unaudited				
	NIS thousand				
Revenues from insurance services	-	-	-	439,888	439,888
Expenses from insurance services	-	-	-	(340,318)	(340,318)
Income from insurance services before reinsurance policies held	-	-	-	99,570	99,570
Reinsurance expenses	-	-	-	(26,079)	(26,079)
Reinsurance revenues	-	-	-	19,636	19,636
Net expenses from reinsurance contracts held	-	-	-	(6,443)	(6,443)
Income from insurance services	-	-	-	93,127	93,127
Investment income (losses), net of assets held against insurance contracts and yield-dependent investment contracts	-	-	(14,792)	77,246	62,454
Other investment income (losses), net:					
Interest revenues calculated using the effective interest method	55,026	-	-	230	55,256
Reversal of net losses (losses) from impairment of financial assets	11	-	-	(1,152)	(1,141)
Other investment income (losses), net	757	4,360	11	(37,511)	(32,383)
Share in losses of equity-accounted subsidiaries closely related to the investing activity	-	-	-	(240)	(240)
Total income (losses) from other investments, net	55,794	4,360	11	(38,673)	21,492
Total investment income (losses), net	55,794	4,360	(14,781)	38,573	83,946
Finance expenses, net arising from insurance contracts	-	-	-	(33,055)	(33,055)
Finance income, net arising from reinsurance contracts	-	-	-	3,431	3,431
Decrease (increase) in liabilities for investment contracts due to the yield component	(53,569)	-	14,782	-	(38,787)
Net investment and finance income	2,225	4,360	1	8,949	15,535
Income, net from insurance and investment	2,225	4,360	1	102,076	108,662
Revenues from management fees	66,061	225,462	13,527	-	305,050
Other operating expenses	(44,470)	(135,211)	(11,489)	(5,838)	(197,008)
Other expenses, net	(38)	-	-	-	(38)
Other finance expenses	19	(1,181)	-	-	(1,162)
Profit before income tax	23,797	93,430	2,039	96,238	215,504
Other comprehensive income (loss) before income tax:					
Other	(12)	1	-	(253)	(264)
Total comprehensive income before income tax	23,785	93,431	2,039	95,985	215,240
<u>Additional information regarding investment contracts (*)</u>					
Proceeds from investment contracts	-	-	593,141	-	593,141
Annualized receipts for investment contracts - new business	-	-	4,897	-	4,897
One-off proceeds for investment contracts	-	-	562,484	-	562,484

Notes to the Consolidated Financial Statements

NOTE 4 - ADDITIONAL INFORMATION REGARDING THE COMPANY'S ACTIVITIES BY MAIN PORTFOLIO GROUPS (cont.)

A. Life Insurance and Long-Term Savings Segment (cont.)

	For the 3 months ended March 31, 2026			
	Policies with a non-yield- dependent savings component	Policies with a yield- dependent savings component	Policies without a savings component	Total
	Unaudited			
	NIS thousand			
(1) Details of the results by main portfolio groups				
<u>Amounts recognized in profit or loss:</u>				
Revenues from insurance services	20,359	149,692	269,837	439,888
Expenses from insurance services (*)	(16,989)	(115,746)	(207,583)	(340,318)
Income from insurance services before reinsurance policies held	3,370	33,946	62,254	99,570
Reinsurance expenses	(1,393)	(6,948)	(17,738)	(26,079)
Reinsurance revenues (expenses)	(3,157)	4,290	18,503	19,636
Revenues (expenses), net from reinsurance contracts held	(4,550)	(2,658)	765	(6,443)
Income (loss) from insurance services	(1,180)	31,288	63,019	93,127
Total investment income (losses), net	(42,001)	79,736	838	38,573
Finance income (expenses), net arising from insurance contracts	111,855	(76,354)	(68,556)	(33,055)
Finance income (expenses), net arising from reinsurance contracts	(1,779)	1,863	3,347	3,431
Income (loss) from investments and financing, net	68,075	5,245	(64,371)	8,949
Income (loss), net from insurance and investment	66,895	36,533	(1,352)	102,076
Other operating expenses	(280)	(3,633)	(1,925)	(5,838)
Profit (loss) before income tax	66,615	32,900	(3,277)	96,238
Other comprehensive income (loss)	(326)	98	(25)	(253)
Comprehensive income (loss) before income tax	66,289	32,998	(3,302)	95,985
(*) Of which:				
Claims and other insurance service expenses incurred	(17,897)	(99,929)	(179,968)	(297,794)
Changes relating to past service - adjustment for liabilities for incurred claims	1,524	(15,447)	16,610	2,687
(2) Details of assets and liabilities by main portfolio groups				
<u>Gross and reinsurance data, as of March 31, 2026</u>				
Liabilities, net for insurance contracts	6,147,375	29,981,214	(471,645)	35,656,944
Balances of accounts receivable and payable, net				(29,603)
Total liabilities, net for insurance contracts (**)				35,627,341
(**) Of which: Insurance contract assets				688,107
Assets, net for reinsurance contracts	(10,986)	82,426	(149,995)	(78,555)
Balances of other receivables and payables and reinsurance deposits				(188,514)
Total assets, net for reinsurance contracts				(267,069)
(3) Additional information (f)				
<u>Gross data for the three-month period ended March 31, 2026</u>				
Gross premiums for insurance contracts net of reimbursement of premiums (***)	12,858	276,834	221,228	510,920
(***) Of which: Savings component	12,043	232,261	-	244,304
Variable management fees	-	7,539	-	7,539
Fixed management fees	-	51,607	-	51,607
Annualized premium for insurance contracts - new business	-	1,247	19,071	20,318
One-off premium for insurance contracts	6,720	55,701	-	62,421

Notes to the Consolidated Financial Statements

NOTE 4 - ADDITIONAL INFORMATION REGARDING THE COMPANY'S ACTIVITIES BY MAIN PORTFOLIO GROUPS (cont.)

A. Life Insurance and Long-Term Savings Segment (cont.)

	For the 3 months ended March 31, 2025				
	Provident	Pension	Investment contracts (*)	Life Insurance	Total
	Unaudited				
	NIS thousand				
Revenues from insurance services	-	-	-	403,807	403,807
Expenses from insurance services	-	-	-	(348,985)	(348,985)
Income from insurance services before reinsurance policies held	-	-	-	54,822	54,822
Reinsurance expenses	-	-	-	(31,031)	(31,031)
Reinsurance revenues	-	-	-	32,132	32,132
Net expenses from reinsurance contracts held	-	-	-	1,101	1,101
Income from insurance services	-	-	-	55,923	55,923
Investment income (losses), net of assets held against insurance contracts and yield-dependent investment contracts	-	-	(8,038)	2,344	(5,694)
Other investment income (losses), net:					
Interest revenues calculated using the effective interest method	70,853	-	-	-	70,853
Net losses from impairment of financial assets	(439)	-	-	-	(439)
Other investment income, net	2,474	1,710	19	13,892	18,095
Share in income of equity-accounted subsidiaries closely related to the investing activity	-	-	-	44	44
Total income from other investments, net	72,888	1,710	19	13,936	88,553
Total investment income (losses), net	72,888	1,710	(8,019)	16,280	82,859
Finance expenses, net arising from insurance contracts	-	-	-	(7,894)	(7,894)
Finance income, net arising from reinsurance contracts	-	-	-	691	691
Decrease (increase) in liabilities for investment contracts due to the yield component	(73,398)	-	8,019	-	(65,379)
Income (loss) from investments and financing, net	(510)	1,710	-	9,077	10,277
Income (loss), net from insurance and investment	(510)	1,710	-	65,000	66,200
Revenues from management fees	55,570	199,537	10,921	-	266,028
Other operating expenses	(40,366)	(125,757)	(10,140)	(4,937)	(181,200)
Other expenses, net	(456)	-	-	-	(456)
Other finance expenses	(4)	(945)	-	-	(949)
Profit before income tax	14,234	74,545	781	60,063	149,623
Other comprehensive income before income tax:					
Other	-	5	-	986	991
Total comprehensive income before income tax	14,234	74,550	781	61,049	150,614
<u>Additional information regarding investment contracts (*)</u>					
Proceeds from investment contracts	-	-	342,905	-	342,905
Annualized receipts for investment contracts - new business	-	-	5,703	-	5,703
One-off proceeds for investment contracts	-	-	301,737	-	301,737

Notes to the Consolidated Financial Statements

NOTE 4 - ADDITIONAL INFORMATION REGARDING THE COMPANY'S ACTIVITIES BY MAIN PORTFOLIO GROUPS (cont.)

A. Life Insurance and Long-Term Savings Segment (cont.)

	For the 3 months ended March 31, 2025			
	Policies with a non-yield-dependent savings component	Policies with a yield-dependent savings component	Policies without a savings component	Total
	Unaudited			
	NIS thousand			
(1) Details of the results by main portfolio groups				
<u>Amounts recognized in profit or loss:</u>				
Revenues from insurance services	21,676	126,754	255,377	403,807
Expenses from insurance services (*)	(15,908)	(109,267)	(223,810)	(348,985)
Income from insurance services before reinsurance policies held	5,768	17,487	31,567	54,822
Reinsurance expenses	(1,303)	(8,107)	(21,621)	(31,031)
Reinsurance revenues	1,039	5,097	25,996	32,132
Revenues (expenses), net from reinsurance contracts held	(264)	(3,010)	4,375	1,101
Income from insurance services	5,504	14,477	35,942	55,923
Total investment income, net	4,202	10,327	1,751	16,280
Finance income (expenses), net arising from insurance contracts	31,325	(10,266)	(28,953)	(7,894)
Finance income (expenses), net arising from reinsurance contracts	(814)	33	1,472	691
Income (loss) from investments and financing, net	34,713	94	(25,730)	9,077
Income, net from insurance and investment	40,217	14,571	10,212	65,000
Other operating expenses	(294)	(3,094)	(1,549)	(4,937)
Profit before income tax	39,923	11,477	8,663	60,063
Other comprehensive income (loss)	957	(33)	62	986
Comprehensive income before income tax	40,880	11,444	8,725	61,049
(*) Of which:				
Claims and other insurance service expenses incurred	(16,107)	(114,677)	(202,857)	(333,641)
Changes relating to past service - adjustment for liabilities for incurred claims	206	6,458	1,625	8,289
(2) Details of assets and liabilities by main portfolio groups				
<u>Gross and reinsurance data, as of March 31, 2025</u>				
Liabilities, net for insurance contracts	6,423,899	27,565,088	(296,805)	33,692,182
Balances of accounts receivable and payable, net				(196,897)
Total liabilities, net for insurance contracts (**)				33,495,285
(**) Of which: Insurance contract assets				
Assets, net for reinsurance contracts	(3,493)	105,873	19,866	122,246
Balances of other receivables and payables and reinsurance deposits				(165,996)
Total assets, net for reinsurance contracts				(43,750)
(3) Additional information (f)				
<u>Gross data for the three-month period ended March 31, 2025</u>				
Gross premiums for insurance contracts net of reimbursement of premiums (***)	15,586	311,661	224,901	552,148
(***) Of which: Savings component				
Variable management fees	14,611	262,494	-	277,105
Fixed management fees	-	-	-	-
Fixed management fees	-	51,329	-	51,329
Annualized premium for insurance contracts - new business	-	1,238	18,812	20,050
One-off premium for insurance contracts	6,812	61,922	-	68,734

Notes to the Consolidated Financial Statements

NOTE 4 - ADDITIONAL INFORMATION REGARDING THE COMPANY'S ACTIVITIES BY MAIN PORTFOLIO GROUPS (cont.)

A. Life Insurance and Long-Term Savings Segment (cont.)

	For the year ended December 31, 2025				
	Provident	Pension	Investment contracts (*)	Life Insurance	Total
	Audited NIS thousand				
Revenues from insurance services	-	-	-	1,699,977	1,699,977
Expenses from insurance services	-	-	-	(1,389,378)	(1,389,378)
Income from insurance services before reinsurance policies held	-	-	-	310,599	310,599
Reinsurance expenses	-	-	-	(126,542)	(126,542)
Reinsurance revenues	-	-	-	91,060	91,060
Net expenses from reinsurance contracts held	-	-	-	(35,482)	(35,482)
Income from insurance services	-	-	-	275,117	275,117
Investment income, net from assets held against insurance contracts and yield-dependent investment contracts	-	-	835,736	4,183,126	5,018,862
Other investment income (losses), net:					
Interest revenues calculated using the effective interest method	344,303	-	-	3	344,306
Net losses from impairment of financial assets	(409)	-	-	(439)	(848)
Other investment income, net	32,741	28,307	184	527,825	589,057
Share in losses of equity-accounted subsidiaries closely related to the investing activity	-	-	-	(2,858)	(2,858)
Total income from other investments, net	376,635	28,307	184	524,531	929,657
Total investment income, net	376,635	28,307	835,920	4,707,657	5,948,519
Finance expenses, net arising from insurance contracts	-	-	-	(4,442,844)	(4,442,844)
Finance expenses, net arising from reinsurance contracts	-	-	-	(10,628)	(10,628)
Increase in liabilities for investment contracts due to the yield component	(359,534)	-	(835,854)	-	(1,195,388)
Net investment and finance income	17,101	28,307	66	254,185	299,659
Income, net from insurance and investment	17,101	28,307	66	529,302	574,776
Revenues from management fees	236,795	846,961	48,036	-	1,131,792
Other operating expenses	(174,970)	(522,924)	(42,453)	(19,802)	(760,149)
Other expenses, net	(2,146)	(1,521)	-	-	(3,667)
Other finance expenses	(38)	(5,321)	-	-	(5,359)
Profit before income tax	76,742	345,502	5,649	509,500	937,393
Other comprehensive income (loss) before income tax:					
Other	(12)	6	-	(4,485)	(4,491)
Total comprehensive income before income tax	76,730	345,508	5,649	505,015	932,902
<u>Additional information regarding investment contracts (*)</u>					
Proceeds from investment contracts	-	-	1,409,261	-	1,409,261
Annualized receipts for investment contracts - new business	-	-	17,281	-	17,281
One-off proceeds for investment contracts	-	-	1,343,616	-	1,343,616

Notes to the Consolidated Financial Statements

NOTE 4 - ADDITIONAL INFORMATION REGARDING THE COMPANY'S ACTIVITIES BY MAIN PORTFOLIO GROUPS (cont.)

A. Life Insurance and Long-Term Savings Segment (cont.)

	For the year ended December 31, 2025			
	Policies with a non-yield-dependent savings component	Policies with a yield-dependent savings component	Policies without a savings component	Total
	Audited			
	NIS thousand			
(1) Details of the results by main portfolio groups				
<u>Amounts recognized in profit or loss:</u>				
Revenues from insurance services	87,412	542,239	1,070,326	1,699,977
Expenses from insurance services (*)	(71,465)	(423,568)	(894,345)	(1,389,378)
Income from insurance services before reinsurance policies held	15,947	118,671	175,981	310,599
Reinsurance expenses	(1,498)	-	(125,044)	(126,542)
Reinsurance revenues	229	-	90,831	91,060
Net expenses from reinsurance contracts held	(1,269)	-	(34,213)	(35,482)
Income from insurance services	14,678	118,671	141,768	275,117
Total investment income, net	515,858	4,172,615	19,184	4,707,657
Finance income (expenses), net arising from insurance contracts	(392,524)	(4,140,041)	89,721	(4,442,844)
Finance expenses, net arising from reinsurance contracts	(8,026)	-	(2,602)	(10,628)
Net investment and finance income	115,308	32,574	106,303	254,185
Income, net from insurance and investment	129,986	151,245	248,071	529,302
Other operating expenses	(1,264)	(10,828)	(7,710)	(19,802)
Profit before income tax	128,722	140,417	240,361	509,500
Other comprehensive income (loss)	(4,715)	530	(300)	(4,485)
Comprehensive income before income tax	124,007	140,947	240,061	505,015
(*) Of which:				
Claims and other insurance service expenses incurred	(71,843)	(469,147)	(744,684)	(1,285,674)
Changes relating to past service - adjustment for liabilities for incurred claims	1,400	45,054	(4,268)	42,186
(2) Details of assets and liabilities by main portfolio groups				
<u>Gross and reinsurance data, as of December 31, 2025</u>				
Liabilities, net for insurance contracts	6,389,003	30,502,260	(506,346)	36,384,917
Balances of accounts receivable and payable, net				33,794
Total liabilities, net for insurance contracts (**)				36,418,711
(**) Of which: Insurance contract assets				
Assets, net for reinsurance contracts	(2,186)	99,553	12,413	109,780
Balances of other receivables and payables and reinsurance deposits				(181,384)
Total assets, net for reinsurance contracts				(71,604)
(3) Additional information (f)				
<u>Gross data for the year ended December 31, 2025</u>				
Gross premiums for insurance contracts net of reimbursement of premiums (***)	111,577	1,402,189	917,078	2,430,844
(***) Of which: Savings component	107,844	1,210,178	-	1,318,022
Variable management fees	-	238,631	-	238,631
Fixed management fees	-	203,702	-	203,702
Annualized premium for insurance contracts - new business	-	2,670	85,072	87,742
One-off premium for insurance contracts	82,867	438,973	-	521,840

Notes to the Consolidated Financial Statements

NOTE 4 - ADDITIONAL INFORMATION REGARDING THE COMPANY'S ACTIVITIES BY MAIN PORTFOLIO GROUPS (cont.)

B. Health Insurance Segment

	For the 3 months ended March 31, 2026					
	LTC		Health Insurance - other			Total
	Individual	Collective	Medical expenses and disabilities - individual	Medical expenses and disabilities - collective	Other	
Unaudited NIS thousand						
(1) Details of the results by main portfolio groups						
<u>Amounts recognized in profit or loss:</u>						
Revenues from insurance services	43,720	8,993	195,307	92,462	233,002	573,484
Expenses from insurance services (*)	(48,020)	(11,296)	(125,121)	(73,092)	(165,628)	(423,157)
Income (loss) from insurance services before reinsurance contracts held	(4,300)	(2,303)	70,186	19,370	67,374	150,327
Reinsurance expenses	(24,357)	(465)	(28,512)	-	(20,052)	(73,386)
Reinsurance revenues	28,183	414	22,178	-	15,526	66,301
Revenues (expenses), net from reinsurance contracts held	3,826	(51)	(6,334)	-	(4,526)	(7,085)
Income (loss) from insurance services	(474)	(2,354)	63,852	19,370	62,848	143,242
Total investment income, net	10,275	518	598	31	503	11,925
Finance income (expenses), net arising from insurance contracts	96,524	(620)	(99,885)	(1,637)	(83,268)	(88,886)
Finance income (expenses), net arising from reinsurance contracts	(13,769)	176	(13,052)	-	3,389	(23,256)
Income (loss) from investments and financing, net	93,030	74	(112,339)	(1,606)	(79,376)	(100,217)
Income, net from insurance and investment	92,556	(2,280)	(48,487)	17,764	(16,528)	43,025
Revenues from management fees	-	15,662	-	-	-	15,662
Other operating expenses	(102)	(10,427)	(1,352)	(1,088)	(989)	(13,958)
Profit (loss) before income tax	92,454	2,955	(49,839)	16,676	(17,517)	44,729
Other	(142)	(3)	6	-	(1)	(140)
Comprehensive income (loss) before income tax	92,312	2,952	(49,833)	16,676	(17,518)	44,589
(*) Of which:						
Claims and other insurance service expenses incurred	(42,755)	(8,201)	(125,433)	(82,415)	(143,055)	(401,859)
Changes relating to past service - adjustment for liabilities for incurred claims	(5,260)	(3,095)	6,400	9,842	13,492	21,379
(2) Details of assets and liabilities by main portfolio groups						
<u>Gross and reinsurance data, as of March 31, 2026</u>						
Liabilities, net for insurance contracts	2,787,458	1,274,586	775,201	170,561	(795,736)	4,212,070
Balances of accounts receivable and payable, net						(85,510)
Total liabilities, net for insurance contracts (**)						4,126,560
(**) Of which: Insurance contract assets						
Assets, net for reinsurance contracts	916,837	85,551	511,299	-	72,137	1,585,824
Balances of other receivables and payables and reinsurance deposits						(276,770)
Total assets, net for reinsurance contracts						1,309,054
(3) Additional information						
<u>Gross data for the three-month period ended March 31, 2026</u>						
Gross premiums net of reimbursement of premiums	31,884	33,227	179,815	82,985	214,705	542,616
Annualized premium for insurance contracts - new business	-	-	19,747	-	16,818	36,565

Notes to the Consolidated Financial Statements

NOTE 4 - ADDITIONAL INFORMATION REGARDING THE COMPANY'S ACTIVITIES BY MAIN PORTFOLIO GROUPS (cont.)

B. Health Insurance Segment (cont.)

	For the 3 months ended March 31, 2025					
	LTC		Health Insurance - other			Total
	Individual	Collective	Medical expenses and disabilities - individual	Medical expenses and disabilities - collective	Other	
Unaudited						
NIS thousand						
(1) Details of the results by main portfolio groups						
<u>Amounts recognized in profit or loss:</u>						
Revenues from insurance services	43,302	7,325	189,522	55,951	211,869	507,969
Expenses from insurance services (*)	(31,201)	(8,156)	(146,119)	(61,778)	(138,305)	(385,559)
Income (loss) from insurance services before reinsurance contracts held	12,101	(831)	43,403	(5,827)	73,564	122,410
Reinsurance expenses	(23,431)	(522)	(31,764)	-	(23,691)	(79,408)
Reinsurance revenues (expenses)	19,067	(789)	30,876	-	16,733	65,887
Net expenses from reinsurance contracts held	(4,364)	(1,311)	(888)	-	(6,958)	(13,521)
Income (loss) from insurance services	7,737	(2,142)	42,515	(5,827)	66,606	108,889
Total investment income, net	16,901	7,990	2,282	99	594	27,866
Finance income (expenses), net arising from insurance contracts	40,259	(8,428)	(45,167)	(1,330)	(47,428)	(62,094)
Finance income (expenses), net arising from reinsurance contracts	(7,036)	1,674	(6,215)	-	2,900	(8,677)
Income (loss) from investments and financing, net	50,124	1,236	(49,100)	(1,231)	(43,934)	(42,905)
Income (loss), net from insurance and investment	57,861	(906)	(6,585)	(7,058)	22,672	65,984
Revenues from management fees	-	15,130	-	-	-	15,130
Other operating expenses	(77)	(10,814)	(987)	(907)	(775)	(13,560)
Profit (loss) before income tax	57,784	3,410	(7,572)	(7,965)	21,897	67,554
Other	542	19	64	3	1	629
Comprehensive income (loss) before income tax	58,326	3,429	(7,508)	(7,962)	21,898	68,183
(*) Of which:						
Claims and other insurance service expenses incurred	(39,005)	(7,845)	(159,448)	(65,946)	(135,958)	(408,202)
Changes relating to past service - adjustment for liabilities for incurred claims	7,807	(312)	17,057	5,322	11,715	41,589
(2) Details of assets and liabilities by main portfolio groups						
<u>Gross and reinsurance data, as of March 31, 2025</u>						
Liabilities, net for insurance contracts	2,699,774	1,444,839	907,270	169,821	(549,758)	4,671,946
Balances of accounts receivable and payable, net						(232,967)
Total liabilities, net for insurance contracts (**)						4,438,979
(**) Of which: Insurance contract assets						
Assets, net for reinsurance contracts	908,183	143,156	530,928	-	81,525	1,663,792
Balances of other receivables and payables and reinsurance deposits						(301,445)
Total assets, net for reinsurance contracts						1,362,347
(3) Additional information						
<u>Gross data for the three-month period ended March 31, 2025</u>						
Gross premiums net of reimbursement of premiums	31,247	31,402	159,676	69,558	199,293	491,176
Annualized premium for insurance contracts - new business	-	-	15,220	-	14,985	30,205

Notes to the Consolidated Financial Statements

NOTE 4 - ADDITIONAL INFORMATION REGARDING THE COMPANY'S ACTIVITIES BY MAIN PORTFOLIO GROUPS (cont.)

B. Health Insurance Segment (cont.)

	For the year ended December 31, 2025					
	LTC		Health Insurance - other			Total
	Individual	Collective	Medical expenses and disabilities - individual	Medical expenses and disabilities - collective	Other	
Audited						
NIS thousand						
(1) Details of the results by main portfolio groups						
<u>Amounts recognized in profit or loss:</u>						
Revenues from insurance services	178,643	38,726	750,584	294,563	906,329	2,168,845
Expenses from insurance services (*)	(148,103)	(26,158)	(475,547)	(281,193)	(622,531)	(1,553,532)
Income from insurance services before reinsurance policies held	30,540	12,568	275,037	13,370	283,798	615,313
Reinsurance expenses	(97,944)	(2,195)	(122,795)	-	(90,777)	(313,711)
Reinsurance revenues (expenses)	76,786	(2,777)	97,586	-	65,612	237,207
Net expenses from reinsurance contracts held	(21,158)	(4,972)	(25,209)	-	(25,165)	(76,504)
Income from insurance services	9,382	7,596	249,828	13,370	258,633	538,809
Total investment income, net	189,935	167,244	23,122	212	4,718	385,231
Finance income (expenses), net arising from insurance contracts	(176,292)	(170,530)	(7,301)	(4,691)	132,136	(226,678)
Finance income, net arising from reinsurance contracts	36,335	745	21,973	-	1,318	60,371
Income (loss) from investments and financing, net	49,978	(2,541)	37,794	(4,479)	138,172	218,924
Income, net from insurance and investment	59,360	5,055	287,622	8,891	396,805	757,733
Revenues from management fees	-	65,672	-	-	-	65,672
Other operating expenses	(8,700)	(40,698)	(6,389)	(4,200)	(4,458)	(64,445)
Profit before income tax	50,660	30,029	281,233	4,691	392,347	758,960
Other	(2,464)	(86)	(246)	(2)	(5)	(2,803)
Comprehensive income before income tax	48,196	29,943	280,987	4,689	392,342	756,157
(*) Of which:						
Claims and other insurance service expenses incurred	(136,031)	(30,854)	(488,971)	(297,592)	(541,680)	(1,495,128)
Changes relating to past service - adjustment for liabilities for incurred claims	(12,056)	4,696	33,210	17,483	35,171	78,504
(2) Details of assets and liabilities by main portfolio groups						
<u>Gross and reinsurance data, as of December 31, 2025</u>						
Liabilities, net for insurance contracts	2,885,574	1,344,374	719,635	173,413	(854,913)	4,268,083
Balances of accounts receivable and payable, net						(67,724)
Total liabilities, net for insurance contracts (**)						4,200,359
(**) Of which: Insurance contract assets						946,829
Assets, net for reinsurance contracts	925,562	98,020	537,353	-	70,986	1,631,921
Balances of other receivables and payables and reinsurance deposits						(300,007)
Total assets, net for reinsurance contracts						1,331,914
(3) Additional information						
<u>Gross data for the year ended December 31, 2025</u>						
Gross premiums net of reimbursement of premiums	128,463	131,781	665,820	292,343	784,882	2,003,289
Annualized premium for insurance contracts - new business	-	-	63,357	-	64,870	128,227

Notes to the Consolidated Financial Statements

NOTE 4 - ADDITIONAL INFORMATION REGARDING THE COMPANY'S ACTIVITIES BY MAIN PORTFOLIO GROUPS (cont.)

C. Property and Casualty Insurance Segment

	For the 3 months ended March 31, 2026			
	Compulsory Motor	Motor Property	Other	Total
	Unaudited			
	NIS thousand			
(1) Details of the results by main portfolio groups				
<u>Amounts recognized in profit or loss:</u>				
Revenues from insurance services	268,779	453,518	448,187	1,170,484
Expenses from insurance services (*)	(234,963)	(356,557)	(325,321)	(916,841)
Income from insurance services before reinsurance policies held	33,816	96,961	122,866	253,643
Reinsurance expenses	(11,776)	(716)	(242,449)	(254,941)
Reinsurance revenues	7,021	750	171,002	178,773
Revenues (expenses), net from reinsurance contracts held	(4,755)	34	(71,447)	(76,168)
Income from insurance services	29,061	96,995	51,419	177,475
Total investment income, net	22,621	8,472	6,277	37,370
Finance income (expenses), net arising from insurance contracts	1,699	(2,099)	7,260	6,860
Finance income (expenses), net arising from reinsurance contracts	(582)	10	(5,287)	(5,859)
Net investment and finance income	23,738	6,383	8,250	38,371
Income, net from insurance and investment	52,799	103,378	59,669	215,846
Other operating expenses	(2,690)	(5,375)	(5,058)	(13,123)
Profit before income tax	50,109	98,003	54,611	202,723
Other comprehensive income	6	3	3	12
Comprehensive income before income tax	50,115	98,006	54,614	202,735
(*) Of which:				
Claims and other insurance service expenses incurred	(216,288)	(277,385)	(239,676)	(733,349)
Changes relating to past service - adjustment for liabilities for incurred claims	702	10,458	(9,074)	2,086
(2) Details of assets and liabilities by main portfolio groups				
<u>Gross and reinsurance data, as of March 31, 2026</u>				
Liabilities, net for insurance contracts	3,726,075	1,266,844	3,316,186	8,309,105
Balances of accounts receivable and payable, net				(742,228)
Total liabilities, net for insurance contracts				7,566,877
(**) Of which: Insurance contract assets				
Assets, net for reinsurance contracts	367,955	3,684	2,303,417	2,675,056
Balances of other receivables and payables and reinsurance deposits				(347,201)
Total assets, net for reinsurance contracts				2,327,855
(3) Additional information				
<u>Gross data for the three months ended March 31, 2026</u>				
Gross premiums net of reimbursement of premiums	530,395	617,466	462,508	1,610,369

Notes to the Consolidated Financial Statements

NOTE 4 - ADDITIONAL INFORMATION REGARDING THE COMPANY'S ACTIVITIES BY MAIN PORTFOLIO GROUPS (cont.)

C. Property and Casualty Insurance Segment (cont.)

	For the 3 months ended March 31, 2025			
	Compulsory	Motor	Other	Total
	Motor	Property		
	Unaudited			
	NIS thousand			
(1) Details of the results by main portfolio groups				
<u>Amounts recognized in profit or loss:</u>				
Revenues from insurance services	233,951	458,983	433,164	1,126,098
Expenses from insurance services (*)	(219,344)	(351,117)	(398,862)	(969,323)
Income from insurance services before reinsurance policies held	14,607	107,866	34,302	156,775
Reinsurance expenses	(6,903)	(1,654)	(266,951)	(275,508)
Reinsurance revenues	11,925	1,562	271,428	284,915
Revenues (expenses), net from reinsurance contracts held	5,022	(92)	4,477	9,407
Income from insurance services	19,629	107,774	38,779	166,182
Total investment income, net	27,872	13,173	11,302	52,347
Finance expenses, net arising from insurance contracts	(9,907)	(2,868)	(6,889)	(19,664)
Finance income, net arising from reinsurance contracts	1,516	57	4,359	5,932
Net investment and finance income	19,481	10,362	8,772	38,615
Income, net from insurance and investment	39,110	118,136	47,551	204,797
Other operating expenses	(1,883)	(3,511)	(3,628)	(9,022)
Profit before income tax	37,227	114,625	43,923	195,775
Other comprehensive income	163	63	74	300
Comprehensive income before income tax	37,390	114,688	43,997	196,075
(*) Of which:				
Claims and other insurance service expenses incurred	(197,192)	(285,075)	(236,042)	(718,309)
Changes relating to past service - adjustment for liabilities for incurred claims	259	27,144	(98,532)	(71,129)
(2) Details of assets and liabilities by main portfolio groups				
<u>Gross and reinsurance data, as of March 31, 2025</u>				
Liabilities, net for insurance contracts	3,403,735	1,239,536	3,103,713	7,746,984
Balances of accounts receivable and payable, net				(744,866)
Total liabilities, net for insurance contracts				7,002,118
(**) Of which: Insurance contract assets				
Assets, net for reinsurance contracts	290,183	8,315	2,225,229	2,523,727
Balances of other receivables and payables and reinsurance deposits				(475,745)
Total assets, net for reinsurance contracts				2,047,982
(3) Additional information				
<u>Gross data for the three months ended March 31, 2025</u>				
Gross premiums net of reimbursement of premiums	300,660	649,562	478,626	1,428,848

Notes to the Consolidated Financial Statements

NOTE 4 - ADDITIONAL INFORMATION REGARDING THE COMPANY'S ACTIVITIES BY MAIN PORTFOLIO GROUPS (cont.)

C. Property and Casualty Insurance Segment (cont.)

	For the year ended December 31, 2025			
	Compulsory Motor	Motor Property	Other	Total
	Audited			
	NIS thousand			
(1) Details of the results by main portfolio groups				
<u>Amounts recognized in profit or loss:</u>				
Revenues from insurance services	984,999	1,887,944	1,766,552	4,639,495
Expenses from insurance services (*)	(877,884)	(1,550,192)	(1,104,994)	(3,533,070)
Income from insurance services before reinsurance policies held	107,115	337,752	661,558	1,106,425
Reinsurance expenses	(37,339)	(2,766)	(975,915)	(1,016,020)
Reinsurance revenues	47,001	6,421	601,803	655,225
Revenues (expenses), net from reinsurance contracts held	9,662	3,655	(374,112)	(360,795)
Income from insurance services	116,777	341,407	287,446	745,630
Total investment income, net	234,427	100,072	79,034	413,533
Finance expenses, net arising from insurance contracts	(141,297)	(22,165)	(114,641)	(278,103)
Finance income, net arising from reinsurance contracts	19,961	267	78,855	99,083
Net investment and finance income	113,091	78,174	43,248	234,513
Income, net from insurance and investment	229,868	419,581	330,694	980,143
Other operating expenses	(9,426)	(17,108)	(22,482)	(49,016)
Profit before income tax	220,442	402,473	308,212	931,127
Other comprehensive loss	(722)	(295)	(357)	(1,374)
Comprehensive income before income tax	219,720	402,178	307,855	929,753
<u>(*) Of which:</u>				
Claims and other insurance service expenses incurred	(837,805)	(1,169,527)	(882,763)	(2,890,095)
Changes relating to past service - adjustment for liabilities for incurred claims	46,979	17,712	95,180	159,871
(2) Details of assets and liabilities by main portfolio groups				
<u>Gross and reinsurance data, as of December 31, 2025</u>				
Liabilities, net for insurance contracts	3,454,351	1,160,250	3,241,328	7,855,929
Balances of accounts receivable and payable, net				(403,929)
Total liabilities, net for insurance contracts				7,452,001
<u>(**) Of which: Insurance contract assets</u>				
Assets, net for reinsurance contracts	383,183	5,670	2,291,105	2,679,958
Balances of other receivables and payables and reinsurance deposits				(416,139)
Total assets, net for reinsurance contracts				2,263,819
(3) Additional information				
<u>Gross data for the year ended December 31, 2025</u>				
Gross premiums net of reimbursement of premiums	955,852	1,869,367	1,900,832	4,726,051

Notes to the Consolidated Financial Statements

NOTE 4 - ADDITIONAL INFORMATION REGARDING THE COMPANY'S ACTIVITIES BY MAIN PORTFOLIO GROUPS (cont.)

D. Movement in contractual service margin (CSM)

The following tables present the movement between the opening and closing balances of the contractual service margin for insurance contracts issued, net of reinsurance contracts held (retention), for each insurance segment.

	For the 3 months ended March 31, 2026		
	Life Insurance	Health Insurance	Total
	Unaudited		
	NIS thousand		
Balance, net as of January 1, 2026 (Audited)	2,162,702	4,509,724	6,672,426
Interest accrual (*)	11,125	40,829	51,954
Contracts first recognized during the period	53,275	130,048	183,323
Changes in estimates adjusting the contractual service margin (financial and demographic changes - for further details see the note entitled Significant Events During the Reporting Period)	62,856	(73,172)	(10,316)
Contractual service margin amount recognized in profit or loss for services provided	(81,575)	(107,895)	(189,470)
Net balance as of March 31, 2026	2,208,383	4,499,534	6,707,917
	For the 3 months ended March 31, 2025		
	Life Insurance	Health Insurance	Total
	Unaudited		
	NIS thousand		
Balance, net as of January 1, 2025 (Audited)	1,896,418	4,376,933	6,273,351
Interest accrual (*)	10,519	38,086	48,605
Contracts first recognized during the period	56,075	107,777	163,852
Changes in estimates adjusting the contractual service margin (financial and demographic changes - for further details see the note entitled Significant Events During the Reporting Period)	5,609	(49,703)	(44,094)
Contractual service margin amount recognized in profit or loss for services provided	(72,351)	(103,526)	(175,877)
Net balance as of March 31, 2025	1,896,270	4,369,567	6,265,837
	For the year ended December 31, 2025		
	Life Insurance	Health Insurance	Total
	Audited		
	NIS thousand		
Balance, net as of January 1, 2025	1,896,418	4,376,933	6,273,351
Interest accrual (*)	43,439	150,894	194,333
Contracts first recognized during the period	229,600	481,422	711,022
Changes in estimates adjusting the contractual service margin (financial and demographic changes - for further details see the note entitled Significant Events During the Reporting Period)	313,690	(72,005)	241,685
Contractual service margin amount recognized in profit or loss for services provided	(320,445)	(427,520)	(747,965)
Balance, net, as of December 31, 2025	2,162,702	4,509,724	6,672,426

(*) Generally, interest accrual effects for insurance portfolios measured under the GMM are recognized against finance expenses, net of insurance and reinsurance contracts. Conversely, for VFA contracts, interest accrual is embedded along with the other financial effects that adjust the contractual service margin (CSM).

Notes to the Consolidated Financial Statements

NOTE 5 - FINANCIAL INVESTMENTS AND DERIVATIVE INSTRUMENTS

A. Financial investments held against yield-dependent contracts - breakdown by type of asset

	As of March 31		As of December 31
	2026	2025	2025
	Unaudited		Audited
	NIS thousand		
Debt instruments:			
<u>Illiquid debt instruments:</u>			
Deposits with banks and financial institutions	13,387	85,658	17,085
Illiquid corporate bonds	143,842	178,469	148,993
Loans (including investees)	2,652,398	3,076,764	2,784,589
Other illiquid debt instruments	177,833	164,531	177,076
Total illiquid debt instruments *)	2,987,460	3,505,422	3,127,743
<u>Liquid debt instruments:</u>			
Government Bonds	4,424,808	4,385,573	4,446,429
Liquid corporate bonds	5,414,889	4,677,742	5,349,609
Total liquid debt instruments	9,839,697	9,063,315	9,796,038
Total debt instruments	12,827,157	12,568,737	12,923,781
Equity instruments:			
<u>Illiquid equity instruments:</u>			
Illiquid shares	471,858	513,808	498,233
<u>Liquid equity instruments:</u>			
Liquid shares	11,657,516	8,650,132	10,951,967
Total equity instruments	12,129,374	9,163,940	11,450,200
Other investments:			
Other investments **)	10,339,669	10,894,021	10,865,529
Derivative instruments ***)	378,218	51,667	531,309
Total other financial investments	10,717,887	10,945,688	11,396,838
Total financial investments	35,674,418	32,678,365	35,770,819
Held-for-trading financial liabilities:			
Liabilities for derivative instruments	194,228	420,803	45,684
*) Including assets measured based on amortized cost	82,834	118,322	86,208
Fair value of said debt assets	83,385	117,110	86,000

**) Other investments mainly include investments in ETNs, participation certificates in mutual funds, investment funds, and structured products.

***) Derivative instruments mainly comprise futures and options.

Notes to the Consolidated Financial Statements

NOTE 5 - FINANCIAL INVESTMENTS AND DERIVATIVE INSTRUMENTS (cont.)

B. Other financial investments (not for yield-dependent contracts)

	As of March 31, 2026		
	Financial investments measured at fair value through profit or loss	Financial investments measured at amortized cost	Total
	Unaudited		
	NIS thousand		
Debt instruments:			
<u>Illiquid debt instruments:</u>			
Deposits with banks and financial institutions	61,890	91,067	152,957
Treasury deposits	-	4,518,716	4,518,716
Designated bonds	3,088,796	-	3,088,796
Illiquid corporate bonds	164,306	232,756	397,062
Loans (including investees)	2,554,055	6,126,497	8,680,552
Total illiquid debt instruments	5,869,047	10,969,036	16,838,083
<u>Liquid debt instruments:</u>			
Government Bonds	4,885,721	-	4,885,721
Liquid corporate bonds	2,212,176	-	2,212,176
Other liquid debt instruments	240,089	-	240,089
Total liquid debt instruments	7,337,986	-	7,337,986
Total debt instruments	13,207,033	10,969,036	24,176,069
Balance of credit loss provision	-	241,245	241,245
Equity instruments:			
<u>Illiquid equity instruments:</u>			
Illiquid shares	291,049	-	291,049
<u>Liquid equity instruments:</u>			
Liquid shares	908,322	-	908,322
Total equity instruments	1,199,371	-	1,199,371
Other investments:			
Other investments *)	4,280,783	-	4,280,783
Derivative instruments **)	208,518	-	208,518
Total other financial investments	4,489,301	-	4,489,301
Total financial investments	18,895,705	10,969,036	29,864,741
Liabilities for derivative instruments **)	80,032	-	80,032

*) Other investments mainly include investments in ETNs, participation certificates in mutual funds, investment funds, and structured products.

**) Derivative instruments mainly comprise futures and options.

Notes to the Consolidated Financial Statements

NOTE 5 - FINANCIAL INVESTMENTS AND DERIVATIVE INSTRUMENTS (cont.)

B. Other financial investments (not in respect of yield-dependent contracts) (cont.)

	As of March 31, 2025		
	Financial investments measured at fair value through profit or loss	Financial investments measured at amortized cost	Total
	Unaudited		
	NIS thousand		
Debt instruments:			
<u>Illiquid debt instruments:</u>			
Deposits with banks and financial institutions	67,064	178,243	245,307
Treasury deposits	-	4,540,925	4,540,925
Designated bonds	3,128,611	-	3,128,611
Illiquid corporate bonds	266,231	254,812	521,043
Loans (including investees)	2,880,636	4,405,255	7,285,891
Total illiquid debt instruments	6,342,542	9,379,235	15,721,777
<u>Liquid debt instruments:</u>			
Government Bonds	2,937,533	-	2,937,533
Liquid corporate bonds	2,051,547	-	2,051,547
Other liquid debt instruments	17,387	-	17,387
Total liquid debt instruments	5,006,467	-	5,006,467
Total debt instruments	11,349,009	9,379,235	20,728,244
Balance of credit loss provision	-	204,831	204,831
Equity instruments:			
<u>Illiquid equity instruments:</u>			
Illiquid shares	331,813	-	331,813
<u>Liquid equity instruments:</u>			
Liquid shares	798,869	-	798,869
Total equity instruments	1,130,682	-	1,130,682
Other investments:			
Other investments *)	3,831,185	-	3,831,185
Derivative instruments **)	15,099	-	15,099
Total other financial investments	3,846,284	-	3,846,284
Total financial investments	16,325,975	9,379,235	25,705,210
Liabilities for derivative instruments **)	186,914	-	186,914

*) Other investments mainly include investments in ETNs, participation certificates in mutual funds, investment funds, and structured products.

**) Derivative instruments mainly comprise futures and options.

Notes to the Consolidated Financial Statements

NOTE 5 - FINANCIAL INVESTMENTS AND DERIVATIVE INSTRUMENTS (CONT.)

B. Other financial investments (not in respect of yield-dependent contracts) (cont.)

	As of December 31, 2025		
	Financial investments measured at fair value through profit or loss	Financial investments measured at amortized cost	Total
	Audited		
	NIS thousand		
Debt instruments:			
<u>Illiquid debt instruments:</u>			
Deposits with banks and financial institutions	70,886	95,897	166,783
Treasury deposits	-	4,573,956	4,573,956
Designated bonds	3,144,036	-	3,144,036
Illiquid corporate bonds	173,468	232,043	405,511
Loans (including investees)	2,825,305	5,666,343	8,491,648
Total illiquid debt instruments	6,213,695	10,568,239	16,781,934
<u>Liquid debt instruments:</u>			
Government Bonds	4,619,018	-	4,619,018
Liquid corporate bonds	2,172,119	-	2,172,119
Other liquid debt instruments	117,282	-	117,282
Total liquid debt instruments	6,908,419	-	6,908,419
Total debt instruments	13,122,114	10,568,239	23,690,353
Balance of credit loss provision	-	228,496	228,496
Equity instruments:			
<u>Illiquid equity instruments:</u>			
Illiquid shares	306,924	-	306,924
<u>Liquid equity instruments:</u>			
Liquid shares	1,022,986	-	1,022,986
Total equity instruments	1,329,910	-	1,329,910
Other investments:			
Other investments *)	4,125,165	-	4,125,165
Derivative instruments **)	228,116	-	228,116
Total other financial investments	4,353,281	-	4,353,281
Total financial investments	18,805,305	10,568,239	29,373,544
Liabilities for derivative instruments **)	32,893	-	32,893

*) Other investments mainly include investments in ETNs, participation certificates in mutual funds, investment funds, and structured products.

**) Derivative instruments mainly comprise futures and options.

Notes to the Consolidated Financial Statements

NOTE 5 - FINANCIAL INVESTMENTS AND DERIVATIVE INSTRUMENTS (cont.)

C. Estimation of current expected credit losses

Following is the movement in the provision for impairment of illiquid debt instruments:

	Expected credit losses for 12 months	Expected credit losses over the life of the instrument	Expected credit losses over the life of the instrument - credit-impaired financial assets	Total
	Unaudited			
	NIS thousand			
Balance as of January 1, 2026 (audited)	51,717	18,647	158,132	228,496
Remeasurement of the expected credit losses provision	1,663	(888)	(5,901)	(5,126)
Carried to measurement of expected credit losses for 12 months	4,409	(21,960)	-	(17,551)
Carried to measurement of expected credit losses over the life of the instrument	(4,870)	26,491	-	21,621
Carried to measurement of expected credit losses over the life of the instrument for credit-impaired financial assets	-	(2,398)	22,542	20,144
Financial assets acquired or created	9,063	1,640	4,929	15,632
Derecognized financial assets	(7,100)	(1,547)	-	(8,647)
Written off financial assets	-	-	(13,324)	(13,324)
Balance as of March 31, 2026	<u>54,882</u>	<u>19,985</u>	<u>166,378</u>	<u>241,245</u>

Notes to the Consolidated Financial Statements

NOTE 5 - FINANCIAL INVESTMENTS AND DERIVATIVE INSTRUMENTS (cont.)

C. Estimation of current expected credit losses (cont.)

Following is the movement in the provision for impairment of illiquid debt instruments: (cont.)

	Expected credit losses for 12 months	Expected credit losses over the life of the instrument	Expected credit losses over the life of the instrument - credit-impaired financial assets	Total
	Unaudited			
	NIS thousand			
Balance as of January 1, 2025 (audited)	40,776	20,476	156,455	217,707
Remeasurement of the expected credit losses provision	5,400	(4,397)	(16,661)	(15,658)
Carried to measurement of expected credit losses for 12 months	19,383	(35,257)	-	(15,874)
Carried to measurement of expected credit losses over the life of the instrument	(21,117)	40,076	-	18,959
Carried to measurement of expected credit losses over the life of the instrument for credit-impaired financial assets	-	(1,309)	16,950	15,641
Financial assets acquired or created	9,199	-	5,863	15,062
Derecognized financial assets	(6,586)	(3,174)	-	(9,760)
Written off financial assets	-	-	(21,246)	(21,246)
Balance as of March 31, 2025	<u>47,055</u>	<u>16,415</u>	<u>141,361</u>	<u>204,831</u>

Notes to the Consolidated Financial Statements

NOTE 5 - FINANCIAL INVESTMENTS AND DERIVATIVE INSTRUMENTS (cont.)

C. Estimation of current expected credit losses (cont.)

Following is the movement in the provision for impairment of illiquid debt instruments: (cont.)

	Expected credit losses for 12 months	Expected credit losses over the life of the instrument	Expected credit losses over the life of the instrument - credit-impaired financial assets	Total
	Audited			
	NIS thousand			
Balance as of January 1, 2025	40,777	20,476	156,454	217,707
Remeasurement of the expected credit losses provision	792	4,631	49,861	55,284
Carried to measurement of expected credit losses for 12 months	18,651	(93,878)	-	(75,227)
Carried to measurement of expected credit losses over the life of the instrument	(20,839)	106,161	-	85,322
Carried to measurement of expected credit losses over the life of the instrument for credit- impaired financial assets	-	(8,422)	25,692	17,270
Financial assets acquired or created	37,409	2,369	21,304	61,082
Derecognized financial assets	(31,660)	(12,690)	(7,711)	(52,061)
Written off financial assets	-	-	(87,469)	(87,469)
Changes arising from business combinations	6,588	-	-	6,588
Balance as of December 31, 2025	<u>51,718</u>	<u>18,647</u>	<u>158,131</u>	<u>228,496</u>

Notes to the Consolidated Financial Statements

NOTE 6 - LOANS AND CREDIT

	As of March 31		As of
	2026	2025	December 31
	Carrying value		2025
	Unaudited		Audited
	NIS thousand		
1. <u>Financial liabilities presented at amortized cost:</u>			
Loans from banking corporations	2,705,103	1,403,480	2,292,206
Commercial papers	500,887	200,380	500,920
Non-convertible bonds	2,765,582	2,310,325	2,765,274
Liabilities for financial guarantee contracts	10,650	12,691	11,462
Liabilities to pay standing orders	902,383	782,127	873,410
Lease liabilities	71,579	59,247	70,807
Loan from non-controlling interests	-	-	5,683
	<u>6,956,184</u>	<u>4,768,250</u>	<u>6,519,762</u>
2. <u>Liabilities presented at fair value through profit or loss</u>			
Liabilities for options granted to non-controlling interests	178,721	186,994	188,170
Total financial liabilities	<u>7,134,905</u>	<u>4,955,244</u>	<u>6,707,932</u>
Subordinated notes and capital notes which constitute eligible capital for Menora Insurance:			
Tier 1 capital *)	792,069	311,742	791,867
Tier 2 capital	<u>2,214,080</u>	<u>2,200,386</u>	<u>2,213,773</u>
	<u>3,006,149</u>	<u>2,512,128</u>	<u>3,005,640</u>

*) Includes a total of approx. NIS 306 million as of March 31, 2026, approx. NIS 311.7 million as of March 31, 2025 and approx. NIS 302 million as of December 31, 2025 held by the Company.

The amounts of financial liabilities are presented net of the interest payable. The interest payable is recognized in the accounts payable line item.

Notes to the Consolidated Financial Statements

NOTE 7 - EQUITY AND CAPITAL REQUIREMENTS

Capital policy and requirements

- A. It is management's policy to maintain a strong capital base in order to retain Group's ability to continue its activities such that it will be able to generate returns to its shareholders and support future business activities. Menora Insurance and Shomera Insurance (hereinafter - the "**Consolidated Insurance Companies**") are subject to the capital requirements set by the Commissioner.

As part of the implementation of the solvency regime, the Consolidated Insurance Companies are required to conduct own risk assessment. The Boards of Directors of the Consolidated Insurance Companies are required to set a capital target that will reflect what is in their opinion an adequate solvency ratio for the purpose of dividend distribution.

Menora Insurance's target capital was gradually built and determined such that from the end of 2024, the target capital will gradually rise linearly from 115% to 130% in 2032. As of December 31, 2025, the target capital stands at approx. 116.9% (117.3% as of March 31, 2026). Shomera's target capital was revised to 115% (over 113%). It is hereby clarified that there is no certainty that the Consolidated Insurance Companies will meet this solvency ratio at each point in time.

Menora Mivtachim Pension and Provident Funds Ltd. (hereinafter - "**Mivtachim Pension and Provident**") and Menora Mivtachim and The Association of Engineers Provident Funds Management Ltd. (hereinafter - "**Menora Engineers**") are required to comply with the Supervision of Financial Services Supervision Regulations (Provident Funds) (Minimum Own Funds from a Provident Fund's or a Pension Fund's Management Company), 2012, and the Income Tax Regulations (Rules for Approval and Management of Provident Funds) (Amendment No. 2), 2012.

- B. Solvency II-based economic solvency regime applicable to the Consolidated Insurance Companies

The Consolidated Insurance Companies are 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 own funds of the insurance company and the solvency capital requirement. The economic own funds is determined as the sum of the economic balance sheet (see below) and debt instruments that include loss absorption mechanisms (Additional Tier 1 capital and a Tier 2 capital instrument).

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 own funds' exposure to a series of scenarios set out in the Solvency Circular, and which reflect insurance risks, market risks and credit risks as well as operating risks.

Notes to the Consolidated Financial Statements

NOTE 7 - EQUITY AND CAPITAL REQUIREMENTS (cont.)

Capital policy and requirements (cont.)

B. Solvency II-based economic solvency regime applicable to the Consolidated Insurance Companies (cont.)

Risk-based solvency ratio (cont.)

The consolidated insurance companies implement the transitional provisions in connection with compliance with capital requirements, as follows:

The Company increases its economic capital by deducting from the insurance reserves an amount calculated as detailed below. The deduction will decrease gradually until 2032 (hereinafter - the **"Deduction during the Transitional Period"**)

Following the first-time application of IFRS 17 in the insurance companies' financial statements as from January 1, 2025, on April 10, 2025, the Commissioner issued revised guidance regarding the calculation of the Deduction Amount during the Transitional Period commencing the Solvency Ratio Report as of June 30, 2025. In accordance with the guidance, the ratio between the calculated amount of Deduction Amount as of December 31, 2024 and the amount of BE and RM components less the addition of the value of Hetz bonds (for a guaranteed return portfolio) should be calculated for each homogeneous risk group (hereinafter - **"Deduction Rates"**).

The Deduction Amount was determined by multiplying the Deduction Rates calculated as of December 31, 2024 for each homogeneous risk group, by the amount of the BE and RM components less the addition of the value of Hetz bonds (for a guaranteed return portfolio) as of the calculation date.

The maximum Deduction Amount for each reporting period will be equal to the amount of Deduction of all homogeneous risk groups, amortized, on a straight line basis, between December 31, 2019 and the end of 2032.

During May 2025, Menora Insurance received the Commissioner's approval regarding the Deduction Rates for the Transitional Period.

Disclosure and Reporting Provisions in connection with Economic Solvency Ratio Report for 2019 and Onwards

In accordance with the Solvency Circular, the Economic Solvency Ratio Report in respect of the December 31 and June 30 data of each year shall be included in the first periodic report published after the calculation date.

On July 2, 2025, the Commissioner published a circular stating that, as of December 31, 2026, the Economic Solvency Ratio Reports will be published at the same time as the financial statements as of that date. In addition, as part of the Circular, certain disclosure tables in the Economic Solvency Ratio Report were updated to align with IFRS 17. These updates took effect as of the Economic Solvency Ratio Report as of June 30, 2025.

Notes to the Consolidated Financial Statements

NOTE 7 - EQUITY AND CAPITAL REQUIREMENTS (cont.)

Capital policy and requirements (cont.)

- B. Solvency II-based economic solvency regime applicable to the Consolidated Insurance Companies (cont.)

Solvency ratio of the Consolidated Insurance Companies

According to the Solvency Ratio Reports as of December 31, 2025, which were published on May 28, 2026, Menora Insurance and Shomera Insurance (hereinafter - the **"Consolidated Insurance Companies"**) have excess capital without and with applying the transitional provisions.

The calculation made by the consolidated insurance companies was examined by the consolidated insurance companies' independent auditors, in accordance with International Standard on Assurance Engagements (ISAE 3400) - The Examination of Prospective Financial Information. This standard is relevant to audits of solvency calculations and does not constitute part of the auditing standards that apply to financial statements. It should be emphasized that the projections and assumptions on the basis of which the Economic Solvency Ratio Report was prepared 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 substantively 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.

Furthermore, attention is drawn to that which is stated in the economic solvency ratio reports regarding the uncertainty derived from regulatory changes and exposure to contingent liabilities, the effect of which on the solvency ratio cannot be estimated.

- C. Solvency ratio for the purpose of dividend distribution by the Consolidated Insurance Companies

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. In addition, the letter set out provisions for reporting to the Commissioner.

The Consolidated Insurance Companies' calculation as of December 31, 2025, which is based on the investments mix and insurance liabilities as of the calculation date, and taking into account equity transactions after the calculation date, reflects an economic solvency ratio, which is higher than the solvency ratio required according to the Letter.

- D. Own Risk and Solvency Assessment of an Insurance Company (ORSA)

According to the Provisions of the Consolidated Circular - "Reporting to the Commissioner of Capital Market" - Own Risk and Solvency Assessment of an Insurance Company (ORSA) was published (hereinafter - the **"ORSA Circular"**) - the ORSA Circular stipulates that an insurance company shall report to the Commissioner about Own Risk and Solvency Assessment of an Insurance Company (ORSA) once a year - in January. In accordance with the ORSA Circular, the Company shall provide the Commissioner with a report that will include a summary of its results, status of its business and interactions, risk exposure, assessment of solvency and capital requirement, forward-looking valuation, scenarios and sensitivity analyses. The circular's effective date is January 1, 2023. The consolidated insurance companies submit the report to the Commissioner each January.

Notes to the Consolidated Financial Statements

NOTE 7 - EQUITY AND CAPITAL REQUIREMENTS (cont.)

Capital policy and requirements (cont.)

- E. Following are data regarding Mivtachim Pension and Provident's required and existing capital in accordance with the Supervision of Financial Services Regulations (Provident Funds) (Minimum Own Funds from a Provident Fund's or a Pension Fund's Management Company), 2012, and the Income Tax Regulations (Rules for Approval and Management of Provident Funds) Amendment No. 2, 2012 (hereinafter - the "**Capital Regulations**") and the Commissioner's directives:

	As of March 31, 2026	As of December 31, 2025
	Unaudited	Audited
	NIS thousand	
The amount required according with the Capital Regulations of management companies	341,519	337,627
Eligible own funds	970,812	955,558
Surplus	629,293	617,931
Dividend declared subsequent to the reporting date	-	(60,000)
Surplus taking into account an event occurring subsequent to the reporting date	629,293	557,931
The required amount includes capital requirements for:		
Total assets under management	189,995	187,967
Annual expenses	152,296	150,438
Expedients according to the Commissioner's circular	(772)	(778)
	341,519	337,627

- F. On March 29, 2026, the Company's Board of Directors declared the distribution of a dividend to the Company's shareholders on April 13, 2026 totaling NIS 500 million, which constitute approx. NIS 8 per each share of NIS 1 par value. The dividend was paid on April 20, 2026.
- G. In March 2026, Menora Insurance distributed a NIS 400 million dividend to the Company.
- H. On March 16, 2026, the Board of Directors of Mivtachim Pension and Provident declared the distribution of a NIS 60 million dividend to the shareholders, of which NIS 54 million to the Company. The dividend was paid on March 26, 2026.

Notes to the Consolidated Financial Statements

NOTE 8 - INCOME (LOSS) FROM INSURANCE SERVICES AND REINSURANCE

	For the 3 months ended March 31, 2026			
	Life Insurance	Health Insurance	P&C Insurance	Total
	Unaudited			
	NIS thousand			
<u>Revenues from insurance services</u>				
Contracts to which the Premium Allocation Approach (PAA) was not applied:				
Amounts relating to changes in liability for remaining coverage (LRC):				
The contractual service margin (CSM) amount recognized in profit or loss for services provided	84,921	118,436	-	203,357
Change in risk adjustment (RA) for non-financial risk resulting from past risks	7,015	15,361	-	22,376
Claims and other expected insurance service expenses incurred	295,900	351,279	-	647,179
Other	7,816	755	-	8,571
Allocation of the portion of the premiums relating to the recovery of insurance acquisition cash flows	44,236	35,649	-	79,885
Total contracts to which the Premium Allocation Approach (PAA) was not applied	439,888	521,480	-	961,368
Contracts to which the Premium Allocation Approach (PAA) was applied	-	52,004	1,170,484	1,222,488
Total revenues from insurance services	439,888	573,484	1,170,484	2,183,856
<u>Expenses from insurance services</u>				
Claims and other insurance service expenses incurred	(297,794)	(401,859)	(733,349)	(1,433,002)
Changes relating to past service - adjustment for liabilities for incurred claims (LIC)	2,687	21,379	2,086	26,152
Losses for groups of onerous insurance contracts	(975)	(202)	(5,173)	(6,350)
Amortization of insurance acquisition cash flows	(44,236)	(42,475)	(180,405)	(267,116)
Total expenses from insurance services	(340,318)	(423,157)	(916,841)	(1,680,316)
Income from insurance services before reinsurance policies held	99,570	150,327	253,643	503,540
<u>Revenues (expenses), net for reinsurance contracts held</u>				
<u>Reinsurance expenses:</u>				
Contracts to which the Premium Allocation Approach (PAA) was not applied:				
Amounts relating to changes in assets for remaining coverage (ARC):				
The contractual service margin (CSM) amount recognized in profit or loss for services received	(3,068)	(10,541)	-	(13,609)
Change in risk adjustment (RA) for non-financial risk resulting from past risks	(1,647)	(1,740)	-	(3,387)
Recoveries of claims for underlying insurance contracts and other expected insurance services expenses incurred	(16,335)	(53,342)	-	(69,677)
Other	(4,403)	(7,763)	-	(12,166)
Total contracts to which the Premium Allocation Approach (PAA) was not applied	(25,453)	(73,386)	-	(98,839)
Contracts to which the Premium Allocation Approach (PAA) was applied	(626)	-	(254,941)	(255,567)
Total reinsurance expenses	(26,079)	(73,386)	(254,941)	(354,406)
<u>Reinsurance revenues:</u>				
Recoveries of claims for underlying insurance contracts and other insurance services expenses incurred	17,052	63,884	166,293	247,229
Changes relating to past service - adjustment for assets for incurred claims	2,264	2,417	12,480	17,161
Reversal of losses for groups of onerous underlying insurance contracts	320	-	-	320
Total reinsurance revenues	19,636	66,301	178,773	264,710
Total expenses, net for reinsurance contracts held	(6,443)	(7,085)	(76,168)	(89,696)
Income from insurance services	93,127	143,242	177,475	413,844

Note: Insurance service expenses are after deducting fees and commission expenses to the agencies in the Group.

Notes to the Consolidated Financial Statements

NOTE 8 - INCOME (LOSS) FROM INSURANCE SERVICES AND REINSURANCE (cont.)

	For the 3 months ended March 31, 2025			
	Life	Health	P&C	Total
	Insurance	Insurance	Insurance	
	Unaudited			
NIS thousand				
<u>Revenues from insurance services</u>				
Contracts to which the Premium Allocation Approach (PAA) was not applied:				
Amounts relating to changes in liability for remaining coverage (LRC):				
The contractual service margin (CSM) amount recognized in profit or loss for services provided	76,182	111,985	-	188,167
Change in risk adjustment (RA) for non-financial risk resulting from past risks	7,679	13,760	-	21,439
Claims and other expected insurance service expenses incurred	278,516	320,868	-	599,384
Other	18,849	3,589	-	22,438
Allocation of the portion of the premiums relating to the recovery of insurance acquisition cash flows	22,581	17,956	-	40,537
Total contracts to which the Premium Allocation Approach (PAA) was not applied	403,807	468,158	-	871,965
Contracts to which the Premium Allocation Approach (PAA) was applied	-	39,811	1,126,098	1,165,909
Total revenues from insurance services	403,807	507,969	1,126,098	2,037,874
<u>Expenses from insurance services</u>				
Claims and other insurance service expenses incurred	(333,641)	(408,202)	(718,309)	(1,460,152)
Changes relating to past service - adjustment for liabilities for incurred claims (LIC)	8,289	41,589	(71,129)	(21,251)
Losses for groups of onerous insurance contracts	(1,052)	(991)	(3,403)	(5,446)
Amortization of insurance acquisition cash flows	(22,581)	(17,955)	(176,482)	(217,018)
Total expenses from insurance services	(348,985)	(385,559)	(969,323)	(1,703,867)
Income from insurance services before reinsurance policies held	54,822	122,410	156,775	334,007
<u>Revenues (expenses), net for reinsurance contracts held</u>				
<u>Reinsurance expenses:</u>				
Contracts to which the Premium Allocation Approach (PAA) was not applied:				
Amounts relating to changes in assets for remaining coverage (ARC):				
The contractual service margin (CSM) amount recognized in profit or loss for services received	(3,695)	(8,459)	-	(12,154)
Change in risk adjustment (RA) for non-financial risk resulting from past risks	(1,675)	(1,954)	-	(3,629)
Recoveries of claims for underlying insurance contracts and other expected insurance services expenses incurred	(21,199)	(58,329)	-	(79,528)
Other	(3,605)	(10,666)	-	(14,271)
Total contracts to which the Premium Allocation Approach (PAA) was not applied	(30,174)	(79,408)	-	(109,582)
Contracts to which the Premium Allocation Approach (PAA) was applied	(857)	-	(275,508)	(276,365)
Total reinsurance expenses	(31,031)	(79,408)	(275,508)	(385,947)
<u>Reinsurance revenues:</u>				
Recoveries of claims for underlying insurance contracts and other insurance services expenses incurred	27,633	82,111	175,024	284,768
Changes relating to past service - adjustment for assets for incurred claims	4,499	(16,224)	109,891	98,166
Total reinsurance revenues	32,132	65,887	284,915	382,934
Total revenues (expenses) for reinsurance contracts held	1,101	(13,521)	9,407	(3,013)
Income from insurance services	55,923	108,889	166,182	330,994

Note: Insurance service expenses are after deducting fees and commission expenses to the agencies in the Group.

Notes to the Consolidated Financial Statements

NOTE 8 - INCOME (LOSS) FROM INSURANCE SERVICES AND REINSURANCE (cont.)

	For the year ended December 31, 2025			
	Life	Health	P&C	Total
	Insurance	Insurance	Insurance	
	Audited			
	NIS thousand			
<u>Revenues from insurance services</u>				
Contracts to which the Premium Allocation Approach (PAA) was not applied:				
Amounts relating to changes in liability for remaining coverage (LRC):				
The contractual service margin (CSM) amount recognized in profit or loss for services provided	335,753	466,592	-	802,345
Change in risk adjustment (RA) for non-financial risk resulting from past risks	31,410	57,092	-	88,502
Claims and other expected insurance service expenses incurred	1,109,629	1,342,067	-	2,451,696
Other	77,764	9,542	-	87,306
Allocation of the portion of the premiums relating to the recovery of insurance acquisition cash flows	145,421	111,356	-	256,777
Total contracts to which the Premium Allocation Approach (PAA) was not applied	1,699,977	1,986,649	-	3,686,626
Contracts to which the Premium Allocation Approach (PAA) was applied	-	182,196	4,639,495	4,821,691
Total revenues from insurance services	1,699,977	2,168,845	4,639,495	8,508,317
<u>Expenses from insurance services</u>				
Claims and other insurance service expenses incurred	(1,285,674)	(1,495,128)	(2,890,095)	(5,670,897)
Changes relating to past service - adjustment for liabilities for incurred claims (LIC)	42,186	78,504	159,871	280,561
Losses for groups of onerous insurance contracts	(469)	(902)	(17,683)	(19,054)
Amortization of insurance acquisition cash flows	(145,421)	(136,006)	(785,163)	(1,066,590)
Total expenses from insurance services	(1,389,378)	(1,553,532)	(3,533,070)	(6,475,980)
Income from insurance services before reinsurance policies held	310,599	615,313	1,106,425	2,032,337
<u>Revenues (expenses), net for reinsurance contracts held</u>				
<u>Reinsurance expenses:</u>				
Contracts to which the Premium Allocation Approach (PAA) was not applied:				
Amounts relating to changes in assets for remaining coverage (ARC):				
The contractual service margin (CSM) amount recognized in profit or loss for services received	(15,308)	(39,072)	-	(54,380)
Change in risk adjustment (RA) for non-financial risk resulting from past risks	(6,076)	(7,712)	-	(13,788)
Recoveries of claims for underlying insurance contracts and other expected insurance services expenses incurred	(81,843)	(237,013)	-	(318,856)
Other	(19,888)	(29,914)	-	(49,802)
Total contracts to which the Premium Allocation Approach (PAA) was not applied	(123,115)	(313,711)	-	(436,826)
Contracts to which the Premium Allocation Approach (PAA) was applied	(3,427)	-	(1,016,020)	(1,019,447)
Total reinsurance expenses	(126,542)	(313,711)	1,016,020	(1,456,273)
<u>Reinsurance revenues:</u>				
Recoveries of claims for underlying insurance contracts and other insurance services expenses incurred	106,368	263,730	636,317	1,006,415
Changes relating to past service - adjustment for assets for incurred claims	(16,138)	(26,523)	18,908	(23,753)
Reversal of losses for groups of onerous underlying insurance contracts	830	-	-	830
Total reinsurance revenues	91,060	237,207	655,225	983,492
Total expenses, net for reinsurance contracts held	(35,482)	(76,504)	(360,795)	(472,781)
Income from insurance services	275,117	538,809	745,630	1,559,556

Note - Insurance service expenses are after deducting fees and commission expenses to the agencies in the Group.

Notes to the Consolidated Financial Statements

NOTE 9 - INCOME (LOSS) FROM INVESTMENTS AND FINANCING, NET

Income (loss) from investments and financing, net, by operating segments

	For the 3 months ended March 31, 2026					
	Life Insurance	Health Insurance	P&C Insurance	Credit	Other	Total
	Unaudited					
	NIS thousand					
<u>Investment income (losses), net:</u>						
Investment income (losses), net of assets held against insurance contracts and yield-dependent investment contracts	62,454	(92)	-	-	-	62,362
Other investment income (losses), net:						
Interest revenues calculated using the effective interest method	55,256	-	2,787	131,345	11,500	200,888
Reversal of net losses (losses) from impairment of financial assets	(1,141)	-	(1,526)	(23,997)	962	(25,702)
Other investment income (losses), net	(32,383)	12,168	35,585	14	117,765	133,149
Share in income (losses) of equity-accounted subsidiaries closely related to the investing activity	(240)	(151)	524	-	(1,882)	(1,749)
Total income from other investments, net	21,492	12,017	37,370	107,362	128,345	306,586
Total investment income, net recognized in the income statement	83,946	11,925	37,370	107,362	128,345	368,948
Investment income (losses), net recognized in other comprehensive income	(363)	(250)	(121)	-	486	(248)
Total investment income, net	83,583	11,675	37,249	107,362	128,831	368,700
<u>Finance expenses, net arising from insurance contracts:</u>						
Change in liabilities for insurance contracts arising from changes in the fair value of underlying items of VFA contracts	(79,485)	(265)	-	-	-	(79,750)
Effects of the risk mitigation option for VFA contracts	(3,439)	-	-	-	-	(3,439)
Interest accrued	(35,475)	(40,770)	(35,842)	-	-	(112,087)
Effects of changes in interest rates and other financial assumptions (including inflation assumptions)	79,138	(56,106)	42,702	-	-	65,734
Effect of the difference between discounting with the current rate and discounting with the original rate of the changes in FCF carried to CSM	6,206	8,255	-	-	-	14,461
Total finance expenses, net arising from insurance contracts *)	(33,055)	(88,886)	6,860	-	-	(115,081)
*) Represented by:						
Amounts recognized in profit or loss	(33,055)	(88,886)	6,860	-	-	(115,081)
<u>Finance income, net arising from reinsurance contracts insurance contracts:</u>						
Interest accrued	(766)	7,581	11,346	-	-	18,161
Effects of changes in interest rates and other financial assumptions (including inflation assumptions)	3,673	(30,644)	(17,205)	-	-	(44,176)
Effect of the difference between discounting with the current rate and discounting with the original rate of the changes in FCF carried to CSM	524	(193)	-	-	-	331
Total finance income, net arising from reinsurance contracts *)	3,431	(23,256)	(5,859)	-	-	(25,684)
*) Represented by:						
Amounts recognized in profit or loss	3,431	(23,256)	(5,859)	-	-	(25,684)
Increase in liabilities for investment contracts due to the yield component	(38,787)	-	-	-	-	(38,787)
Total income (loss) from investments and financing, net *)	15,172	(100,467)	38,250	107,362	128,831	189,148
*) Represented by:						
Amounts recognized in profit or loss	15,535	(100,217)	38,371	107,362	128,345	189,396
Amounts recognized in other comprehensive income (loss)	(363)	(250)	(121)	-	486	(248)
Total income (loss) from investments and financing, net	15,172	(100,467)	38,250	107,362	128,831	189,148

Notes to the Consolidated Financial Statements

NOTE 9 - INCOME (LOSS) FROM INVESTMENTS AND FINANCING, NET (cont.)

Income (loss) from investments and financing, net, by operating segments

	For the 3 months ended March 31, 2025					
	Life Insurance	Health Insurance	P&C Insurance	Credit	Other	Total
	Unaudited					
	NIS thousand					
Investment income (losses), net:						
Investment losses, net from assets held against insurance contracts and yield-dependent investment contracts	(5,694)	6,995	-	-	-	1,301
Other investment income (losses), net:						
Interest revenues calculated using the effective interest method	70,853	-	-	96,255	18,179	185,287
Reversal of net losses (losses) from impairment of financial assets	(439)	-	-	(24,911)	24,193	(1,157)
Other investment income, net	18,095	20,852	52,015	358	24,179	115,499
Share in income of equity-accounted subsidiaries closely related to the investing activity	44	19	332	-	214	609
Total income from other investments, net	88,553	20,871	52,347	71,702	66,765	300,238
Total investment income, net recognized in the income statement	82,859	27,866	52,347	71,702	66,765	301,539
Investment income, net recognized in other comprehensive income	1,023	689	358	-	6,253	8,323
Total investment income, net	83,882	28,555	52,705	71,702	73,018	309,862
Finance expenses, net arising from insurance contracts:						
Change in liabilities for insurance contracts arising from changes in the fair value of underlying items of VFA contracts	(10,440)	(7,402)	-	-	-	(17,842)
Effects of the risk mitigation option for VFA contracts	1,809	-	-	-	-	1,809
Interest accrued	(41,366)	(22,050)	(23,530)	-	-	(86,946)
Effects of changes in interest rates and other financial assumptions (including inflation assumptions)	32,325	(32,584)	3,866	-	-	3,607
Effect of the difference between discounting with the current rate and discounting with the original rate of the changes in FCF carried to CSM	9,778	(58)	-	-	-	9,720
Total finance expenses, net arising from insurance contracts *)	(7,894)	(62,094)	(19,664)	-	-	(89,652)
*) Represented by:						
Amounts recognized in profit or loss	(7,894)	(62,094)	(19,664)	-	-	(89,652)
Finance income, net arising from reinsurance contracts insurance contracts:						
Interest accrued	305	8,186	7,838	-	-	16,329
Effects of changes in interest rates and other financial assumptions (including inflation assumptions)	420	(16,952)	(1,906)	-	-	(18,438)
Effect of the difference between discounting with the current rate and discounting with the original rate of the changes in FCF carried to CSM	(34)	89	-	-	-	55
Total finance income, net arising from reinsurance contracts *)	691	(8,677)	5,932	-	-	(2,054)
*) Represented by:						
Amounts recognized in profit or loss	691	(8,677)	5,932	-	-	(2,054)
Decrease in liabilities in respect of investment contracts due to the yield component	(65,379)	-	-	-	-	(65,379)
Total income (loss) from investments and financing, net *)	11,300	(42,216)	38,973	71,702	73,018	152,777
*) Represented by:						
Amounts recognized in profit or loss	10,277	(42,905)	38,615	71,702	66,765	144,454
Amounts recognized in other comprehensive income	1,023	689	358	-	6,253	8,323
Total income (loss) from investments and financing, net	11,300	(42,216)	38,973	71,702	73,018	152,777

Notes to the Consolidated Financial Statements

NOTE 9 - INCOME (LOSS) FROM INVESTMENTS AND FINANCING, NET (cont.)

Income (loss) from investments and financing, net, by operating segments

	For the year ended December 31, 2025					
	Life Insurance	Health Insurance	P&C Insurance	Credit	Other	Total
	Audited					
	NIS thousand					
Investment income (losses), net:						
Investment income (losses), net of assets held against insurance contracts and yield-dependent investment contracts	5,018,862	183,995	-	-	-	5,202,857
Other investment income (losses), net:						
Interest revenues calculated using the effective interest method	344,306	-	4,165	481,468	71,807	901,746
Reversal of net losses (losses) from impairment of financial assets	(848)	-	(163)	(117,771)	39,104	(79,678)
Other investment income (losses), net	589,057	202,354	368,840	(910)	657,531	1,816,872
Share in income (losses) of equity-accounted subsidiaries closely related to the investing activity	(2,858)	(1,118)	40,691	-	(474)	36,241
Total income from other investments, net	929,657	201,236	413,533	362,787	767,968	2,675,181
Total investment income, net recognized in the income statement	5,948,519	385,231	413,533	362,787	767,968	7,878,038
Investment income (losses), net recognized in other comprehensive income	(5,086)	(3,370)	(2,072)	-	19,696	9,168
Total investment income, net	5,943,433	381,861	411,461	362,787	787,664	7,887,206
Finance expenses, net arising from insurance contracts:						
Change in liabilities for insurance contracts arising from changes in the fair value of underlying items of VFA contracts	(3,970,425)	(161,428)	-	-	-	(4,131,853)
Effects of the risk mitigation option for VFA contracts	(71,668)	-	-	-	-	(71,668)
Interest accrued	(149,507)	(141,828)	(124,238)	-	-	(415,573)
Effects of changes in interest rates and other financial assumptions (including inflation assumptions)	(284,904)	49,651	(153,865)	-	-	(389,118)
Effect of the difference between discounting with the current rate and discounting with the original rate of the changes in FCF carried to CSM	33,660	26,927	-	-	-	60,587
Total finance expenses, net arising from insurance contracts *)	(4,442,844)	(226,678)	(278,103)	-	-	(4,947,625)
*) Represented by:						
Amounts recognized in profit or loss	(4,442,844)	(226,678)	(278,103)	-	-	(4,947,625)
Finance income, net arising from reinsurance contracts insurance contracts:						
Interest accrued	1,455	29,983	40,566	-	-	72,004
Effects of changes in interest rates and other financial assumptions (including inflation assumptions)	(12,477)	36,825	58,517	-	-	82,865
Effect of the difference between discounting with the current rate and discounting with the original rate of the changes in FCF carried to CSM	394	(6,437)	-	-	-	(6,043)
Total finance income (expenses), net arising from reinsurance contracts *)	(10,628)	60,371	99,083	-	-	148,826
*) Represented by:						
Amounts recognized in profit or loss	(10,628)	60,371	99,083	-	-	148,826
Increase in liabilities for investment contracts due to the yield component	(1,195,388)	-	-	-	-	(1,195,388)
Total income (loss) from investments and financing, net *)	294,573	215,554	232,441	362,787	787,664	1,893,019
*) Represented by:						
Amounts recognized in profit or loss	299,659	218,924	234,513	362,787	767,968	1,883,851
Amounts recognized in other comprehensive income (loss)	(5,086)	(3,370)	(2,072)	-	19,696	9,168
Total income (loss) from investments and financing, net	294,573	215,554	232,441	362,787	787,664	1,893,019

Notes to the Consolidated Financial Statements

NOTE 9 - INCOME (LOSS) FROM INVESTMENTS AND FINANCING, NET (cont.)

- (a) In the GMM model, accrued interest includes interest accrued on the remaining CSM in accordance with the nominal interest rate curve on the initial recognition date. In addition, the accrued interest includes interest accrued on BE and RA balances in accordance with the real interest rate curve at initial recognition.

Under the PAA Model, the accrued interest includes interest accrued on BE and RA balances which are included in the LIC in accordance with the real interest rate curve at the beginning of the period.

- (b) The effect of the change in interest rate in this line item includes both the replacement of the curve in relation to the beginning of the period and the difference between the interest accrual on the remaining BE and RA according to the curve at the beginning of the period for accrual in accordance with the curve as of the initial recognition date.

Notes to the Consolidated Financial Statements

NOTE 10 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The different fair value 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.

The methods and assumptions used to determine fair value

Valuation techniques

The fair value of investments traded actively in regulated financial markets is determined based on market prices as of the reporting date. With respect to investments for which there is no active market, fair value is determined using valuation techniques. Such techniques include using transactions which 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.

Illiquid debt assets (excluding designated bonds)

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.

On March 2, 2025, the Capital Market, Insurance and Savings Authority published a press release in which it announced that it selected Ness Fair Value Ltd. (hereinafter - "**NFV**") as the supplier, which revalues the institutional entities' illiquid debt assets.

NFV replaced Fair Spread Ltd., which has carried out the revaluation from 2011, covering non-complex illiquid debt assets, which are issued only in Israel. Under the new tender, the winning bidder will revalue all illiquid debt assets - issued both in and outside Israel - including complex debt assets. Furthermore, and in order to encourage trading through the trading platform for institutional entities (TASE-UP platform) NFV is responsible for providing specific prices for investment instruments traded in this system, provided that these investment instruments are held by institutional entities. NFV's preparations were completed at the beginning of January 2026.

As of January 6, 2026, the revaluation of illiquid debt assets is made by NFV.

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 disclosure purposes, is determined by discounting the estimated future cash flows from those assets. Discount rates are determined based on the risk-free interest rate plus a credit risk premium and an illiquidity premium.

The risk-free interest rate curve is based primarily on government bond yields; the spread (for credit risk and illiquidity) is estimated using economic models based on data regarding the issuer, such as the debt instrument issuer's share price, the spreads on the issuer's liquid bonds, the issuer's balance sheet details, or the issued instrument's credit rating.

The above spread is a significant unobservable input, and therefore the Group has transferred the illiquid debt assets quoted by NFV from Level 2 to Level 3 in the fair value hierarchy.

Designated bonds

Designated Hetz bonds (hereinafter - "**Hetz Bonds**") are illiquid and non-transferable bonds, which are issued (and repaid) by virtue of a series of agreements signed between the insurance companies and the State of Israel, and allocated at a certain rate of the insurance liabilities for insurance contracts, which include a guaranteed return savings component for the policyholder.

The Company calculates the fair value in accordance with the indirect approach, according to which the fair value calculation is based on the amortized cost of Hetz Bonds plus the excess value arising from the difference between the nominal interest on Hetz Bonds and the risk-free interest rate curve plus the illiquidity premium used in the financial statements. This calculation is similar to the method of calculation used in Solvency II-based economic solvency regime. The estimated cash flows of Hetz Bonds are based on expected cash flows in respect of insurance liabilities and therefore include assumptions regarding non-observable inputs, such as lapse rate, annuity takeup rate, retirement age, etc.

Notes to the Consolidated Financial Statements

NOTE 10 - FAIR VALUE OF FINANCIAL INSTRUMENTS (cont.)

Investment in illiquid shares

The fair value of shares for which there is no quoted market price, is determined by the discounted cash flow model. The valuation requires the Company to make certain assumptions regarding non-observable inputs included in the model.

Investment funds

The fair value of investment funds is based on the net asset value (NAV) reported by the funds periodically; when the financial reporting date differs from the balance sheet date, as is the case with most investment funds, adjustments are usually made for subsequent investments and distributions on a quarterly basis.

A. Financial instruments held against yield-dependent contracts

Fair value of financial instruments by level

	As of March 31, 2026			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Financial assets:				
Illiquid debt assets	-	-	2,904,626	2,904,626
Liquid debt assets	9,741,158	98,539	-	9,839,697
Equity instruments	11,352,451	305,065	471,858	12,129,374
Other investments	5,064,342	1,100,914	4,552,631	10,717,887
Total financial assets	<u>26,157,951</u>	<u>1,504,518</u>	<u>7,929,115</u>	<u>35,591,584</u>
Financial liabilities:				
Derivative instruments	<u>72,118</u>	<u>122,110</u>	<u>-</u>	<u>194,228</u>

In the three-month period ended March 31, 2026 there were no material transfers between Level 1 and Level 2 to Level 3. Regarding the transfer of illiquid debt assets from Level 2 to Level 3, see above in the beginning of the note.

	As of March 31, 2025			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Financial assets:				
Illiquid debt assets	-	3,357,146	29,954	3,387,100
Liquid debt assets	8,227,946	835,369	-	9,063,315
Equity instruments	8,641,217	8,915	513,808	9,163,940
Other investments	5,162,297	933,450	4,849,941	10,945,688
Total financial assets	<u>22,031,460</u>	<u>5,134,880</u>	<u>5,393,703</u>	<u>32,560,043</u>
Financial liabilities:				
Derivative instruments	<u>32,874</u>	<u>387,929</u>	<u>-</u>	<u>420,803</u>

In the three-month period ended March 31, 2025 there were no material transfers between Level 1 and Level 2 to Level 3, nor there were transfers from or to Level 3.

Notes to the Consolidated Financial Statements

NOTE 10 - FAIR VALUE OF FINANCIAL INSTRUMENTS (cont.)

A. Financial instruments held against yield-dependent contracts (cont.)

Fair value of financial instruments by level (cont.)

	As of December 31, 2025			
	Level 1	Level 2	Level 3	Total
	Audited			
	NIS thousand			
Financial assets:				
Illiquid debt assets	-	3,020,140	21,395	3,041,535
Liquid debt assets	9,760,264	35,774	-	9,796,038
Equity instruments	10,819,639	132,328	498,233	11,450,200
Other investments	5,599,115	1,299,738	4,497,985	11,396,838
Total financial assets	<u>26,179,018</u>	<u>4,487,980</u>	<u>5,017,613</u>	<u>35,684,611</u>
Financial liabilities:				
Derivative instruments	<u>16,073</u>	<u>29,611</u>	<u>-</u>	<u>45,684</u>

In 2025, there were no material transfers from Level 1 to Level 2, nor were there transfers from or to Level 3.

Notes to the Consolidated Financial Statements

NOTE 10 - FAIR VALUE OF FINANCIAL INSTRUMENTS (cont.)

A. Financial instruments held against yield-dependent contracts (cont.)

Financial instruments measured at fair value - Level 3

	As of March 31, 2026			
	Financial assets			
	Unaudited			
	NIS thousand			
	Illiquid debt instruments	Equity instruments	Other investments	Total financial assets
Balance as of January 1, 2026 (audited)	21,395	498,233	4,497,985	5,017,613
Total gains (losses) recognized in profit or loss (*)	(2,052)	(6,107)	44,615	36,456
Proceeds from interest and dividend	(33,248)	(3,705)	(45,620)	(82,573)
Purchases	207,622	2,183	172,449	382,254
Sales	-	(18,746)	(116,798)	(135,544)
Discharges	(309,231)	-	-	(309,231)
Transfers to Level 3	3,020,140	-	-	3,020,140
Balance as of March 31, 2026	<u>2,904,626</u>	<u>471,858</u>	<u>4,552,631</u>	<u>7,929,115</u>
(*) Recognized under "investment income (losses), net from assets held against insurance contracts and yield-dependent investment contracts".				
Total gains (losses) for the period included in profit or loss for assets and liabilities held as of March 31, 2026:				
Investment income (losses), net of assets held against insurance contracts and yield-dependent investment contracts	<u>(2,052)</u>	<u>(6,107)</u>	<u>44,615</u>	<u>36,456</u>

As stated above, as of January 6, 2026, the revaluation of illiquid debt assets is carried out by a new revaluation vendor. The discount interest rate used to calculate fair value, in particular the bond spread which embodies the credit risk premium and illiquidity premium, constitutes a significant unobservable figure, and therefore the fair value of illiquid debt assets was transferred from Level 2 to Level 3.

Notes to the Consolidated Financial Statements

NOTE 10 - FAIR VALUE OF FINANCIAL INSTRUMENTS (cont.)

B. Financial instruments held against yield-dependent contracts (cont.)

Financial instruments measured at fair value - Level 3 (cont.)

	As of March 31, 2025			
	Financial assets			
	Unaudited			
	NIS thousand			
	Illiquid debt instruments	Equity instruments	Other investments	Total financial assets
Balance as of January 1, 2025 (unaudited)	29,901	505,592	4,703,430	5,238,923
Total gains recognized in profit or loss *)	1,669	3,868	170,365	175,902
Proceeds from interest and dividend	(275)	(636)	(88,767)	(89,678)
Purchases	-	4,984	145,710	150,694
Sales	-	-	(80,797)	(80,797)
Discharges	(1,341)	-	-	(1,341)
Balance as of March 31, 2025	<u>29,954</u>	<u>513,808</u>	<u>4,849,941</u>	<u>5,393,703</u>
(*) Recognized under "investment income (losses), net from assets held against insurance contracts and yield-dependent investment contracts".				
Total gains for the period included in profit or loss for assets and liabilities held as of March 31, 2025:				
Investment income, net from assets held against insurance contracts and yield-dependent investment contracts	<u>1,394</u>	<u>11,689</u>	<u>81,995</u>	<u>95,078</u>

Notes to the Consolidated Financial Statements

NOTE 10 - FAIR VALUE OF FINANCIAL INSTRUMENTS (cont.)

A. Financial instruments held against yield-dependent contracts (cont.)

Financial instruments measured at fair value - Level 3 (cont.)

	As of December 31, 2025			
	Financial assets			
	Audited			
	NIS thousand			
	Illiquid debt instruments	Equity instruments	Other investments	Total financial assets
Balance as of January 1, 2025 (unaudited)	29,901	505,592	4,703,430	5,238,923
Total losses recognized in profit or loss *)	(1,752)	(24,200)	(86,172)	(112,124)
Proceeds from interest and dividend	(869)	(8,936)	(282,753)	(292,558)
Purchases	-	53,992	563,387	617,379
Sales	(425)	(28,215)	(399,907)	(428,547)
Discharges	(5,460)	-	-	(5,460)
Balance as of December 31, 2025	<u>21,395</u>	<u>498,233</u>	<u>4,497,985</u>	<u>5,017,613</u>

(*) Recognized under "investment income (losses), net from assets held against insurance contracts and yield-dependent investment contracts".

Total losses) for the period included in profit or loss for assets and liabilities held as of December 31, 2025:

Investment losses, net from assets held against insurance contracts and yield-dependent investment contracts

<u>(1,753)</u>	<u>(15,743)</u>	<u>(74,226)</u>	<u>(91,722)</u>
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Substantial non-observable data used in Level 3 fair value measurements

The following table provides qualitative and quantitative information regarding significant non-observable data used in level 3 fair value measurements:

March 31, 2026 (unaudited)					Sensitivity of fair value to change in inputs
Financial instrument	Valuation techniques	Significant non-observable inputs	Fair value (in NIS thousand)	Range (weighted average)	
Illiquid debt assets	Discounted cash flows	Discount rate	2,904,626	1.74% - 12.88% (4.51%)	A substantial increase in this data will lead to a substantial decrease in fair value

Notes to the Consolidated Financial Statements

NOTE 10 - FAIR VALUE OF FINANCIAL INSTRUMENTS (cont.)

B. Other financial instruments not held against yield-dependent contracts

Fair value of financial instruments by level

	As of March 31, 2026			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Financial assets:				
Illiquid debt instruments, excluding designated bonds	-	-	2,780,251	2,780,251
Designated bonds	-	-	3,088,796	3,088,796
Liquid debt instruments	7,275,940	62,046	-	7,337,986
Equity instruments	797,739	110,583	291,049	1,199,371
Other investments	740,422	236,117	3,512,762	4,489,301
Total financial assets	<u>8,814,101</u>	<u>408,746</u>	<u>9,672,858</u>	<u>18,895,705</u>
Financial liabilities:				
Derivative instruments	<u>45,646</u>	<u>34,386</u>	<u>-</u>	<u>80,032</u>

In the three-month period ended March 31, 2026 there were no material transfers between Level 1 and Level 2 to Level 3. Regarding the transfer of illiquid debt assets from Level 2 to Level 3, see above in the beginning of the note.

Fair value of financial instruments by level

	As of March 31, 2025			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Financial assets:				
Illiquid debt instruments, excluding designated bonds	-	3,168,547	45,384	3,213,931
Designated bonds	-	-	3,128,611	3,128,611
Liquid debt instruments	4,886,350	120,117	-	5,006,467
Equity instruments	794,634	4,235	331,813	1,130,682
Other investments	384,522	17,515	3,444,247	3,846,284
Total financial assets	<u>6,065,506</u>	<u>3,310,414</u>	<u>6,950,055</u>	<u>16,325,975</u>
Financial liabilities:				
Derivative instruments	<u>2,115</u>	<u>184,799</u>	<u>-</u>	<u>186,914</u>

In the three-month period ended March 31, 2025 there were no material transfers between Level 1 and Level 2 to Level 3, nor there were transfers from or to Level 3.

Notes to the Consolidated Financial Statements

NOTE 10 - FAIR VALUE OF FINANCIAL INSTRUMENTS (cont.)

B. Other financial instruments not held against yield-dependent contracts (cont.)

Fair value of financial instruments by level (cont.)

	As of December 31, 2025			
	Level 1	Level 2	Level 3	Total
	Audited			
	NIS thousand			
Financial assets:				
Illiquid debt instruments, excluding designated bonds	-	3,039,189	30,470	3,069,659
Designated bonds	-	-	3,144,036	3,144,036
Liquid debt instruments	6,869,532	38,887	-	6,908,419
Equity instruments	968,438	54,548	306,924	1,329,910
Other investments	690,721	267,825	3,394,735	4,353,281
Total financial assets	<u>8,528,691</u>	<u>3,400,449</u>	<u>6,876,165</u>	<u>18,805,305</u>
Financial liabilities:				
Derivative instruments	<u>25,127</u>	<u>7,766</u>	<u>-</u>	<u>32,893</u>

In 2025, there were no material transfers from Level 1 to Level 2, nor were there transfers from or to Level 3.

Notes to the Consolidated Financial Statements

NOTE 10 - FAIR VALUE OF FINANCIAL INSTRUMENTS (cont.)

B. Other financial instruments not held against yield-dependent contracts (cont.)

Financial instruments measured at fair value - Level 3

	For the 3-month period ended March 31, 2026				
	Financial assets				
	Unaudited				
	NIS thousand				
	Illiquid debt instruments, excluding designated bonds	Designated bonds	Equity instruments	Other investments	Total financial assets
Balance as of January 1, 2026 (audited)	30,470	3,144,036	306,924	3,394,734	6,876,164
Total gains (losses) recognized:					
In profit or loss (*)	(2,828)	(55,240)	(11,998)	97,004	26,938
Proceeds from interest and dividend	(27,362)	-	(2,134)	(50,117)	(79,613)
Purchases	93,939	-	6,245	140,622	240,806
Sales	-	-	(7,988)	(69,481)	(77,469)
Discharges	(353,158)	-	-	-	(353,158)
Transfers to Level 3	3,039,190	-	-	-	3,039,190
Balance as of March 31, 2026	<u>2,780,251</u>	<u>3,088,796</u>	<u>291,049</u>	<u>3,512,762</u>	<u>9,672,858</u>
(*) Recognized in the 'Investment income (losses), net' line item.					
Total gains (losses) for the period included in profit or loss for assets and liabilities held as of March 31, 2026:					
Investment income (losses), net of assets held against insurance contracts and non-yield-dependent investment contracts, equity and other liabilities	<u>(2,693)</u>	<u>(55,240)</u>	<u>(11,998)</u>	<u>93,219</u>	<u>23,288</u>

As stated above, as of January 6, 2026, the revaluation of illiquid debt assets is carried out by a new revaluation vendor. The discount interest rate used to calculate fair value, in particular the bond spread which embodies the credit risk premium and illiquidity premium, constitutes a significant unobservable figure, and therefore the fair value of illiquid debt assets was transferred from Level 2 to Level 3.

Notes to the Consolidated Financial Statements

NOTE 10 - FAIR VALUE OF FINANCIAL INSTRUMENTS (cont.)

B. Other financial instruments not held against yield-dependent contracts (cont.)

Financial instruments measured at fair value - Level 3 (cont.)

	For the 3-month period ended March 31, 2025				
	Financial assets				
	Unaudited				
	NIS thousand				
	Illiquid debt instruments, excluding designated bonds	Designated bonds	Equity instruments	Other investments	Total financial assets
Balance as of January 1, 2025 (unaudited)	43,717	3,143,931	317,037	3,310,395	6,815,080
Total gains (losses) recognized:					
In profit or loss (*)	3,149	(15,320)	10,714	142,498	141,041
Proceeds from interest and dividend	(867)	-	(510)	(51,590)	(52,967)
Purchases	-	-	4,572	105,629	110,201
Sales	-	-	-	(62,685)	(62,685)
Discharges	(615)	-	-	-	(615)
Balance as of March 31, 2025	<u>45,384</u>	<u>3,128,611</u>	<u>331,813</u>	<u>3,444,247</u>	<u>6,950,055</u>
(*) Recognized in the 'Investment income (losses), net' line item.					
Total gains (losses) for the period included in profit or loss for assets and liabilities held as of March 31, 2025:					
Investment income (losses), net of assets held against insurance contracts and non-yield-dependent investment contracts, equity and other liabilities					
	<u>2,282</u>	<u>(15,320)</u>	<u>10,204</u>	<u>11,946</u>	<u>9,112</u>

Notes to the Consolidated Financial Statements

NOTE 10 - FAIR VALUE OF FINANCIAL INSTRUMENTS (cont.)

B. Other financial instruments not held against yield-dependent contracts (cont.)

Financial instruments measured at fair value - Level 3 (cont.)

	For the year ended December 31, 2025				
	Financial assets				
	Audited				
	NIS thousand				
	Illiquid debt instruments, excluding designated bonds	Designated bonds	Equity instruments	Other investments	Total financial assets
Balance as of January 1, 2025 (unaudited)	43,717	3,143,931	317,036	3,310,394	6,815,078
Total gains (losses) recognized:					
In profit or loss (*)	(5,630)	229,600	(6,252)	93,080	310,798
Proceeds from interest and dividend	(2,774)	(130,900)	(4,141)	(189,323)	(327,138)
Purchases	24	96,887	21,688	452,781	571,380
Sales	(139)	-	(21,407)	(272,197)	(293,743)
Discharges	(4,728)	(195,482)	-	-	(200,210)
Balance as of December 31, 2025	<u>30,470</u>	<u>3,144,036</u>	<u>306,924</u>	<u>3,394,735</u>	<u>6,876,165</u>
(*) Recognized in the 'Investment income (losses), net' line item.					
Total gains (losses) for the period included in profit or loss for assets and liabilities held as of December 31, 2025:					
Investment income (losses), net of assets held against insurance contracts and non-yield-dependent investment contracts, equity and other liabilities					
	<u>(2,421)</u>	<u>222,687</u>	<u>(7,671)</u>	<u>93,681</u>	<u>306,276</u>

Substantial non-observable data used in Level 3 fair value measurements

The following table provides qualitative and quantitative information regarding significant non-observable data used in level 3 fair value measurements:

Financial instrument	Valuation techniques	Significant non-observable inputs	March 31, 2026 (unaudited)		Sensitivity of fair value to change in inputs
			Fair value (in NIS thousand)	Range (weighted average)	
Illiquid debt assets	Discounted cash flows	Discount rate	2,780,251	1.78% - 13.32% (3.79%)	A substantial increase in this data will lead to a substantial decrease in fair value

Notes to the Consolidated Financial Statements

NOTE 10 - FAIR VALUE OF FINANCIAL INSTRUMENTS (cont.)

B. Other financial instruments not held against yield-dependent contracts (cont.)

Financial instruments measured at fair value for disclosure purposes only

	As of March 31, 2026	
	Carrying value	Fair value
	Unaudited	
	NIS thousand	
Financial assets:		
Other financial investments measured at depreciated cost:		
<u>Illiquid debt instruments:</u>		
Deposits with banks and financial institutions	91,067	95,053
Treasury deposits	4,518,716	5,374,143
Illiquid corporate bonds	232,756	239,978
Loans (including investees)	6,126,497	6,167,510
Total financial assets	10,969,036	11,876,684
Financial liabilities:		
Loans from banking corporations	2,705,103	2,705,103
Commercial papers	500,887	500,887
Non-convertible bonds	2,765,582	2,813,278
Liabilities for financial guarantee contracts	10,650	10,650
Liabilities to pay standing orders	902,383	902,383
Lease liabilities	71,579	
Total financial liabilities	6,956,184	6,932,301

Notes to the Consolidated Financial Statements

NOTE 10 - FAIR VALUE OF FINANCIAL INSTRUMENTS (cont.)

B. Other financial instruments not held against yield-dependent contracts (cont.)

Financial instruments measured at fair value for disclosure purposes only (cont.)

	As of March 31, 2025	
	Carrying value	Fair value
	Unaudited	
	NIS thousand	
Financial assets:		
Other financial investments measured at depreciated cost:		
<u>Illiquid debt instruments:</u>		
Deposits with banks and financial institutions	178,243	184,972
Treasury deposits	4,540,925	5,395,338
Illiquid corporate bonds	254,812	262,635
Loans (including investees)	4,405,255	4,404,559
Total financial assets	9,379,235	10,247,504
Financial liabilities:		
Loans from banking corporations	1,403,480	1,403,480
Commercial papers	200,380	200,380
Non-convertible bonds	2,310,325	2,264,729
Liabilities for financial guarantee contracts	12,691	12,691
Liabilities to pay standing orders	782,127	782,127
Lease liabilities	59,247	
Total financial liabilities	4,768,250	4,663,407

Notes to the Consolidated Financial Statements

NOTE 10 - FAIR VALUE OF FINANCIAL INSTRUMENTS (cont.)

B. Other financial instruments not held against yield-dependent contracts (cont.)

Financial instruments measured at fair value for disclosure purposes only (cont.)

	As of December 31, 2025	
	Carrying value	Fair value
	Audited	
	NIS thousand	
Financial assets:		
Other financial investments measured at depreciated cost:		
<u>Illiquid debt instruments:</u>		
Deposits with banks and financial institutions	95,897	100,913
Treasury deposits	4,573,956	5,506,565
Illiquid corporate bonds	232,043	242,414
Loans (including investees)	5,666,343	5,658,914
Total financial assets	10,568,239	11,508,806
Financial liabilities:		
Loans from banking corporations	2,292,206	2,292,206
Commercial papers	500,920	500,920
Non-convertible bonds	2,765,274	2,836,012
Liabilities for financial guarantee contracts	11,462	11,462
Liabilities to pay standing orders	873,410	873,410
Loan from non-controlling interests	5,683	5,683
Lease liabilities	70,807	
Total financial liabilities	6,519,762	6,519,693

Notes to the Consolidated Financial Statements

NOTE 11 - CONTINGENT LIABILITIES

A. Class actions and motions to certify lawsuits as class actions

In recent years, there has been a significant increase in the number of motions to certify claims as class actions filed against the Group and in the number of lawsuits recognized as class actions. This is part of an overall increase in motions to certify claims as class actions in general, including against companies engaged in the Group's areas of activity, which stems mainly from the enactment of the Class Actions Law, 2006 (hereinafter - the "**Class Actions Law**"). This trend substantially increases the Group's potential exposure to losses in the event of the lawsuit being certified as a class action against it.

A motion to certify a class action lawsuit may be filed in a lawsuit of a type as detailed in the above-mentioned law, or in a matter with respect to which another statutory provision explicitly stipulates that a class action lawsuit may be filed. It is noted that, since 2006, the definition of a claim in which a class action certification motion may be filed against group companies has become an extremely broad definition, including any issue arising between a company and a customer, regardless of whether or not the parties have engaged in a transaction. In order for a motion to certify a class action lawsuit to be granted, the lead plaintiff must prove, among other things: (1) the existence of a personal cause of action; (2) that the cause of action is sufficiently well established to give the plaintiff a prima facie chance to win the lawsuit; (3) that the cause of action raises a substantive question of fact or law that is common to all members of the represented class, and there is a reasonable possibility that the common questions would be decided in favor of the class; (4) that the dispute can be fairly and efficiently adjudicated as a class action lawsuit; (5) that the plaintiff and its counsel are suitable representatives of the represented class.

Motions to certify claims as class actions are filed through the hearing procedure mechanism set forth in the Class Actions Law. The hearings procedure for motions to certify claims as class actions is divided into two main stages: The first stage is the motion to certify (hereinafter - the "**motion to certify**" and the "**certification stage**", respectively). If the motion to certify is rejected by the court - the hearing stage at the class action level ends. A ruling at the approval stage may be subject to a motion for leave to appeal to the appellate courts. In the second stage, if the motion to certify is accepted, the class action will be heard (hereinafter - the "**class action stage**"). A judgment at the class action stage can be appealed to the appellate courts.

Within the mechanism of the Class Actions Law, there are also, inter alia, specific settlement agreements, both in the certification stage and in the class action stage, as well as arrangements with regard to the plaintiff's withdrawal of the motion to certify or class action lawsuit.

For motions to certify claims as class actions in which the Company's and/or the consolidated companies' defense claims are "more likely than not" to be denied and the proceeding is "more likely than not" to be dismissed (on its merits, or – for a class action lawsuit – to not be certified as a class action lawsuit by the court), according to the management's assessment, based (among other things) on legal opinions it has received – no provision was included in the Financial Statements. For proceedings where it is more likely than not that the defense claims of the Company and/or consolidated companies will be dismissed, in whole or in part, the Financial Statements include provisions to cover the exposure estimated by the Company and/or consolidated companies. For proceedings in preliminary stages whose odds cannot be estimated, no provision was included in the financial statements, see Section B, Subsections 7-15, Section C, Subsections 2-7 and 9-31, and Section D, Subsections 1-3. For cases in which the company and/or any of the consolidated companies are willing to settle, a provision has been made according to the willingness to settle, even if it is "more likely than not" that the Company's and/or the consolidated companies' defense claims would be granted, or the proceeding is at a preliminary stage and it is impossible to estimate the proceeding's odds.

Notes to the Consolidated Financial Statements

NOTE 11 - CONTINGENT LIABILITIES (cont.)

With respect to the motions to certify claims as class actions described in Section B, Subsections 1-6 and Section C Subsections 1 and 8 below, that the District Court has certified as class action lawsuits – the financial statements include provisions to cover the exposure, as estimated by the Company and/or the consolidated companies, unless, according to the management's assessment, that is based, among other things, on legal opinions it has received, it is "more likely than not" that the Company's and/or the consolidated companies' defense claims on the substantive lawsuit would be accepted, and the lawsuit would be denied, even if it is adjudicated as a class action lawsuit.

It is noted that, for the purposes of this note, lawsuits and motions to certify them as class action lawsuits are deemed material if the claimed amount therein exceed NIS 15 million.

Notes to the Consolidated Financial Statements

NOTE 11 - CONTINGENT LIABILITIES (cont.)

B. Following is a breakdown of the motions with respect to material lawsuits and motions to certify them as class actions:

Serial No.	Date and court (1)	Parties	Main arguments, causes and remedies	Represented class (2)	Details	Claimed amount (3)
1.	01/2008 District Court - Tel Aviv	Life insurance policyholders v. Menora Insurance and additional insurance companies.	The claim is of alleged unlawful overcharging with a payment component in the policies, known as the "sub-annuals" component. Causes of action: breach of the relevant statutory provisions, bad faith, and unjust enrichment. The main remedies being sought: refund of the total sub-annuals that were collected unlawfully, as well as a mandatory injunction ordering the defendants to change their modus operandi.	Any policyholder who has been charged due to the payment component of the policies known as the "sub-annuals," in circumstances and at an amount that deviate from the provisions of the law.	On July 19, 2016, the District Court ruled in favor of certifying the lawsuit as a class action lawsuit. The main cause of action that has been approved is unjust enrichment, and other asserted causes of action were denied. The sought remedy is a refund of the sums that were collected unlawfully in the seven years preceding the day the lawsuit was filed, and a mandatory injunction ordering the defendant to rectify its conduct. On September 26, 2016, the plaintiff appealed the rejection of the individual claim against some of the respondents (including Menora Insurance) before the Supreme Court, concerning the collection of "sub-annuals" at a rate that is claimed to exceed the lawfully permitted rate. On December 15, 2016, Menora Insurance filed a motion for leave to appeal the decision to certify the lawsuit as a class action lawsuit. On May 31, 2018, a judgment was rendered that granted the motion for leave to appeal and denied the appeal; however, on June 26, 2018, the plaintiff filed a motion for a further hearing on the judgment. On July 2, 2019, the Supreme Court granted the motion for a further hearing. On July 4, 2021, a judgment was rendered in the petition for a further hearing, stating that the ruling that certified the lawsuit as a class action would be reinstated, such that the motion to certify would be granted and the case would be returned to the District Court to hear the class action lawsuit on its merits. The lawsuit is under a mediation procedure.	Approx. NIS 2.3 billion, for the last 7 years. Of which, approx. NIS 229 million are attributed to Menora Insurance.

- (1) The date the lawsuits and the motions were filed is the original date on which they were filed. The indicated court is the court before which the proceeding had initially been brought.
- (2) Based on the class the plaintiff sought to represent in accordance with the statement of claim, which is the basis for the estimated amount claimed.
- (3) The claimed amount stated above is the amount the plaintiff had estimated when the lawsuit was filed. The amounts specified in the lawsuits are the plaintiff's estimates, according to the estimated class the plaintiff seeks to represent. In some lawsuits, the plaintiff did not name the claimed amount, and therefore, it was not specified. To the extent that the plaintiff specified an amount attributed to the company, this is noted expressly.

Notes to the Consolidated Financial Statements

NOTE 11 - CONTINGENT LIABILITIES (cont.)

B. Following is a breakdown of the motions with respect to material lawsuits and motions to certify them as class actions: (cont.)

Serial No.	Date and court (1)	Parties	Main arguments, causes and remedies	Represented class (2)	Details	Claimed amount (3)
2.	07/2014 District Court - Central	NGOs and organizations that serve the pensioner population v. Mivtachim Pension and Provident and additional management companies.	Raising the management fees pensioners pay to the maximum management fees permitted by law (0.5% of the accrued balance), while taking advantage of the pensioners' status as a "captive audience" that is barred from moving its accrual to other pension funds, while active colleagues pay significantly lower management fees on average (approx. 0.3% of their accrued balance and approx. 2% of their current contributions). It was further claimed that the defendants do not disclose to their planholders that when they become pensioners, the management fees they pay the defendants would immediately be raised to the maximum management fees. Causes of action: bad faith misuse of a contractual right, the respondents' cartelistic conduct, breach of the fiduciary duties and the duties of care towards the respondents' planholders, breach of the duty of disclosure towards the planholders, an unduly disadvantageous condition in a standard contract, unjust enrichment, breach of statutory duty, and an unlawful failure to notify the planholders of the increased management fees on the eve of their retirement. Main remedies requested: (a) to return the excess management fees unlawfully charged from the class members with interest and linkage; (b) to require the respondents to lower the management fees charged to the pensioners, such that they do not exceed the management fees it charged before each one of them retired; (c) to prohibit the respondents from raising each planholder's management fees immediately before their retirement.	Anyone who is a planholder of a comprehensive new pension fund and is entitled to be paid an old-age pension and/or will be entitled to be paid an old-age pension in the future.	Menora Mivtachim Pension and Provident Funds has submitted its response to the motion. Further to the parties' announcement that the mediation process had failed, the lawsuit was returned to the court for further adjudication. On March 18, 2022, the District Court (Central District) certified the lawsuit as a class action lawsuit. Pursuant to the court's recommendation, the parties entered a mediation proceeding. On January 19, 2026, the parties filed a motion to approve a settlement agreement.	Approx. NIS 48 million for all defendants

Notes to the Consolidated Financial Statements

NOTE 11 - CONTINGENT LIABILITIES (cont.)

B. Following is a breakdown of the motions with respect to material lawsuits and motions to certify them as class actions: (cont.)

Serial No.	Date and court (1)	Parties	Main arguments, causes and remedies	Represented class (2)	Details	Claimed amount (3)
3.	09/2015 District Court - Tel Aviv	An insurance policyholder v. Menora Insurance	The defendant's (alleged) conscious and deliberate policy of disregard for its duty, as required by law and by decided case law, by paying insurance benefits without the lawful interest. Causes of action: unjust enrichment, breach of contract, deprivation, breach of the Commissioner's Directives, and breach of statutory duty. The main sought remedies: to declare and find that the defendant is in breach of its duty to add the lawful interest and linkage to the insurance benefits it pays, and ordering it to rectify its policy immediately and hereafter; to compel the defendant to pay the class members linked interest in accordance with the law, as defined in Section 1 of the Adjudication of Interest and Linkage Law, 1961, or in accordance with the contractual interest rate stipulated in the policy (whichever is higher), for the period commencing on the date of the occurrence of the insured event and ending on the actual insurance benefits payment date, and alternatively, for the period commencing 30 days from the date of delivery of the insurance claim to the defendant and until the actual insurance benefits payment date; to compel the defendant to pay the class members linkage differences and interest due to its underpayment, from the date of underpaying the insurance benefits and until the day the defendant pays the class members the linked interest; in addition and/or alternatively, should the court find that paying the class members damages is impractical – to order the defendant to compensate the general public.	Anyone who was paid insurance benefits from the defendants in the 7 years preceding the day the lawsuit had been filed and/or who will be paid insurance benefits by the respondent before a judgment is rendered in the lawsuit, without lawfully adding interest to the insurance benefits.	The lawsuit, as detailed below, was certified as a class action lawsuit. It is noted that a judgment has recently been rendered in a similar matter (hereinafter – the "Barr Affair") against other insurance companies, which stated that "the claim filing date" (within the meaning of Section 28A to the Insurance Contract Law) on which the 30-day race shall commence, and after which linked interest must be added to the insurance benefits, is the date the insurance company or the insurance agent, whichever is earlier, first received a communication indicating that the policyholder (or a third party or beneficiary) wishes to receive insurance benefits, without needing to attach any document. On May 18, 2021, the defendants in the Barr Affair appealed the judgment before the Supreme Court. At the same time, the District Court certified the lawsuit against Menora Insurance and Shomera on May 26, 2021 (Section 9 below) as a class action lawsuit. Menora Insurance filed its statement of defense on December 14, 2021. On March 13, 2022, the District Court stayed the proceedings in the case, pending a decision on the appeal in the Barr Affair. On November 9, 2022, a ruling was rendered on the Barr Affair, pursuant to which the motion for leave to appeal was denied. Accordingly, the adjudication of the lawsuit in the District Court was resumed.	At least approx. NIS 50 million

Notes to the Consolidated Financial Statements

NOTE 11 - CONTINGENT LIABILITIES (cont.)

B. Following is a breakdown of the motions with respect to material lawsuits and motions to certify them as class actions: (cont.)

Serial No.	Date and court (1)	Parties	Main arguments, causes and remedies	Represented class (2)	Details	Claimed amount (3)
4.	10/2015 District Court - Tel Aviv	Insurance policyholders v. Shomera Insurance	A lawsuit in which the subject matter, causes of action, and main sought remedies are similar to the lawsuit described above in Section 3.	Anyone who received insurance benefits from the defendant in the 7 years prior to filing the lawsuit and/or at least during the 3 years prior to filing the lawsuit, and/or who will have received insurance benefits from the defendant by the time a judgment is rendered in the lawsuit, without the lawful interest being added to the insurance benefits.	The lawsuit was certified as a class action. See details in Section 3 above.	At least approx. NIS 20 million
5.	07/2018 District Court - Central	Motor insurance policyholders v. Menora Insurance	Failure to compensate policyholders who purchased "motor insurance policies for non-private vehicles and commercial vehicles weighing up to 3.5 tons" for impairment damage caused to their vehicles due to an insured accident. The main causes of action are: breach of contract, unjust enrichment, misleading, bad faith and exploitation of distress and an unduly disadvantageous condition in a standard contract. The main remedies being sought: to issue a mandatory injunction/declaratory remedy and order the defendant to recognize the impairment damage due to an accident as covered damage under the policy; to compensate its policyholders for impairment damage due to an accident, and to award any other remedy that the Honorable Court deems equitable under the circumstances.	All of the respondent's policyholders who were insured under a 'motor insurance policy for non-private vehicles and commercial vehicles weighing up to 3.5 tons,' and whose vehicles had a traffic accident that resulted in their vehicles suffering impairment damage for which the respondent did not compensate them.	The lawsuit is at the stage of motion to certify as a class action. Menora Insurance has submitted its response to the motion. The mediation proceeding between the parties was unsuccessful and the case was returned to the Court. The lawsuit is at the summation stage. On April 10, 2026, the Court certified the lawsuit as a class action.	NIS 63 million

Notes to the Consolidated Financial Statements

NOTE 11 - CONTINGENT LIABILITIES (cont.)

B. Following is a breakdown of the motions with respect to material lawsuits and motions to certify them as class actions: (cont.)

Serial No.	Date and court (1)	Parties	Main arguments, causes and remedies	Represented class (2)	Details	Claimed amount (3)
6.	12/2018 District Court - Tel Aviv	A private dwelling insurance policyholder v. Menora Insurance et al.	The action concerns allegations of unlawful overcharging of insurance premiums in respect of redundant insurance policies issued to property owners who had taken out mortgage loans and were required to insure the property in favor of the lending bank, notwithstanding that, at the time of issuance, an existing policy—either with the same insurer or another insurer—already provided coverage for the same property for the same period. According to the claim, this was carried out in violation of statutory provisions and while misleading the policyholders. The main causes of action asserted in the motion include, among others: misrepresentation, breach of the duty of good faith, negligence, unjust enrichment, and breach of statutory duty. The main remedies the plaintiffs are petitioning for are: a refund of the excessive premium amounts they were unlawfully charged, allegedly, as well as a mandatory injunction compelling the respondents to change their modus operandi.	Anyone who took out a mortgage loan from one or more of Respondents 4-7 and was insured by one or more of Respondents 1-3 under a private dwelling insurance policy that is one of two or more policies in connection with the same structure during the same period.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion. The lawsuit is at the summation stage. On November 24, 2023, the Court approved the motion to certify the lawsuit as a class action lawsuit. On April 1, 2025, a motion was filed to approve a settlement agreement that is subject to the court's approval.	Approx. NIS 280 million for all defendants

Notes to the Consolidated Financial Statements

NOTE 11 - CONTINGENT LIABILITIES (cont.)

B. Following is a breakdown of the motions with respect to material lawsuits and motions to certify them as class actions: (cont.)

Serial No.	Date and court (1)	Parties	Main arguments, causes and remedies	Represented class (2)	Details	Claimed amount (3)
7.	11/2019 District Court - Tel Aviv	A health insurance policyholder v. Menora Insurance	The motion concerns the claim that the defendant allegedly raises the insurance premiums in contrast with the insurance premiums variation table in the list of terms attached to the policy, and, furthermore, that it changes the insurance premiums during the insurance period, such that fixed insurance premiums become variable insurance premiums, unilaterally and – allegedly – against the law.	All the defendant's policyholders, including in health, long-term care, and life insurance policies of any kind, for whom the defendant raised the insurance premiums, at times and at rates that are not detailed in the policy, in the 7 years prior to filing the lawsuit, and/or policyholders for whom the defendant raised the insurance premiums even though their policies are claimed to have clarified that their insurance premiums are fixed.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion. The lawsuit is under a mediation procedure. On March 10, 2021, the movant announced that the mediation process had ended without reaching a consensus, and the case was returned to the court. On August 2, 2021, there was a pre-trial hearing, in which the parties agreed to hold another mediation process. Further to the unsuccessful mediation and conciliation proceeding, the lawsuit is in the summation stage. Pursuant to the court hearing, the parties entered an additional mediation proceeding. On December 30, 2025, the parties filed with the Court a motion to approve a settlement agreement.	At least NIS 25 million

Notes to the Consolidated Financial Statements

NOTE 11 - CONTINGENT LIABILITIES (cont.)

B. Following is a breakdown of the motions with respect to material lawsuits and motions to certify them as class actions: (cont.)

Serial No.	Date and court (1)	Parties	Main arguments, causes and remedies	Represented class (2)	Details	Claimed amount (3)
8.	04/2020 District Court - Haifa	A policyholder v. Menora Insurance et al.	The motion concerns the claim that the defendants have been collecting excessive insurance premiums on compulsory motor and property insurance policies, despite the significantly lower risk in light of the dramatic reduction in mileage volumes following the spread of Covid-19.	All compulsory motor insurance or comprehensive or third party insurance policyholders during the “effective period” or part thereof, i.e., from March 8, 2020, and until the full and absolute revocation of the movement restrictions imposed on the residents of Israel due to Covid-19.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion. The lawsuit is at the summation stage. On August 25, 2025, the District Court handed down a judgment dismissing the certification motions. On November 12, 2025, the movants appealed the District Court’s judgment to the Supreme Court.	NIS 132 million
9.	04/2020 District Court - Haifa	A policyholder v. Shomera Insurance et al.	The motion concerns the claim that the defendants have been collecting excessive insurance premiums on compulsory motor and property insurance policies, despite the significantly lower risk in light of the dramatic reduction in mileage volumes following the spread of Covid-19.	All compulsory motor insurance or comprehensive or third party motor insurance policyholders during the “effective period” or part thereof, i.e., from March 8, 2020, and until the full and absolute revocation of the movement restrictions imposed on the residents of Israel due to Covid-19.	The lawsuit is at the stage of certification as a class action. Shomera Insurance has yet to submit its response to the motion. The lawsuit is at the summation stage. On August 25, 2025, the District Court handed down a judgment dismissing the certification motions. On November 12, 2025, the movants appealed the District Court’s judgment to the Supreme Court.	NIS 74 million

Notes to the Consolidated Financial Statements

NOTE 11 - CONTINGENT LIABILITIES (cont.)

B. Following is a breakdown of the motions with respect to material lawsuits and motions to certify them as class actions: (cont.)

Serial No.	Date and court (1)	Parties	Main arguments, causes and remedies	Represented class (2)	Details	Claimed amount (3)
10.	04/2020 District Court - Central	A policyholder v. Menora Insurance et al.	The motion concerns the claim that the defendants do not reduce and do not refund their compulsory motor insurance and comprehensive and third party motor property insurance policyholders for the allegedly excessive insurance premiums they had paid, in light of the extremely reduced risk level to which the defendants are exposed following the dramatic reduction in economic activity due to Covid-19 outbreak and the reduced volumes of road traffic.	All the defendants' policyholders who held compulsory motor insurance or comprehensive property and third party motor insurance policies on March 12, 2020, and until the date the lawsuit was filed (hereinafter - the " Relevant Period ") and who did not receive a refund or reduced insurance premiums with respect to this period, at a rate and at an amount that correspond to the reduction in the insurance risk.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion. The lawsuit is at the summation stage. On August 25, 2025, the District Court handed down a judgment dismissing the certification motions. On November 12, 2025, the movants appealed the District Court's judgment to the Supreme Court.	NIS 107 million
11.	08/2020 District Court - Central	A planholder v. Menora Insurance et al.	The lawsuit concerns the claim that when stipulating an exclusion in the policy due to the policyholder's medical condition, the defendants allegedly charge an excess premium, because the exclusion is claimed to reduce the insurer's insurance risk, compared with policies with no exclusions.	Anyone who was a policyholder in the period beginning 7 years before the day of filing the claim and ending on the day of its certification as a class action, under an insurance policy for disability, long-term care, life, PHI, personal accidents, health (including critical illness, surgeries and transplants in Israel or abroad, medications, ambulatory procedures or any other medical coverage) that contains an exclusion.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion. The lawsuit is under a mediation procedure.	Approx. NIS 1.9 billion for all defendants, of which, an estimated 6% are against Menora Insurance.

Notes to the Consolidated Financial Statements

NOTE 11 - CONTINGENT LIABILITIES (cont.)

B. Following is a breakdown of the motions with respect to material lawsuits and motions to certify them as class actions: (cont.)

Serial No.	Date and court (1)	Parties	Main arguments, causes and remedies	Represented class (2)	Details	Claimed amount (3)
12.	12/2020 District Court - Central	A policyholder v. Menora Insurance	The lawsuit concerns the claim that the defendant markets health insurance policies that include riders that are intended to provide the policyholders with medical services, but in practice, allegedly, the medical service is not provided, or it is provided only partially by the defendant or anyone on its behalf. The main causes of action according to the motion are, inter alia: breach of contract, breach of the duty of good faith in fulfilling a contract, unjust enrichment. The main remedies the plaintiffs are petitioning for are: reimbursement of the insurance premiums that were allegedly charged unlawfully, reimbursement of any amount the class members paid for treatment privately, and alternatively, the difference between any amount thus paid and the amount received from the defendant, and reimbursement of deductible amounts; the above – plus linkage differences and interest.	All the defendant's policyholders that have health insurance policies that include riders, to whom the service was not provided by the defendant or anyone on its behalf in practice, in the 3 years prior to filing the lawsuit (regarding payment of insurance benefits), and 7 years prior to filing the lawsuit (regarding the reimbursement of insurance premiums), as applicable.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion. The lawsuit is under a mediation procedure. The mediation process had failed, the lawsuit was returned to the court for further adjudication. The lawsuit is at the summation stage.	NIS 46.4 million
13.	07/2021 District Court - Tel Aviv	A policyholder v. Menora Insurance et al.	The lawsuit concerns the claim that when paying pensions, the defendant reduces the accrued monthly return for the "cash surrender value" balance, at a rate of 2.5% (or any other rate), allegedly without a contractual basis in the policy's terms and in contravention of the law. The main causes of action are, inter alia: breach of contract, breach of statutory duty, breach of duty of disclosure, breach of fiduciary duty and the duty of good faith, and unjust enrichment. The main remedies are, inter alia: to issue a declaratory order stating that deducting the interest from the monthly return is a breach in accordance with the aforementioned causes of action, and to order the recovery of all amounts that were unlawfully withheld, plus linkage differences and interest, as well as to order the defendants to cease deducting interest from the monthly return.	All of the defendant's policyholders who purchased life insurance policies that include savings accrual from the defendant, issued between the years 1991 and 2004, from whom interest was and/or will be deducted at a rate that is not specified in the policy.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion. The lawsuit is under a mediation procedure.	Much higher than NIS 2.5 million

Notes to the Consolidated Financial Statements

NOTE 11 - CONTINGENT LIABILITIES (cont.)

B. Following is a breakdown of the motions with respect to material lawsuits and motions to certify them as class actions: (cont.)

Serial No.	Date and court (1)	Parties	Main arguments, causes and remedies	Represented class (2)	Details	Claimed amount (3)
14.	09/2022 District Court - Tel Aviv	A policyholder v. Menora Insurance and additional insurance companies	The lawsuit concerns the claim that the defendants violate the terms of the insurance contract between the parties by refusing to cover medical cannabis purchase expenses.	All of the defendants' policyholders who had purchased coverage for pharmaceuticals that are excluded from the Healthcare Services Basket, who were not reimbursed for their medical cannabis expenses.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion. The lawsuit is under a mediation procedure.	NIS 30 million (at least)
15.	01/2026 District Court - Tel Aviv	Shareholder v. Menora Holdings et al.	The action concerns allegations that Menora Holdings breached its disclosure obligations applicable to it with respect to the occurrence or suspected occurrence of alleged criminal acts, and regarding the likelihood of prosecution of Menora Holdings and its officers. The main causes of action are breach of disclosure obligations and misleading of public shareholders. The principal relief sought is damages to the class members for impairment of the share price resulting from the aforementioned breach of disclosure and reporting obligations.	All persons from among the public who held shares of Menora Holdings at the end of the trading day on December 29, 2025, prior to the report.	The lawsuit is at the stage of certification as a class action. Menora Holdings has yet to submit its response to the motion.	Between NIS 589 and NIS 836 million.

Notes to the Consolidated Financial Statements

NOTE 11 - CONTINGENT LIABILITIES (cont.)

C. Other lawsuits:

In addition to the material lawsuits and motions to certify them as class action lawsuits, as detailed above, which were certified or which are pending certification, there are other such lawsuits and motions to certify them as class action lawsuits, for which the claimed amount in each of them is immaterial, and therefore, no detailed description of them is included in the financial statements:

Serial No.	Date and court	Parties	Main arguments	Details	Claimed amount
1.	08/2019 District Court - Central	Israel Consumers Council v. Menora Insurance et al.	The lawsuit concerns the claim that when there is a total loss event following an accident or theft (hereinafter - the “ insured event ”), the defendants do not return the rate of the insurance premiums attributed to the policy’s various riders (e.g., roadside repairs, towing, and windshield repair) for the remaining insurance period after the date of the aforementioned insured event.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion. On December 5, 2023, the Court certified the lawsuit as a class action. On February 1, 2024, Menora Insurance filed a motion to appeal the decision to the Supreme Court. The hearing on the motion for leave to appeal took place on May 22, 2024, and Menora Insurance withdrew the motion for leave to appeal in accordance with the court’s recommendation. The lawsuit is at the summation stage.	Not quantified, in the absence of data (the lead plaintiffs estimate that the damage to all class members is measurable in tens of millions of NIS).
2.	08/2019 District Court - Central	Israel Consumers Council v. Shomera et al.	A lawsuit in which the subject matter, causes of action, and main sought remedies are similar to the lawsuit described above in Section 1.	The lawsuit is at the stage of certification as a class action. Shomera has submitted its response to the motion. See further details in Section 1 above.	Not quantified, in the absence of data (the lead plaintiffs estimate that the damage to all class members is measurable in tens of millions of NIS).
3.	05/2020 District Court - Tel Aviv	A planholder v. Menora Mivtachim Pension and Provident Funds and Menora Mivtachim, Israel Engineers Association et al.	The lawsuit concerns the claim that the defendants erroneously record some of the contributions into study funds as contributions that exceed the qualifying contribution ceiling, and therefore, the gains arising from these contributions are taxed with the capital gains tax.	The lawsuit is at the stage of certification as a class action. Menora Mivtachim Pension and Provident Funds has submitted its response to the motion. The lawsuit is under a mediation procedure.	Not quantified.

Notes to the Consolidated Financial Statements

NOTE 11 - CONTINGENT LIABILITIES (cont.)

C. Other lawsuits: (cont.)

Serial No.	Date and court	Parties	Main arguments	Details	Claimed amount
4.	02/2021 Lod District Court	A policyholder v. Menora Insurance	The lawsuit concerns the claim that the defendant interprets the provisions of the Supervision of Insurance Business Regulations, according to which only claims submitted by the policyholder and whose amount exceeds 35% of the annual premium paid by the policyholder may be included in the policyholder's claims report, in an arbitrary manner and in bad faith, in that its report also includes cases in which, within the defendant's independent treatment of and investigation into the policyholder's claim, it paid funds to various entities other than the policyholders.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion. The mediation proceeding between the parties was unsuccessful and the case was returned to the Court. The lawsuit is at the summation stage.	Not quantified.
5.	04/2021 District Court - Tel Aviv	A planholder v. Menora Mivtachim Pension and Provident Funds	The lawsuit concerns the claim that when the defendants' customers browsed their personal information section using the digital services on the defendants' website and/or mobile applications, the customers' personal and confidential information was transferred to third parties (without their consent), specifically to Google and its advertising service.	The lawsuit is at the stage of certification as a class action. Menora Mivtachim Pension and Provident Funds has submitted its response to the motion. The mediation proceeding between the parties was unsuccessful and the case was returned to the Court. The lawsuit is at the summation stage.	More than NIS 2.5 million
6.	04/2022 District Court - Jerusalem	A policyholder v. Menora Insurance	The lawsuit concerns the claim that the defendant does not recognize a surgery that must be performed as an insured event, arguing that it is a preventive surgery that does not fall under the definition of "surgery" according to the policy.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion. The lawsuit is at the summation stage.	NIS 3 million
7.	09/2022 District Court - Tel Aviv	A policyholder v. Menora Insurance	The lawsuit concerns the claim that the defendant allegedly discriminates against the insured men in its health insurance policies' ambulatory services appendix, by refusing to reimburse men for the cost they had incurred in pregnancy-related, childbirth-related and newborn care-related expenses.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion. The lawsuit is under a mediation procedure.	More than NIS 2.5 million

Notes to the Consolidated Financial Statements

NOTE 11 - CONTINGENT LIABILITIES (cont.)

C. Other lawsuits: (cont.)

Serial No.	Date and court	Parties	Main arguments	Details	Claimed amount
8.	11/2022 District Court - Central	A policyholder v. Shomera	The lawsuit concerns the claim that the defendant markets certain motor property insurance plans to its policyholders that include riders as an inherent part, allegedly without presenting the price of the rider to the customers in the marketing process and after it is complete, and without allowing them to waive the rider and in return, be offered a lower price that would reflect the excluded service cost, such that purchasing the riders allegedly becomes a condition for the insurance plan.	The lawsuit is at the stage of certification as a class action. Shomera Insurance has yet to submit its response to the motion. On February 3, 2025, the court granted the motion to certify and, accordingly, the lawsuit is at the evidence stage.	More than NIS 2.5 million
9.	7/2023 District Court - Tel Aviv	A policyholder v. Menora Insurance	The lawsuit concerns the claim that the defendant does not make adequate representations regarding the professional liability policies for lawyers that it has been marketing since it has won the Israel Bar Association's tender in 2016, and that when a policyholder seeks to realize their coverage under the aforementioned policy and/or under any other policy marketed by Menora Insurance and that covers legal expenses and/or defense expenses – Menora Insurance violates its obligations under the policy and acts unlawfully by impairing the policyholder's ability to be defended by an attorney who is not on Menora Insurance's list of service providers, including by limiting the attorney's fees payable to them.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion.	More than NIS 2.5 million

Notes to the Consolidated Financial Statements

NOTE 11 - CONTINGENT LIABILITIES (cont.)

C. Other lawsuits: (cont.)

Serial No.	Date and court	Parties	Main arguments	Details	Claimed amount
10.	11/2023 District Court - Tel Aviv	A policyholder v. Menora Insurance et al.	The lawsuit concerns the claim that following an extreme event, such as the Iron Swords War, the risk declines dramatically, which is expected to result in a substantial and unplanned profit for insurance companies. That at the time of purchasing the policies of any of the respondents by the movants and class members, the risk and/or odds of a sudden attack, as had occurred in the Iron Swords War, was not taken into account when the premiums had been set, and that not providing the service and/or full or partial insurance coverage is egregious in light of the substantially reduced risk, especially to those who had been conscripted in an emergency call-up of reservists.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion.	NIS 10 million
11.	1/2024 Labor Court - Haifa	A policyholder v. Menora Mivtachim Pension and Provident Funds	The action involves the claim that the pension fund managed by the defendant unlawfully collects insurance coverage costs (insurance premiums), which are higher than those it was entitled to collect, while reducing the accumulation amount, for the following reasons: (a) The calculation of the determinative salary is too high in relation to the correct calculation and therefore the collection of insurance coverage costs are higher than the insurance coverage costs which should have been collected; (b) Collection of insurance coverage costs for a full month in relation to the month in which the planholder joined the pension fund (instead of only partial collection according to the part of the month in which the planholder was actually a planholder and received insurance coverage from the pension fund); (c) Collection of insurance coverage costs for a deposit received from the employer retroactively, even though according to the regulations, a retroactive deposit does not grant the planholder insurance coverage for the period preceding the date of its receipt.	The lawsuit is at the stage of certification as a class action. Menora Pension and Provident Funds has submitted its response to the motion. The lawsuit is under a mediation procedure.	More than NIS 2.5 million
12.	2/2024 District Court - Tel Aviv	A policyholder v. Shomera	The action involves the claim that the defendant reduces various amounts when paying insurance benefits as part of comprehensive motor insurance policies, based on "reducing variables" or "special variables," which were not specified to policyholders in the pre-contractual phase, contrary to the circular, "Motor (Property) Insurance - Insurance Benefits in Case of a Total Loss."	The lawsuit is at the stage of certification as a class action. Shomera has submitted its response to the motion. The lawsuit is under a mediation procedure.	More than NIS 2.5 million

Notes to the Consolidated Financial Statements

NOTE 11 - CONTINGENT LIABILITIES (cont.)

C. Other lawsuits: (cont.)

Serial No.	Date and court	Parties	Main arguments	Details	Claimed amount
13.	5/2024 District Court - Central	A policyholder v. Menora Insurance et al.	The claim alleges that the respondents violate the provision of the Supervision Law and Commissioner's Circulars with respect to marketing and sale of riders for related services in motor comprehensive or third party insurance, such as: repair of windshields and headlights, towing and rescue, etc.	The lawsuit is at the stage of certification as a class action. Menora Insurance has yet to submit its response to the motion. The lawsuit is under a mediation procedure.	More than NIS 2.5 million
14.	5/2024 District Court - Central	A policyholder v. Menora Mivtachim Pension and Provident Funds	The lawsuit concerns the claim that the defendant raised the management fees that the plaintiff paid in the investment provident fund due to the cessation of contributions to the investment provident fund, and this (according to the claim) is contrary to the provisions of the fund regulations (based on the Standard Policy that the Commissioner of the Capital Market, Insurance and Savings Authority published in 2016) and allegedly contrary to the provisions of the accession form that the planholder signed.	The lawsuit is at the stage of certification as a class action. Menora Pension and Provident Funds has submitted its response to the motion.	More than NIS 2.5 million
15.	6/2024 District Court - Central	A policyholder v. Menora Insurance	The lawsuit concerns the allegation of the respondent's allegedly wrongful and unlawful practice of automatically renewing home insurance policies, while raising insurance premiums, on the pretext of revoking a "special discount" that does not apply to renewals, without notice and without consent, in contravention of the law.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion. The lawsuit is under a mediation procedure. The mediation process had failed, the lawsuit was returned to the court for further adjudication.	More than NIS 2.5 million
16.	7/2024 District Court - Lod	A policyholder v. Menora Insurance	The lawsuit concerns the allegation that the defendant allegedly breaches the terms of the critical illness insurance policies and the Capital Market Commissioner's circular, in that, as alleged, the defendant allegedly denies cases that are medically diagnosed as severe heart attacks and does not define them as insured events under the policy, allegedly based on archaic laboratory-biochemical criteria.	The lawsuit is at the stage of certification as a class action. Menora Insurance has yet to submit its response to the motion. On March 9, 2026, a settlement agreement approval motion was filed with the Court.	More than NIS 2.5 million

Notes to the Consolidated Financial Statements

NOTE 11 - CONTINGENT LIABILITIES (cont.)

C. Other lawsuits: (cont.)

Serial No.	Date and court	Parties	Main arguments	Details	Claimed amount
17.	7/2024 District Court - Lod	A policyholder v. Menora Insurance	The lawsuit concerns the allegation that the defendant allegedly breaches the terms of its TOP Premium (Mushlemet TOP) health insurance policies, in that, according to the allegation, claims due to the medical procedure of ultrasound imaging-guided injections are allegedly denied by the defendant, unlawfully, due to an injection exception in the definition of "surgery" under the policy, and in that, according to the allegation, compensation claims for surgeries carried out overseas are allegedly denied unlawfully on the grounds that the coverage for private surgeries overseas does not include compensation for the surgery but indemnification for receipts and/or direct payment to the service providers, in accordance with the terms.	The lawsuit is at the stage of certification as a class action. Menora Insurance has yet to submit its response to the motion.	More than NIS 2.5 million
18.	01/2025 District Court - Central	A policyholder v. Menora Insurance	The lawsuit concerns the claim that the defendant does not compensate and/or indemnify the members of the Group as defined below, taking into account the costs of the actual surgery, but allegedly according to much lower amounts, and that the prices of the surgeries listed in the calculator are not based, according to the claim, on the real prices that the defendant pays in connection with the surgeries, contrary to the provisions of the law. Including a judgment given in the defendant's case in Class Action 564-04-09 Kidishman v. Menora.	The lawsuit is at the stage of certification as a class action. Menora Insurance has yet to submit its response to the motion.	More than NIS 3.6 million
19.	02/2025 District Court - Central	A policyholder v. ERN Israel Ltd.	The lawsuit concerns the allegation that the defendant collects fees - primarily a "collection fee" - from consumers who make payments to various businesses without having a contract in place and without sufficient disclosure of the amount of the fees (neither upon signing the letter of commitment signed by the movant nor afterwards). The causes of action asserted in the motion to certify include breach of the provisions of Section 13B2 of the Consumer Protection Law, breach of statutory duty (being the duty set forth in Section 13B2 of the Consumer Protection Law), breach of contract, breach of the duty of good faith, and unjust enrichment. The principal remedies sought are damages and restitution of amounts allegedly collected unlawfully, together with linkage differentials and interest, as well as a permanent injunction prohibiting the defendant from charging any additional payments, including collection fees.	The lawsuit is at the stage of certification as a class action. ERN has submitted its response to the motion. The lawsuit is under a mediation procedure.	More than NIS 2.5 million

Notes to the Consolidated Financial Statements

NOTE 11 - CONTINGENT LIABILITIES (cont.)

C. Other lawsuits: (cont.)

Serial No.	Date and court	Parties	Main arguments	Details	Claimed amount
20.	02/2025 Labor Court - Tel Aviv	A planholder v. Menora Mivtachim Pension and Provident Funds	The lawsuit concerns the allegation that the defendant collected management fees at a rate higher than 0.3% from holders of "dormant accounts" in a provident fund and from the accounts of deceased persons whose successors were not detected, without acting to renew contact with the planholders or to detect their successors as required under the regulations. The alleged causes of action include, among other things, breach of statutory duty, breach of the fiduciary duty, negligence, unjust enrichment, bad faith, breach of autonomy and equality, misrepresentation, and fraud. The main remedies claimed are: Compensation for the damage, including restitution of the management fees, which were allegedly collected at a rate higher than the rate set, mandatory injunction to the defendant requiring it to act to detect the account holders, contact with whom has been lost, and the successors/beneficiaries of deceased planholders.	The lawsuit is at the stage of certification as a class action. Menora Pension and Provident Funds has submitted its response to the motion.	More than NIS 2.5 million
21.	03/2025 District Court - Central	A policyholder v. Menora Insurance	The lawsuit concerns the allegation that the defendant pays funds arising from insurance premium refunds by means of checks instead of bank transfer or crediting a credit card.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion.	More than NIS 2.5 million
22.	05/2025 District Court - Central	A policyholder v. ERN Israel Ltd.	The lawsuit concerns an allegation that the defendant continues to charge the movant for services they purchased from a company, which encountered financial difficulties and an insolvency proceeding and ceased to provide the movant with the services they purchased. The main causes of action are breach of contract, breach of good-faith duty, breach of statutory duty and unjust enrichment.	The lawsuit is at the stage of certification as a class action. Menora Insurance has yet to submit its response to the motion. The lawsuit is under a mediation procedure.	More than NIS 2.5 million

Notes to the Consolidated Financial Statements

NOTE 11 - CONTINGENT LIABILITIES (cont.)

C. Other lawsuits: (cont.)

Serial No.	Date and court	Parties	Main arguments	Details	Claimed amount
23.	05/2025 District Court - Central	A policyholder v. Menora Insurance	The Claim concerns the allegation that the defendants condition the sale of Compulsory Motor insurance on the purchase of an additional product (comprehensive insurance, third-party insurance, or another product), and in doing so breach the provisions of Section 57 of the Financial Services Supervision Law (Insurance), 1981, and other statutory provisions. The alleged causes of action are, inter alia, breach of statutory duty, negligence, breach of duty of care, contractual causes, and unjust enrichment. The principal remedies are monetary remedy, compensation for non-pecuniary damage, and a declaratory remedy ordering cessation of the alleged breach.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion.	More than NIS 2.5 million
24.	05/2025 District Court - Central	A policyholder v. Shomera	A lawsuit in which the subject matter, causes of action, and main sought remedies are similar to the lawsuit described above in Section 23.	The lawsuit is at the stage of certification as a class action. Shomera has yet to submit its response to the motion. See further details in Section 23 above.	More than NIS 2.5 million
25.	06/2025 District Court - Central	A policyholder v. Menora Insurance	The lawsuit concerns the allegation that the plaintiff allegedly sets the insurance coverage rate such that their cumulative rate exceeds the limit of 35% by removing the permanent health insurance component from the calculation base where it is paid at the expense of the employer - allegedly in breach of statutory provisions. The principal alleged causes of action are, inter alia, breach of statutory duty, breach of the policy provisions, breach of the duty of good faith, and unjust enrichment. The principal remedies are a declaratory order stating that the defendant acted unlawfully and compensation to the class members for their damages.	The lawsuit is at the stage of certification as a class action. Menora Insurance has yet to submit its response to the motion.	More than NIS 3 million

Notes to the Consolidated Financial Statements

NOTE 11 - CONTINGENT LIABILITIES (cont.)

C. Other lawsuits: (cont.)

Serial No.	Date and court	Parties	Main arguments, causes and remedies	Details	Claimed amount
26.	08/2025 Magistrate Court, Beit She'an	A policyholder v. Shomera	The Claim concerns the allegation that the defendant adopted an improper practice in cases of a "constructive total loss" (over 50% of the value of the vehicle but less than 60%), and even in cases that do not fall within the definition of "constructive total loss," to compensate its policyholders and/or any other damaged third party, as a matter of routine, as if the vehicle had been a total loss, all at its own discretion and without obtaining the consent of the policyholder and/or the damaged party as required by law and pursuant to the terms of the standard policy. The alleged causes of action are, inter alia, unjust enrichment, breach of statutory duty, fraud, negligence, and the duty of good faith. The principal remedies are the restitution of amounts deducted from the policyholders and the third parties, as well as legal fees and compensation to the Movant.	The lawsuit is at the stage of certification as a class action. Shomera has submitted its response to the motion.	More than NIS 2.5 million
27.	12/2025 District Court - Central	A policyholder v. Menora Insurance	The action concerns allegations that, in cases of returned payments, including those where insurance premiums paid by credit card or direct debit are reversed, Menora Insurance charges additional amounts exceeding the original returned amount, without such charges being contractually stipulated, and that Menora Insurance collects these amounts from policyholders without divulging that an additional amount has been added to the outstanding balance. The main causes of action include, among other things: unjust enrichment, breach of contract, lack of good faith, breach of disclosure obligations, and an unduly disadvantageous condition in a standard form contract. The principal remedies sought are monetary relief, declaratory relief, and injunctive relief. The principal remedies sought are monetary relief, declaratory relief, and mandatory injunctions.	The lawsuit is at the stage of certification as a class action. Menora Insurance has yet to submit its response to the motion.	More than NIS 3 million
28.	03/2026 District Court - Tel Aviv	A policyholder v. Menora Insurance	The subject matter of the action concerns an allegation that the defendant is purportedly in breach of the terms of the long-term care insurance policies, in that, as claimed, it requires policyholders, or their heirs or estates, to reimburse long-term care insurance benefits that were paid to them for the portion of the month in which the policyholder passed away. The main causes of action set forth in the motion include, inter alia: breach of contract; violation of the provisions of the Insurance Contract Law and the Financial Services Supervision Law (Insurance); unjust enrichment; breach of the duty of good faith; and breach of statutory duty. The principal remedies sought are: a mandatory injunction ordering the defendant to pay long-term care benefits in respect of the month of death in full and not to demand their reimbursement; an award of pecuniary and non-pecuniary damages; as well as legal fees and a reward to the applicant.	The lawsuit is at the stage of certification as a class action. Menora Insurance has yet to submit its response to the motion.	Estimated in NIS million

Notes to the Consolidated Financial Statements

NOTE 11 - CONTINGENT LIABILITIES (cont.)

C. Other lawsuits: (cont.)

Serial No.	Date and court	Parties	Main arguments, causes and remedies	Details	Claimed amount
29.	4/2026 District Court - Nof HaGalil- Nazareth	A policyholder v. Menora Insurance	The lawsuit concerns allegations that the respondent fails to comply with statutory provisions by not adding the full interest and/or linkage to the compensation amounts it pays for property damage to its policyholders and to third parties harmed by their actions. Main causes of action: Violation of Sections 28(a) and 56(a) to the Insurance Contract Law. Main remedies: Reimbursement to each class member of any amount unlawfully deducted from the compensation amount paid to them.	The lawsuit is at the stage of certification as a class action. Menora Insurance has yet to submit its response to the motion.	Not quantified.
30.	4/2026 District Court - Central	A policyholder v. Menora Insurance	The lawsuit concerns allegations that, when paying insurance benefits, the defendant fails to add linkage differences to insurance benefits which indemnify policyholders for expenses incurred, where the reimbursement is lower than the policy's indemnity limit (hereinafter – the " Motion or Lawsuit "). Main causes of action: unjust enrichment, breach of statutory duty, breach of Section 28 to the Insurance Contract Law, 1981. Key remedies: 1. Supplementing insurance benefits plus special interest. 2. A mandatory injunction instructing the defendant to act in accordance with the provisions of Section 28(a) to the Insurance Contract Law.	The lawsuit is at the stage of certification as a class action. Menora Insurance has yet to submit its response to the motion	More than NIS 2.5 million
31.	4/2026 District Court - Jerusalem	A policyholder v. Shomera	The lawsuit concerns allegations that the defendant: 1. Pays insurance benefits and refunds by check, instead of by bank transfer or crediting a credit card; 2. Does not pay interest and linkage as required by law on the diminished value component; 3. Deducts a deductible for diminished value calculated as a percentage of the vehicle's value, without the policy explicitly stating that this is the basis of calculation; 4. Does not inform customers of their entitlement to reimbursement of amounts stolen, deducted in excess, or double the amounts due, and does not refund them with interest and linkage as required by law. Main causes of action: breach of contract, misrepresentation, negligence, bad faith and unjust enrichment. Key remedies: 1. An injunction for proactive payment by bank transfer or crediting a credit card. 2. An injunction for payment of diminished value, plus linkage and interest as required by law. 3. An injunction to cease the misleading conduct and update policies and disclosure documents. 4. An injunction to identify and reimburse amounts collected in excess or double, plus interest and linkage.	The lawsuit is at the stage of certification as a class action. Shomera has yet to submit its response to the motion	More than NIS 2.5 million

Notes to the Consolidated Financial Statements

NOTE 11 - CONTINGENT LIABILITIES (cont.)

D. Concluded lawsuits

Serial No.	Date and court	Parties	Main arguments, causes and remedies	Details	Claimed amount
1.	6/2024 District Court - Haifa	A policyholder v. Shomera	The lawsuit concerns the allegation that the windshield installers working on behalf of the respondents under a "windshield insurance" rider (hereinafter - the " rider ") do not carry out an inspection and/or calibration of the safety system installed on the vehicle's front windshield when dismantling the broken windshield and installing the new (spare) windshield, and are thus in breach of the provisions of the law and its undertakings under the policy and the riders.	The lawsuit is at the stage of certification as a class action. Shomera has submitted its response to the motion. On January 27, 2026, a motion for approval of voluntary dismissal and withdrawal of the motion to certify was filed. On February 19, 2026, the court granted a motion to withdraw, and thus the lawsuit was concluded.	More than NIS 2.5 million.
2.	12/2024 Regional - Tel Aviv	A policyholder v. Menora Insurance	The lawsuit concerns the claim that the defendant imposes on the policyholders in the PHI policies a professional supplement due to a change in occupation in a manner that reduces the insurance benefits that it must pay and this is allegedly unlawful.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion. On March 10, 2026, the Court granted the motion to withdraw, thereby terminating the action.	NIS 10 million
3.	10/2023 District Court - Tel Aviv	A policyholder v. Shomera et al.	The lawsuit concerns the claim that the defendants provide, along with motor insurance policies, riders for the provision of towing services for vehicles that allegedly do not provide a lift towing service for vehicles requiring this (as distinct from flat towing) and charges the vehicle owners an additional separate payment for the said service.	The lawsuit is at the stage of certification as a class action. Shomera has yet to submit its response to the motion. On November 29, 2024, the court decided to strike the motion. On January 26, 2025, the movants appealed the judgment to the Supreme Court. On June 24, 2025, a judgment was handed down granting the Appeal, in the sense that the case will be remanded to the District Court in order for it to rule separately on the withdrawal arrangement that has not yet been formulated. On May 5, 2026, the court granted a motion to withdraw, and thus the lawsuit was concluded.	According to the plaintiff's estimate - NIS 80 million

Notes to the Consolidated Financial Statements

NOTE 11 - CONTINGENT LIABILITIES (cont.)

Class actions and motions to certify lawsuits as class actions (cont.)

Summary table:

The following table summarizes the amounts claimed in pending motions to certify claims as class actions, claims certified as class actions and other material claims against the Group, as noted by the plaintiffs in the statements of claim filed on their behalf. It is hereby clarified that the claimed amount does not necessarily constitute a quantification of the exposure amount assessed by the Group, 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, including proceedings that concluded after a settlement agreement was approved in respect thereof.

	<u>No. of lawsuits</u>	<u>Claimed amount</u>
	<u>Unaudited</u>	
	<u>NIS thousand</u>	
Certified class actions:		
Stated amount attributed to the Group	5	364,500
The lawsuit pertains to a number of companies and no specific amount was attributed to the Group	2	328,000
No claim amount was specified	1	-
Pending motions to certify claims as class actions:		
Stated amount attributed to the Group	33	1,190,000
The lawsuit pertains to a number of companies and no specific amount was attributed to the Group	-	-
No claim amount was specified	5	-

As of the reporting date, the cumulative provision for lawsuits filed against the Company, as detailed above, totals approx. NIS 262 million (as of March 31, 2025 – NIS 165 million, and as of December 31, 2025 – NIS 266 million).

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 activity 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 Group is 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 various 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.

Notes to the Consolidated Financial Statements

NOTE 11 - CONTINGENT LIABILITIES (cont.)

Class actions and motions to certify lawsuits as class actions (cont.)

There is an overall 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 the contributions made by employers and policyholders, separation and attribution of the contributions to the various policy components, investment management, the policyholder's employment status, his contribution payments, etc. These products are managed over years during which there are changes in policy, regulatory requirements and legal trends, including in court rulings. These changes are implemented by automated systems that undergo frequent changes and adjustments. The complexity of these changes and application of changes with respect to many years creates increased operating exposure. Receipt of a new interpretation to insurance policies and long-term pension products may, at times, affect the Group's future profitability with respect to the existing portfolio, in addition to the exposure involved in the demands to compensate customers for past activities. 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 domain 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 Group is 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 as well as engagements with reinsurers 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 acquires professional liability insurance policies, including as required by the legislative arrangement, and when necessary it reports to the policy's insurer or insurers in order to cover an obligation deriving from professional liability that can be protected by insurance acquisition. 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.

Notes to the Consolidated Financial Statements

NOTE 12 - SIGNIFICANT EVENTS IN AND SUBSEQUENT TO THE REPORTING PERIOD

- A. Summary of the effects of the revision of assumptions in the calculation of the liabilities for insurance contracts on the financial results and remaining CSM:

	The effect on profit or loss	
	Income (loss) from investments and financing, net	Effect on the remaining contractual service margin (CSM)
	NIS thousand	
<u>For the three-month period ended March 31, 2026 (unaudited):</u>		
<u>Life Insurance Segment</u>		
Total change in discount rate	17,126	75,927
<u>Health Insurance Segment</u>		
Total change in discount rate	(83,810)	132
<u>Property and Casualty Insurance Segment</u>		
Total change in discount rate	21,066	
<u>For the three-month period ended March 31, 2025 (unaudited):</u>		
<u>Life Insurance Segment</u>		
Total change in discount rate	18,270	47,566
<u>Health Insurance Segment</u>		
Total change in discount rate	(43,252)	-
<u>Property and Casualty Insurance Segment</u>		
Total change in discount rate	14,627	
<u>For the year ended December 31, 2025 (audited):</u>		
<u>Life Insurance Segment</u>		
Total change in discount rate	20,617	(50,312)
Total demographic changes	4,918	(2,912)
<u>Health Insurance Segment</u>		
Total change in discount rate	28,429	839
Total demographic changes	21,732	(72,388)
<u>Property and Casualty Insurance Segment</u>		
Total change in discount rate	(7,203)	

Notes to the Consolidated Financial Statements

NOTE 12 - SIGNIFICANT EVENTS IN AND SUBSEQUENT TO THE REPORTING PERIOD (cont.)

A. Summary of the effects of the revision of assumptions in the calculation of the liabilities for insurance contracts on the financial results and remaining CSM: (cont.)

In the reporting period and in the corresponding period last year there were no significant changes in demographic and operational assumptions in the calculation of insurance assets and liabilities in the Life Insurance and Health Insurance segments. The total effect described in the table above for the life insurance segment also includes the effect on the change in the fair value of the designated bonds (Hetz bonds).

B. Agreement for the acquisition of ERN shares held by SIB

On January 11, 2026, the Company's Board of Directors signed an agreement with S.A.B Ltd. (hereinafter - the "**Seller**") and ERN Israel Ltd. (hereinafter - "**ERN**") for the acquisition - by the Company - of ERN's remaining shares (30%), such that subsequent to the acquisition, the Company's holding stake in ERN is 100%. The abovementioned acquisition of shares was carried out in consideration for approx. NIS 234 million, at a Company value of approx. NIS 770 million. It should be noted that the agreement replaces the existing agreements between the Company, the seller, and ERN, and that the required regulatory approvals for completion of the transaction have been obtained, including, in particular, the approval of the Commissioner of the Capital Market, Insurance and Savings Authority. The effect of the above-mentioned in the reporting period is a decrease of approx. NIS 59 million in equity attributable to the Company's shareholders.

C. Acquisition of control over Yesodot

On January 27, 2025, Menora Mivtachim Insurance (hereinafter - "**Menora Insurance**") and another Menora group subsidiary (hereinafter - the "**Investor**") entered into an agreement with Yesodot A. Financial Support Ltd. (hereinafter - "**Yesodot**") for the provision of subordinate credit facilities (hereinafter - the "**Agreement**"). Menora Insurance and the Investor undertook to advance to Yesodot credit facilities totaling NIS 200 million each, and the credit facility to be advanced by the Investor is convertible into 50.1% of Yesodot's shares; such conversion will result in assumption of control. Furthermore, the parties entered into a shareholder agreement, which will come into effect upon the execution of the conversion (if it is executed), comprising three mutual options (put and call), for a period of up to 4 years, at the end of which (if exercised) the Investor will hold 100% of Yesodot's shares. In April 2025, all the conditions precedent were met and accordingly the Agreement entered into force.

On January 5, 2026, an agreement was signed between the Investor and Yesodot for the conversion of a portion of the credit facility advanced by the Investor - totaling NIS 150 million - into 50.1% of Yesodot's shares, subject to the conditions precedent set in the agreement. On February 25, 2026, the Company exercised the option into shares of Yesodot A. Financial Support Ltd.'s shares (hereinafter - "**Yesodot**") for NIS 40 million, such that subsequent to the exercise, the Company held 60.1% of Yesodot's shares. The effect of the abovementioned in the reporting period is a decrease of approx. NIS 202 million in equity attributable to the Company's shareholders and a NIS 50 million gain attributable to the Company's shareholders.

Notes to the Consolidated Financial Statements

NOTE 12 - SIGNIFICANT EVENTS IN AND SUBSEQUENT TO THE REPORTING PERIOD (cont.)

D. Share-based payment

Further to Note 26 to the Annual Financial Statements, following are data on additional allocations to employees of a consolidated company made during the reporting period:

	Award date	
	January 22, 2026	March 27, 2026
	Unaudited	
Exercise premium per option in NIS	409.46	489.25
Expected volatility of share prices	32.33%-37.52%	33.50%-35.21%
Risk-free interest rate	3.49%-3.58%	3.89%-3.92%
Expected life of the options	4-6 years	4-6 years
Fair value per option in NIS	36.84-42.61	44.32-49.71
Total value of options allocated in NIS million	0.4	0.5
No. of options allocated to CEO	-	-
No. of options allocated to other employees	9,454	10,162
Balance of unexercised options as of the report date	9,454	10,162



Chapter D

Data from the Financial Statements Attributed to the Company

Financial Data from the Consolidated Interim Financial Statements Attributable to the Company

As of March 31, 2026

Unaudited

Regulation 38D

Menora Mivtachim Holdings Ltd.

Financial Data from the Consolidated Interim Financial Statements Attributable to the Company

As of March 31, 2026

Unaudited

Regulation 38D

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To:
the Shareholders of Menora Mivtachim Holdings Ltd.

Re: Independent Auditors' Special Review Report on the Separate Interim Financial Information pursuant to Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 1970

Introduction

We have audited the Interim Separate Financial Information disclosed in accordance with Regulation 38D to the Securities Regulations (Periodic and Immediate Reports), 1970 of Menora Mivtachim Holdings Ltd. (hereinafter – the “**Company**”) as of March 31, 2026 and for the three-month period ended on that date. The Interim Separate Financial Information is the responsibility of the Company's Board of Directors and management. Our responsibility is to express a conclusion regarding the Interim Separate Financial Information for this interim period based on our review.

Neither did we audit the condensed interim financial information of equity-accounted companies, the investment in which amounted to NIS 285,616 thousand as of March 31, 2026, and the Company's share in the income of which totaled NIS 11,427 thousand for the three-month period then ended. The condensed interim financial information of the above companies was audited by other independent auditors, whose review reports have been furnished to us, and our conclusion, insofar as it relates to financial information in respect of these companies, is based on the review reports of the other independent auditors.

Scope of the Review

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 Separate 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 and the review reports of other independent auditors, nothing has come to our attention that causes us to believe that the abovementioned Interim Separate Financial Information does not comply, in all material respects, with the disclosure provisions of Chapter 38D of the Israel Securities Regulations (Periodic and Immediate Reports), 1970.

Tel Aviv
May 25, 2026

Kost Forer Gabbay & Kasierer
Certified Public Accountants

Financial data from the consolidated statements of financial position

	As of March 31		As of December 31
	2026	2025	2025
	Unaudited		Audited
	NIS thousand		
<u>Current assets</u>			
Cash and cash equivalents	57,008	325,750	305,673
Financial investments	796,854	345,730	735,717
Current tax assets	-	6,330	2,232
Receivables and debit balances	655	1,191	274
Current balances with investees	450,239	18,868	8,532
Total current assets	1,304,756	697,869	1,052,428
<u>Non-current assets</u>			
Loans and receivables	30,053	33,930	31,423
Investment in Restricted Tier 1 capital of an investee	306,129	311,742	302,169
Investments in investees	7,806,394	7,041,401	8,018,088
Loans to investees	20,021	34,372	31,147
Assets for employee benefits	14,983	12,704	14,431
Property, plant & equipment	911	1,066	1,036
Deferred taxes	-	3,662	-
Total non-current assets	8,178,491	7,438,877	8,398,294
	9,483,247	8,136,746	9,450,722
<u>Current liabilities</u>			
Current maturities of financial liabilities	54,320	53,240	54,435
Current tax liabilities	17	-	-
Futures	1,161	907	-
Payables and credit balances	505,786	160,177	7,131
Current balances with investees	22	1,964	21
Total current liabilities	561,306	216,288	61,587
<u>Non-current liabilities</u>			
Financial liabilities	129	224,322	174,979
Liabilities for employee benefits	22,883	22,278	22,985
Deferred taxes	4,546	-	4,445
Total non-current liabilities	27,558	246,600	202,409
<u>Equity attributable to the Company's shareholders</u>			
Share capital	99,429	99,429	99,429
Share premium	317,041	317,289	316,522
Treasury shares	(58,005)	(66,689)	(64,641)
Capital reserves	76,593	347,515	340,217
Retained earnings	8,459,325	6,976,314	8,495,199
Total equity capital	8,894,383	7,673,858	9,186,726
	9,483,247	8,136,746	9,450,722

May 25, 2026

Approval date of the
financial statements

Eran Griffel
Chairman of the Board

Ari Kalman
CEO

Ran Kalmi
CFO

Financial data from the consolidated statements of profit or loss

	For the 3 months ending March 31		For the year ended December 31
	2026	2025	2025
	Unaudited		Audited
	NIS thousand		
<u>Revenues</u>			
Income from investees	444,417	334,262	2,265,261
Investment and finance income	19,542	1,140	49,068
Finance income for loans to investees	5,973	3,587	12,565
Other revenues	-	61,957	61,946
Management fees from investees	2,802	2,928	11,316
Total revenues	472,734	403,874	2,400,156
<u>Expenses</u>			
Finance expenses	324	712	2,495
General and administrative expenses	2,915	4,655	18,034
Total expenses	3,239	5,367	20,529
Profit before taxes on income	469,495	398,507	2,379,627
Taxes on income	5,624	14,783	28,646
Net income	463,871	383,724	2,350,981

Financial data from the consolidated statements of comprehensive income

	For the 3 months ending March 31		For the year ended December 31
	2026	2025	2025
	Unaudited		Audited
	NIS thousand		
Net income attributable to the Company	463,871	383,724	2,350,981
<u>Other comprehensive income (loss) that, subsequent to initial recognition in comprehensive income, was or will be carried to profit and loss</u>			
Other comprehensive income attributable to the investees, net	70	7,502	12,815
<u>Other comprehensive income (loss) not transferred to profit and loss</u>			
Gain (loss) due to remeasurement of defined benefit plans	35	(53)	109
Taxes on income (tax benefit)	8	(12)	25
	27	(41)	84
Other comprehensive income (loss) attributable to the investees, net	229	(96)	(21,737)
Total other comprehensive income (loss) not transferred to profit and loss	256	(137)	(21,653)
Total other comprehensive income (loss), net	326	7,365	(8,838)
Total comprehensive income attributable to the Company	464,197	391,089	2,342,143

Financial data from the consolidated statements of cash flows

	For the 3 months ending March 31		For the year ended December 31
	2026	2025	2025
	Unaudited		Audited
	NIS thousand		
<u>Cash flows from operating activities</u>			
Net income	463,871	383,724	2,350,981
Adjustments required to present cash flows from operating activities:			
Adjustments to profit and loss line items:			
Investment and finance income, net	(22,460)	(623)	(49,496)
Depreciation	129	104	430
Cost of share-based payment	105	60	217
Income from investees	(444,417)	(334,262)	(2,265,261)
Taxes on income	5,624	14,783	28,646
	<u>(461,019)</u>	<u>(319,938)</u>	<u>(2,285,464)</u>
Changes in assets and liabilities line items:			
Change in liabilities for employee benefits	(619)	(19)	(875)
Decrease in receivables and debit balances	400,104	5,894	3,471
Decrease in payables and credit balances	<u>(1,739)</u>	<u>(1,798)</u>	<u>(10,180)</u>
	<u>397,746</u>	<u>4,077</u>	<u>(7,584)</u>
Cash paid and received during the period:			
Interest paid	-	-	(3,162)
Interest received	2,695	2,257	8,739
Taxes paid	(9,199)	(8,727)	(10,532)
Taxes received	5,865	6,044	5,918
Dividend received	34,091	257,397	1,378,734
	<u>33,452</u>	<u>256,971</u>	<u>1,379,697</u>
Net cash provided by operating activities attributable to the Company as a parent company	434,050	324,834	1,437,630
Net cash provided by (used for) operating activities for transactions with investees	<u>(437,301)</u>	<u>(11,167)</u>	<u>2,784</u>
Net cash provided by (used for) operating activities	<u>(3,251)</u>	<u>313,667</u>	<u>1,440,414</u>

Financial data from the consolidated statements of cash flows (cont.)

	For the 3 months ending March 31		For the year ended December 31
	2026	2025	2025
	Unaudited		Audited
	NIS thousand		
<u>Cash flows provided by investing activities</u>			
Purchase of property, plant and equipment	(18)	-	(8)
Proceeds from realization (purchase) of securities measured at fair value through profit and loss, net	(23,367)	7,075	(568,397)
Repayment (provision) of long-term loans	601	(660)	(644)
Net cash provided by (used for) investing activities attributable to the Company as a parent company	(22,784)	6,415	(569,049)
Net cash provided by (used for) activities for transactions with investees	11,664	(8,654)	73,634
Net cash used for investing activities	(11,120)	(2,239)	(495,415)
<u>Cash flows provided by financing activities</u>			
Acquisition of non-controlling interests	(234,000)	-	-
Repayment of financial liabilities	(54)	(28)	(53,279)
Dividend paid to the Company's shareholders	-	-	(600,000)
Net cash used for financing activities	(234,054)	(28)	(653,279)
<u>Exchange rate differences in respect of cash and cash equivalent balances</u>	(240)	(44)	(441)
<u>Increase (decrease) in cash and cash equivalents</u>	(248,665)	311,356	291,279
<u>Balance of cash and cash equivalents as of the beginning of period</u>	305,673	14,394	14,394
<u>Balance of cash and cash equivalents as of the end of period</u>	57,008	325,750	305,673
<u>Noncash activity</u>			
Financial investments received as dividend	20,000	-	72,000
Dividend distributed against payables and credit balances	500,000	150,000	-
Dividend received against receivables and debit balances	400,000	-	-

Additional information

1. Significant accounting policies

This Interim Separate Financial Information is prepared in condensed format, in accordance with Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 1970 and does not include all the information required under Regulation 9C and the Tenth Addendum to the Securities Regulation (Periodic and Immediate Reports), 1970. This financial information should be read in conjunction with the Separate Financial Information as of December 31, 2025 and for the year then ended and the accompanying notes.

The accounting policies applied to preparing this Separate Financial Information are consistent with the one applied in preparing the separate financial information as of December 31, 2025.

2. Events during the reporting period and thereafter

- A. For details regarding the dividend distributed by the Company during the reporting period, see Note 7F to the Consolidated Financial Statements.
- B. For details regarding the dividends distributed by the consolidated companies during the reporting period and thereafter, see Note 7, Subsections G and H to the Consolidated Financial Statements.
- C. For details regarding the agreement to acquire SIB's shares in ERN, see Note 12B to the Consolidated Interim Financial Statements.
- D. For details regarding assuming control over Yesodot, see Note 12C to the Consolidated Interim Financial Statements.



Chapter E

Appendices

Economic Solvency Ratio Report

As of December 31, 2025

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To
Members of the Board of Menora Mivtachim Insurance Ltd.

Dear Sir/Madam,

Re: Examination of the Application of Certain Guidance of the Commissioner of the Capital Market, Insurance and Savings - Solvency II-Based Economic Solvency Requirement of Menora Mivtachim Insurance Ltd. (hereinafter - the “Company”) as of December 31, 2025

We examined the capital required to maintain the solvency capital requirement (hereinafter - “SCR”) and the economic capital of the Company as of December 31, 2025 (hereinafter - the “Information”), included in the Company’s Economic Solvency Ratio Report attached hereby (hereinafter - the “Report”).

The Board of Directors and management bear the responsibility for the preparation and presentation of the Information drawn up in accordance with the directives of the Commissioner of the Capital Market, Insurance and Savings (hereinafter - the “Commissioner”) - Solvency II-Based Provisions of the Economic Solvency Regime for Insurance Companies as included in the Commissioner’s Circular No. 2020-1-15 of October 14, 2020, and in accordance with Commissioner’s Directives, Calculation of the Deduction during the Transitional Period in a Solvency II-Based Economic Solvency Regime, under IFRS 17 as from April 10, 2025 (hereinafter - the “Directives”). The calculations, forecasts and assumptions on which the preparation of the Information was based fall under the responsibility of the Board of Directors and management.

We conducted our examination in accordance with International Standard on Assurance Engagements No. 3400 - The Examination of Prospective Financial Information, and in accordance with the Commissioner's Directives, as included in the Consolidated Circular, Chapter 7, Article 5, Part 1, Independent Auditor, which provides guidance as to audit of Economic Solvency Ratio Report.

We did not examine the appropriateness of the Deduction during the Transitional Period as of December 31, 2025, as presented in Section 2A (2) to the Report, except for verifying that the Deduction Amount does not exceed the expected discounted amount of the risk margin and solvency capital requirement in respect of life and health insurance risks arising from existing businesses during the transitional period in accordance with the pattern of future development of the solvency capital requirement, which affects both the calculation of the expected capital release and the release of the expected risk margin as detailed in the provisions on calculation of risk margin.

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Except for the abovementioned in connection with the appropriateness of the Deduction during the Transitional Period, based on the examination of the evidence supporting the calculations, the forecasts and the assumptions, as referred to below, which were used by the Company's Board of Directors and management in the preparation of the information nothing came to our attention which caused us to believe that the forecasts and assumptions, as a whole, do not constitute a reasonable basis for the information in accordance with the Directives. Furthermore, in our opinion, the information, including the method employed to determine the assumptions and forecasts, was prepared and presented in all material respects in accordance with the Directives.

It should be emphasized that the projections and assumptions 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 information 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 information. Furthermore, actual results may be materially different from the information, since the combined scenarios of events may materialize in a manner that is materially different than the assumptions made in the information.

We draw attention to Section D. - comments and clarifications regarding the solvency ratio, the uncertainty derived from regulatory changes and exposure to contingent liabilities, the effect of which on the solvency ratio cannot be estimated.

**Tel Aviv,
May 25, 2026**

Respectfully,

**Kost Forer Gabbay & Kasierer
Independent Auditors**

A. Overview and disclosure requirements

Solvency II-based Economic Solvency Regime

The information provided below was calculated in accordance with the provisions of Circular 2020-1-15 of the Commissioner of the Capital Market, Insurance and Savings (hereinafter - the **"Commissioner"**) - Amendment to the Consolidated Circular, Application Provisions for Solvency II-Based Provisions of the Economic Solvency Regime for Insurance Companies (hereinafter - the **"Solvency Circular"**), was prepared and presented in accordance with Chapter 1, Part 4, Section 5 of the Consolidated Circular as revised in Circular 2022-1-18 (hereinafter - the **"Disclosure Provisions"**). The Solvency Circular sets a standard model for calculating available own funds and the regulatory solvency capital requirement, aiming to bring insurance companies to a situation where they have the capacity to absorb losses arising from the materialization of unexpected risks to which they are exposed. **The solvency ratio is the ratio between an insurance company's available own funds to its regulatory solvency capital requirement.**

The available own funds for solvency purposes shall be composed of Tier 1 capital and Tier 2 capital. Tier 1 Capital includes own funds calculated by assessing the value of an insurance company's assets and liabilities in accordance with the circular's provisions, and Additional Tier 1 Capital. Additional Tier 1 capital and Tier 2 capital include equity instruments with loss absorption mechanisms, including Subordinated Tier 2 capital, Hybrid Tier 2 capital and Tier 3 capital, which were issued prior to the circular's effective date. The circular includes restrictions on the composition of own funds for SCR purposes (see below), such that the rate of components included in Tier 2 Capital shall not exceed 40% of the SCR (during the transitional period, as described below - 50% of the solvency capital requirement during the transitional period).

The existing capital should be compared to the capital requirement when there are two levels of capital requirements:

- The capital required to maintain an insurance company's solvency (hereinafter - **"SCR"**). The SCR is risk-sensitive, and is based on a forward-looking calculation of the effect of the various scenarios' materialization, while taking into account the correlation of the various risk factors, based on the application provisions of the New Solvency Regime Circular. This requirement aims to guarantee the precise and timely involvement of the regulatory authorities.
- Minimum capital requirement (hereinafter **"MCR"** or **"minimum capital requirement"**). In accordance with the Solvency Circular, the minimum capital requirement shall be equal to the highest of the amount of the minimum Tier 1 capital requirement under the Requirements of the Previous Capital Regime and an amount derived from insurance reserves and premiums (as defined in the Solvency Circular), with a floor of 25% and a cap of 45% of the SCR.

The existing capital and the capital requirement are calculated using data and models for calculating the economic solvency ratio, which are based, among other things, on forecasts and assumptions that rely mainly on past experience. The calculations performed as part of the economic capital calculation and the economic capital requirement are highly complex.

The Company implements the Transitional Provisions in connection with compliance with capital requirements, as follows:

The Company increases its economic capital by deducting from the insurance reserves an amount calculated as detailed in Section C below. The deduction will decrease gradually until 2032 (hereinafter - the **“Deduction during the Transitional Period”**).

Forward-looking information

The data included in this Economic Solvency Ratio Report, including the eligible own funds and solvency capital requirement are based, among other things, on forecasts, assessments, and estimates of future events, the materialization of which is uncertain and is not under the Company's control, and which should be considered as “forward-looking information” as the term is defined in Section 32A to the Securities Law, 1968. Actual results may differ from the results reflected in this Economic Solvency Ratio Report, if such forecasts, assessments and estimates, either in whole or in part, fail to materialize or materialize in a manner different than anticipated, including, among other things, with respect to actuarial assumptions (including mortality rates, morbidity rates, recovery rates, lapses, expenses, takeup of pension benefits, rate of release of the risk margin and underwriting income rate), assumptions regarding future management actions, risk-free interest rates, capital market returns, future revenues, and damage in catastrophe scenarios.

B. Definitions

Best estimate	- Expected future cash flows from insurance contracts and investment contracts throughout their term, without margins of conservatism and discounted by an adjusted risk-free interest.
Long-term health insurance (similar to life techniques - SLT)	- Similar to Life Techniques. Health insurance that is conducted similarly to life insurance.
Short-term health insurance (NSLT)	- Non-Similar to Life Technique. Health insurance that is deemed to be written on a similar technical basis as property and casualty insurance.
Basic solvency capital requirement (BSCR)	- Basic Solvency Capital Requirement. The capital requirement from an insurance company to maintain its solvency, calculated in accordance with the Provisions of the Provisions of the Economic Solvency Regime Directives, without taking into account the capital requirement due to operational risk, and loss absorption adjustment due to deferred tax.
Solvency capital requirement (SCR)	- Solvency Capital Requirement. Total capital requirement from an insurance company to maintain its solvency, calculated in accordance with the Provisions of the Economic Solvency Regime.
Eligible own funds	- Total Tier 1 capital and Tier 2 capital of an insurance company, after deductions and amortization in accordance with the provisions of Part B of the Appendix to the Solvency Circular.
Basic Tier 1 capital	- Accounting equity plus the change in the excess assets over liabilities stemming from discrepancies between the manner of assessing the value of assets and liabilities as part of the transition to economic balance sheet, net of unrecognized assets and dividend declared subsequent to report date and has yet to be published for the first time.
Additional Tier 1 capital	- Perpetual capital note, non-accruing preferred shares, Restricted Tier 1 capital instrument, Additional Tier 1 capital instrument.
Tier 2 capital	- Tier 2 capital instruments, Subordinated Tier 2 Capital, Hybrid Tier 2, and Hybrid Tier 3 Capital - valued in accordance with the provisions of Part A of the Appendix to the Solvency Circular.
Effect of diversification of risk-weighted components	- Effect of the partial correlation between different risks in the model on their amounts. The greater the diversification of operating segments and risk diversification in a portfolio, the greater is the effect of the correlation, which reduces the overall risk.
Solvency ratio	- The ratio between the eligible own funds and the solvency capital requirement of the insurance company.
Symmetric adjustment (SA)	- Symmetric Adjustment. Addition to the rate of capital requirements in the equity component based on the calculation set out in the Solvency Circular. The addition has an upper and lower band of $\pm 10\%$.

Economic balance sheet	- The Company's balance sheet when the value of the assets and liabilities is adjusted in accordance with the provisions of Part A in the appendix to the Solvency Circular.
Risk margin (RM)	- Risk margin. An amount in addition to the best estimate reflecting the total cost of capital that another insurance company or reinsurer would require to assume the Company's insurance liabilities.
Risk adjustment (RA) for non-financial risk	- The compensation an entity requires for bearing the uncertainty regarding the amount and timing of the cash flows arising from non-financial risk provided the entity fulfils insurance contracts in the accounting balance sheet.
Transitional period	- Under the transitional provisions for the implementation of the Economic Solvency Regime, the period through December 31, 2032.
Deduction during the transitional period	- Increasing the economic capital by deducting from the insurance reserves an amount that will be calculated as detailed in Section c below. The Deduction will decrease gradually until 2032.
Minimum capital requirement (MCR)	- Minimum Capital Requirement. The minimum capital requirement from an insurance company.
Expected profits in future premiums (EPIFP)	- Expected profit in future premium; the future profit from liabilities for existing life and health insurance contracts.
UFR	- Ultimate Forward Rate. The ultimate forward rate derived from the expected long-term real interest rate and the long-term inflation expectations to which the adjusted interest rate curve converges, in accordance with the Provisions of the Economic Solvency Regime.
Volatility adjustment (VA)	- Volatility Adjustment. An anti-cyclical component that reflects the overall cost of capital that is expected to be required from another insurance company or reinsurer in order to assume the Company's insurance liabilities.
The Commissioner	- The Commissioner of the Capital Market, Insurance and Savings.

C. Calculation methodology

The Economic Solvency Ratio Report as of December 31, 2025 was calculated and prepared in accordance with the Commissioner's Directives Solvency II-Based Economic Solvency Regime for Insurance Companies (hereinafter - the **"Directives"**) as set out in the Solvency Circular. Following are the main provisions and changes thereto:

Economic balance sheet

The economic balance sheet is calculated in accordance with the detailed rules and directives published by the Commissioner, which are based on the European Solvency II rules, with adjustments to reflect the characteristics of the economic environment and products in Israel. The purpose of the rules is to reflect the economic value of the balance sheet items in accordance with the Commissioner's approach. In accordance with the Directives, the insurance liabilities are calculated based on the best estimate of all expected future cash flows from existing businesses, without margins of conservatism and plus a risk margin, which represents the addition to the insurance liabilities that is expected to be required from another insurance company to assume the insurance company's insurance liabilities. In accordance with the Directives, the risk margin is calculated using the cost of capital method, at a rate of 6% per year of the expected capital requirement for insurance risks over the life of the existing businesses as described below. The economic balance sheet is prepared based on the separate financial statements of the Company and its investees, whose main business is holding rights in real estate properties. The economic balance sheet attributes zero value to deferred acquisition costs and intangible assets (other than the investment in InsurTech as defined in the Solvency Circular for which the Company obtained the Commissioner's approval, as required).

Increasing economic capital according to the Transitional Provisions

As aforesaid, as of the solvency ratio calculation as of December 31, 2022, the Company opted for the current alternative provided by the transitional provisions, whereby the economic capital may be increased by gradually deducting from the insurance reserves until 2032 (hereinafter - the **"Deduction during the Transitional Period"** or the **"Deduction"**). With regard to the Deduction during the Transitional Period, a letter was addressed to insurance companies managers titled "Principles for calculating Deduction during the Transitional Period in the Solvency II-based Economic Solvency Regime" (hereinafter - the **"Letter of Principles"**). Pursuant to the Letter of Principles, the Deduction during the Transitional Period shall be calculated by dividing insurance policies issued through December 31, 2016 into homogeneous risk groups.

Following the initial application of IFRS 17 in the insurance companies' financial statements as from January 1, 2025, on April 10, 2025, the Commissioner issued revised guidance regarding the calculation of the Deduction Amount commencing the Solvency Ratio Report as of June 30, 2025. In accordance with the guidance, the ratio between the calculated amount of Deduction Amount as of December 31, 2024 and the amount of BE and RM components less the addition of the value of Hetz bonds (for a guaranteed return portfolio) should be calculated for each homogeneous risk group (hereinafter - **"Deduction Rates"**).

After the application of IFRS 17, the Deduction Amount will be determined by multiplying the Deduction Rates calculated as of December 31, 2024 for each homogeneous risk group, by the amount of the BE and RM components less the addition of the value of Hetz bonds (for a guaranteed return portfolio) as of the calculation date. The maximum Deduction Amount for each reporting period will be equal to the amount of Deduction of all homogeneous risk groups, amortized, on a straight line basis, between December 31, 2019 and the end of 2032.

The Company should ensure that the deduction balance at each reporting date shall be proportionate to the expected increase in the solvency ratio calculated excluding expedients during the transitional period.

Regarding the Deduction Value during the Transitional Period as of December 31, 2025 - see Section 2A(2) below.

Solvency capital requirement (SCR)

The calculation of the solvency capital requirement is based on an assessment of the economic equity's exposure to the following risk-weighted components set in the Provisions of the Economic Solvency Regime: life insurance risks, health insurance risks, property and casualty insurance risks, market risks and counter-party default risks. These risk-weighted components include sub-risk-weighted components with respect to specific risks to which the insurance company is exposed. The exposure assessment of the economic equity to each risk-weighted sub-component is carried out based on a defined scenario set out in the Provisions of the Economic Solvency Regime. The determination of the solvency capital requirement is based on the sum of the capital requirements for the risk-weighted components and risk-weighted sub-components and the sub-risk weighted components, as stated above, net of the effect of the risk diversification in the Company in accordance with the correlations assigned to them under the Directives, and net of the loss absorption adjustment due to deferred tax, as detailed in the Provisions of the Economic Solvency Regime. Furthermore, the calculation of the solvency capital requirement includes components of capital requirement for operational risk and for management companies.

The capital requirement for each of the risks is calculated in accordance with the Company's exposure to that risk, taking into account the parameters set in the Directives. In accordance with the Directives, the capital requirement represents the scope of own funds that will allow the insurance company to absorb unexpected losses in the forthcoming year and meet its obligations to policyholders and beneficiaries on time, with a 99.5% certainty level.

The loss absorption adjustment with respect to deferred tax assets beyond the balance of the deferred tax reserve as per the economic balance sheet is limited to 5% of the basic solvency capital requirement (BSCR), provided that the following conditions are met:

- The Company is able to demonstrate to the Commissioner that it is probable that it will have future taxable income against which the tax assets may be utilized.
- Future income will arise only from property and casualty insurance or from Not Similar to Life Techniques (NSLT) health insurance.

D. Comments and clarifications

1. General

The Economic Solvency Ratio Report includes, among other things, forecasts based on assumptions and parameters based on past experience, as they arise from actuarial studies conducted from time to time, and on Company's assessments regarding the future, to the extent that it has relevant and concrete information which can be relied upon. The information and studies are similar to those used as the basis for the Company's periodic report as of as of December 31, 2025. Any information or studies obtained or completed after the publication date of the Company's periodic report were not taken into account. This Solvency Ratio Report was prepared based on the conditions and the best estimate as they were known to the Company on the publication date of the report as of December 31, 2025.

It should be emphasized that in view of the reforms in the capital, insurance and savings market and the changes in the economic environment, past data are not necessarily indicative of future results, and the Company is unable to reliably assess the effect of the reform and the changes. The calculation is sometimes based on assumptions regarding future events and steps taken by management, that will not necessarily materialize or will materialize in a manner different than the assumptions used in the calculation. Furthermore, actual results may be materially different from the calculation, since combined scenarios of events may materialize in a manner that is materially different than the assumptions made in the calculation.

The model, in its present form, is highly sensitive to changes in market variables and other variables; therefore, the status of capital reflected therefrom may be very volatile.

2. Future effects of legislation and regulatory measures known as of the report's publication date and exposure to contingent liabilities

- A. In recent years, the insurance sector has been subject to frequent changes in relevant legislation and frequent regulatory directives. In this respect, see Section 7 to the Report on the Corporation's Business in the 2025 Periodic Report. Legislation and regulatory measures affect the Company's profitability and its cash flows and consequently - its economic solvency ratio.

The calculation of the solvency ratio does not reflect all potential effects of the aforesaid legislation and regulatory measures and of other developments that are not yet reflected in practice in the data; this is since to date the Company is unable to assess their entire effect on its business results and solvency ratio.

- B. In accordance with the Solvency Circular, the value of contingent liabilities in the economic balance sheet is determined based on their value in the accounting balance sheet in accordance with the provisions of IAS 37; this measurement does not reflect their economic value. It is impossible to assess the effect of the uncertainty arising from the exposure to contingent liabilities described in Note 30 to the Consolidated Financial Statements as of December 31, 2025, including the effect of such an exposure on the Company's future profitability and solvency ratio.

Section 1 - Economic solvency ratio and minimum capital requirement (MCR)

A. Economic solvency ratio

	As of December 31, 2025	As of December 31, 2024
	Audited*	Audited*
	NIS thousand	
Own funds for SCR purposes - see Section 3	9,077,805	7,885,190
Solvency capital requirement (SCR) - see Section 4	5,267,207	4,576,707
Surplus	3,810,598	3,308,483
Economic solvency ratio (in %)	172.3%	172.3%
Effect of material equity transactions taken in the period between the calculation date and the publication date of the Solvency Ratio Report		
Raising of capital instruments	-	400,000
Own funds for SCR purposes	9,077,805	8,285,190
Surplus	3,810,598	3,708,483
Economic solvency ratio (%)	172.3%	181.0%

*) Any reference made in this report to the term "audited", shall be construed as an audit held in accordance with International Standard on Assurance Engagements No. 3400 - The Examination of Prospective Financial Information.

Following are the key changes compared with December 31, 2024:

- A. The results of the economic solvency ratio as of December 31, 2025 include a distribution of a dividend totaling approx. NIS 1,350 million, of which NIS 450 million was in August 2025 and NIS 500 million in November 2025 and approx. NIS 400 million in March 2026, which was deducted from the economic equity as of December 31, 2025 in accordance with the Commissioner's Directives. It is emphasized that in April 2025, Menora Insurance distributed a dividend of approx. NIS 250 million, which was reflected in the solvency ratio as of December 31, 2024.
- B. In June 2025, a capital note issued to Menora Holdings - totaling approx. NIS 311 million - which had been recognized as Additional Tier 1 capital, was redeemed, and in September 2025 the Company issued Subordinated Notes (Series J) to the public totaling approx. NIS 800 million. The capital which was raised was fully recognized in eligible Additional Tier 1 capital and accordingly contributed to an increase in the capital surplus.

- C. An increase in real returns in the Nostro and participating portfolios had a material effect on the improvement in capital surplus.
- D. The Company recorded a substantial increase in the capital surplus due to current profitability recorded in property and casualty insurance underwriting activity, alongside a positive contribution to capital surplus from new life and health insurance segment business activity during the period.
- E. There was a natural increase in the solvency ratio of the Company due to the amortization of the capital requirement for existing long-term life and health insurance products, which reduce the solvency capital requirement and the risk margin (RM).
- F. The Company conducted several demographic studies and revisions, the most notable of which are: Morbidity in the medical expenses product, which had an adverse effect on capital surplus, alongside mortality, mainly for active long-term care policies. Conversely, a lapse study, retention in health insurance products and in participating policies, and the morbidity assumption in permanent health insurance slightly improved capital surplus.
The aggregate effect of all demographic and business assumptions contributed to an immaterial decrease in capital surplus (for details regarding the various studies, see the 2025 Periodic Report).

For details regarding the economic solvency ratio without applying the transitional provisions, and regarding the target economic solvency ratio and restrictions applicable to the Company in connection with dividend distribution, see Section 9 below.

B. Minimum capital requirement (MCR)

	As of December 31, 2025	As of December 31, 2024
	Audited	Audited
	NIS thousand	
Minimum capital requirement (MCR) - see Section 5.A	1,429,800	1,377,444
Own funds for MCR purposes - see Section 5.B	7,181,131	6,459,205

Section 2 - Economic Balance Sheet

	Note	As of December 31, 2025		As of December 31, 2024	
		Balance sheet according to IFRS 17	Economic balance sheet	Balance sheet according to IFRS 17 *)	Economic balance sheet **)
		Audited		Audited	
		NIS thousand			
Assets:					
Cash and cash equivalents for yield-dependent contracts		2,633,551	2,633,551	2,420,134	2,420,134
Other cash and cash equivalents		1,496,831	1,496,831	805,790	805,790
Financial investments for yield-dependent contracts		35,770,819	35,792,297	33,101,222	33,101,222
Other financial investments:					
Deposits with banks and financial institutions		115,872	120,530	252,357	259,596
Designated bonds	(5)	3,144,036	3,206,327	3,143,931	3,208,028
Government bonds (excluding designated bonds)		3,401,822	3,401,822	1,438,372	1,438,372
Illiquid corporate bonds	(4)	261,994	269,610	370,850	379,846
Liquid corporate bonds		1,367,356	1,367,356	1,288,651	1,288,651
Illiquid shares		249,714	249,714	267,618	267,618
Liquid shares		857,778	857,778	690,543	690,543
Loans (including investees)		3,803,537	3,835,957	4,170,768	4,203,184
Other		3,513,492	3,513,492	3,171,239	3,171,239
Total other financial investments		16,715,601	16,822,586	14,794,329	14,907,077
Receivables and debit balances		214,478	845,199	844,478	844,478
Insurance contract assets - see Section (c)	(10)	1,671,191	3,692,565	1,272,967	3,635,698
Reinsurance contract assets - see Section (c)		3,285,063	1,880,288	3,070,441	1,922,210
Investments in non-insurer investees:	(3)				
Other investees		132,715	122,053	145,811	192,120
Total investments in non-insurer investees		132,715	122,053	145,811	192,120
Investment property for yield-dependent contracts		167,471	167,471	168,294	168,294
Investment property - other		736,221	736,221	751,915	751,915
Property, plant & equipment		699,309	699,309	739,283	739,283
Intangible assets and goodwill	(1)	758,991	181,314	713,915	209,073

	Note	As of December 31, 2025		As of December 31, 2024	
		Balance sheet according to IFRS 17	Economic balance sheet	Balance sheet according to IFRS 17 *)	Economic balance sheet **)
		Audited		Audited	
		NIS thousand			
Other assets	(9)	284,908	253,739	25,180	190,750
Total assets		64,567,149	65,323,424	58,853,758	59,888,044
Of which: Risk adjustment (RA) / risk margin (RM)		(26,936)	(1,220,778)	22,502	(1,145,757)
Total assets for yield-dependent contracts		38,571,841	38,593,319	36,040,804	36,220,061
Equity:					
Basic Tier 1 capital		4,156,039	6,479,647	3,513,024	6,152,075
Total equity		4,156,039	6,479,647	3,513,024	6,152,075
Liabilities:					
Loans and credit		3,005,640	3,003,577	2,112,988	1,994,617
Liabilities for derivative instruments		74,636	74,636	292,910	292,910
Payables and credit balances		1,073,928	1,042,463	594,983	594,983
Liabilities for current taxes		818,388	818,388	9,483	9,483
Liabilities for investment contracts		6,966,567	6,823,824	5,604,738	5,477,378
Total liabilities for insurance contracts	(10)	47,539,824	45,446,492	46,014,403	43,716,182
Liabilities for reinsurance contracts		97,632	-	99,067	-
Deduction during the Transitional Period			(380,812)	-	(395,654)
Liabilities for deferred taxes, net	(7)	707,976	1,945,454	590,827	1,996,806
Other liabilities	(9)	126,519	69,755	21,336	49,264
Total liabilities		60,411,110	58,843,777	55,340,734	53,735,968
Total equity and liabilities		64,567,149	65,323,424	58,853,758	59,888,044
Of which: Risk adjustment (RA) / risk margin (RM)	(6)	1,479,954	3,220,141	1,415,844	2,752,537

*) The accounting balance sheet as of December 31, 2024 has been restated to reflect the effect of the application of IFRS 17 and IFRS 9.

**) The economic balance sheet as of December 31, 2024 was restated to conform to presentation under IFRS 17. The restatement does not affect the measurement of Basic Tier 1 capital and the solvency ratio.

Key changes in own funds compared with December 31, 2024:

For explanations about key changes in Tier 1 capital, see Section 3 above.

Section 2A - Information about the economic balance sheet

The fair value of assets and liabilities in the economic balance sheet was calculated in accordance with the provisions included in the chapter addressing with measurement of assets and liabilities for financial statements purposes in the Consolidated Circular (Code of Regulations), except for items for which other provisions apply as per the Solvency Circular, as follows:

(1) Liabilities for insurance contracts, risk margin (RM) and investment contracts and reinsurance assets

Liabilities for insurance contracts and investment contracts are calculated in accordance with Part A Chapter 4 of the Solvency Circular based on a best estimate (hereinafter - “BE” or “Best Estimate”) on the basis of assumptions that are mainly a result of projecting to the future existing experience relating to past events, within the environment in which the Company operates, and without conservatism factors. As a rule, in calculating the life and health SLT liabilities, the Company applied the embedded value (EV) calculation methodology to insurance contracts in Israel and calculated property and casualty insurance liabilities on the basis of the BE measurement section in the Consolidated Circular entitled “Best Practice for Calculation of Insurance Reserves in Property and Casualty Insurance for Financial Reporting Purposes”.

The calculation of the insurance liabilities for life insurance contracts and long term health insurance (SLT) contracts was carried out by discounting the Company’s expected future cash flows using a model applied to information available in the Company’s operational systems as to insurance coverages, and to many demographic, economic and behavioral assumptions. The projected cash flows include, for example, projected premiums in view of the expected lapse rates, net of the expenses that the Company will incur for the coverages, including fees and commissions to agents, expected claims, etc.

This cash flow is discounted based on an interest rate curve set by the Commissioner which is based on the yield to maturity of bonds of the Government of Israel (“risk-free interest”), with convergence in the long-term to an ultimate forward rate (UFR) of 2.6% plus a volatility adjustment rate (VA) set by the Commissioner.

The calculation of the liabilities does not include cash flows for future sales; however, it does include an assumption that the Company will continue receiving premiums from existing businesses (excluding for policies without an insurance risk, including investment contracts). Furthermore, the calculation assumes that the Company shall continue as a going concern, i.e., that the Company’s structure will not change, and therefore, some of the fixed expenses in the future shall not be allocated to the current portfolio, but rather to a new business which is expected to be sold in the future.

It is likely that the actual cash flows will vary to some degree on another from the estimates made on a best estimate basis, even if the underlying parameters of the calculation will not change in any way. See also Section D1 above - Comments and clarifications.

As stated above, the measurement of the insurance liabilities in the economic balance sheet is carried out by discounting the projected cash flows, including future profit, by a risk-free interest plus VA and taking the UFR into consideration, on the basis of a best estimate that does not include margins of conservatism, where the risk is reflected in the RM component, which is a separate liability.

Limitations and qualifications with regard to calculation of the best estimate

Generally, the underlying assumptions of the models were formulated mainly on the basis of studies and analyses which are based on Company's experience over the past few years, which did not include extreme events. Although there is low probability that extreme events will occur, the Company is unable to estimate this probability or the extent of the effect of those events. Accordingly, such events were not taken into account in the determination of the models' underlying assumptions.

- Since the Company did not have sufficient data, when calculating the BE it did not check the level of correlation between demographic and operational assumptions (such as the rate of lapses) and assumptions pertaining to market conditions (such as the interest rate), which may materially affect the BE.
- The determination of the BE should be based on an estimation of the distribution of the potential BEs. With no available significant statistical data that can be used to evaluate the distribution of BE for all demographic and operational factors in life and health SLT, the Company used real assumptions of each and every parameter, according to the expected value of each relevant factor, without taking into account any correlation or dependency between the different assumptions, or between the assumptions and external economic parameters such as taxation, interest or employment levels in Israel.
- In many cases, the future cash flows refer to periods of tens of years into the future. The studies on which the underlying cash flow assumptions rely are based on management's best knowledge, mainly recent years' experience. It is highly uncertain whether the underlying cash flow assumptions will, indeed, materialize.

Limitations and qualifications with regard to calculation of the risk margin (RM)

The risk margin is calculated using the cost of capital method, at a rate of 6% per year of the expected capital requirement for insurance risks over the life of the existing businesses. This calculation method was defined by the Commissioner and does not necessarily reflect the overall cost of capital that is expected to be required from another insurance company or reinsurer in order to assume the Company's insurance liabilities.

In that context, it should be emphasized that the stress scenarios calculated as part of the solvency model (capital requirements) are based on a set of scenarios and assumptions defined by the Commissioner, and which do not reflect any actual experience of the Company. Furthermore, the set of correlations on which the solvency model is based for the capital requirements was defined by the Commissioner and does not reflect the Company's actual experience.

Assumptions underlying the insurance liabilities calculation

■ Demographic and operating assumptions

The calculation's underlying assumptions were set in accordance with the Company's best estimates of relevant demographic and operational factors, and reflect the Company's expectations as to the future for these factors. The demographic assumptions included in the calculation were taken from Company's internal studies, if any, and are based on relevant experience and/or the integration of information received from external sources, such as information from reinsurers and mortality and morbidity tables published by the Commissioner.

The operational assumptions (general and administrative expenses) were calculated in accordance with the results of the Company's internal pricing model applied to expenses relating to the relevant insurance liabilities, including: allocation of expenses to the different segments and activities (issuance, current management, investments, claims management, etc.) and assumptions regarding their future development (in accordance with the CPI, scope of premiums, and assets under management, etc.).

Following are the key assumptions on which the Company relied in the calculations:

A. Economic assumptions

- 1) Discount rate - risk-free interest rate curve based on the yield to maturity of bonds of the Government of Israel ("risk-free interest"), with convergence in the long-term to an ultimate forward rate of 2.6% (UFR) plus a volatility adjustment rate (VA) - all as set by the Commissioner.
- 2) The yield on the assets backing the yield-dependent life insurance products is identical to the discount rate.
- 3) Designated bonds - estimated in accordance with their fair value, which takes into account their interest rate and the best estimate as to the Company's future entitlement to purchase them.
- 4) The inflation rate is set as the difference between the yield to maturity curve on NIS government bonds and the yield to maturity curve on linked government bonds. It is noted that the inflation assumption is relevant to products with amounts of insurance, premiums, and/or CPI-linked interest rates, and to expenses for claims and/or premiums that the Company assumes will change according to the rate of the CPI or another CPI-linked rate.

B. Operational assumptions (for life and health insurance)

General and administrative expenses - the Company analyzed the expenses allocated in the financial statements to the relevant insurance segments, and allocated them to various products and coverage types and to various activities such as current operating of the coverages, investment management, handling claims, payment of pensions, etc. The expenses study is revised periodically and the different types of expenses are carried to the future cash flow in relation to the relevant factors, such as the number of coverages, premiums, reserves or claims. The determination of the future expenses and

their allocation to future cash flows include many assessments and judgments by the Company, which affect the amount of the liabilities.

C. Demographic assumptions

- 1) Lapses (discontinuation of premium payment, settlement of policies, payment of redemption value) - in accordance with Company's experience with the different products as observed in periodic lapse studies, while making adjustments in accordance with the Company's estimates in cases where past experience does not faithfully represent the Company's expectations as to future changes.
- 2) Mortality of pensioners - in accordance with the appendixes and the life expectancy increase assumption as published by the Commissioner in the Consolidated Circular Section 5, Part 2, Chapter 1 - Measurement, Appendix C - Measurement of Liabilities, including the amendment of the provisions of the Consolidated Circular on Measuring Liabilities - Updating the Demographic Assumptions in Life Insurance and Updating the Mortality Improvements Model for Insurance Companies and Pension Funds of July 27, 2024.
- 3) Active mortality - based on data from reinsurers that prepared a mortality study in Israel, adjusted according to the Company's claims history based on mortality studies for the relevant products that are carried out periodically.
- 4) Morbidity (claims' rate and duration) in relation to long-term care, income protection, disability and health insurance products - based on the Company's claims history to the relevant products, in accordance with periodic claims studies, and/or in accordance with reinsurance tariffs applicable to the relevant products.
- 5) Pension takeup rates, annuity takeup age, and pension tracks - in accordance with the Company's experience as observed in periodic studies, the different policy types and funds.

D. Estimate of insurance liabilities in property and casualty insurance

The estimate of the insurance liabilities in the various subsegments for policies earned is based on the provision in the Financial Statements as of December 31, 2025. The estimate includes indirect expenses and does not include risk margin (RM). for the unearned portion, the cost is based on the balance sheet calculation, taking into account the unearned portion of the contingent claims.

(2) Deduction Value during the Transitional Period as of December 31, 2025

As noted in Chapter C, on April 10, 2025, the Commissioner issued guidance regarding the calculation of the Deduction Amount after the application of IFRS 17 (starting from the Solvency Ratio Report as of December 31, 2025). In accordance with the guidance, the ratio between the calculated amount of Deduction Amount as of December 31, 2024 and the amount of BE and RM components less the addition of the value of Hetz bonds (for a guaranteed return portfolio) should be calculated for each homogeneous risk group (hereinafter - "**Deduction Rates**").

After the application of IFRS 17, the Deduction Amount will be determined by multiplying the Deduction Rates calculated as of December 31, 2024 for each homogeneous risk group, by the amount of the BE and RM components less the addition of the value of Hetz bonds (for a guaranteed return portfolio) as of the calculation date.

The maximum Deduction Amount for each reporting period will be equal to the amount of Deduction of all homogeneous risk groups, amortized, on a straight line basis, between December 31, 2019 and the end of 2032. The Deduction Rates were recalculated as of December 31, 2024 and approved by the Commissioner - received on May 19, 2025.

The abovementioned Deduction is amortized linearly over 13 years through December 31, 2032, such that its amortized balance as of December 31, 2025 totaled NIS 381 million, compared to approx. NIS 396 thousand as of December 31, 2024; most of the decrease (approx. NIS 54 million) arises from linear amortization of the passage of time, and on the other hand - a demographic change and interest rate reduction increased the economic liabilities which form the basis for calculating the Deduction.

Other assets and liabilities:

- (1) **Intangible assets** - in accordance with Part A Chapter 2 Appendix A, an insurance company shall assess the value of intangible assets at zero, excluding the investment in Insurtech, as defined in the Solvency Circular and after obtaining the Commissioner's approval.
- (2) **Deferred acquisition expenses** - in accordance with Part A Chapter 2 Appendix A, an insurance company shall assess the value of acquisition costs at zero.
- (3) **Investment in non-insurer investees** - in accordance with Part A Chapter 2 Appendix B, the calculation was carried out using the adjusted equity method, in accordance with the circular on non-insurer investees. In accordance with this method, the Company's stake in investees was included based on its relative share in the excess of their assets over their liabilities, calculated in accordance with the economic value of the assets and liabilities in accordance with the circular's provisions, based on their financial statements after writing-off intangible assets. In investees where the economic balance sheet reflects an excess of liabilities over assets, the value of the investment will be zero rather than a negative amount, when its value in the accounting balance sheet is a positive amount. The economic value of the investees does not include the profits implicit in those companies.
- (4) **Non-marketable debt assets** - in accordance with Part A, Chapter 1, the fair value of non-marketable debt assets is calculated on the basis of a discounted cash flow model; the discount rates are determined by a company providing price and interest rate quotes for institutional entities.

- (5) **Designated bonds** - in accordance with Part A Chapter 2 Appendix E, the insurance company adjusts the value of designated bonds to their value as per the economic balance sheet.
- (6) **Contingent liabilities** - as to the value of contingent liabilities in the economic balance sheet, see Section D.2.b) above.
- (7) **Liabilities for deferred taxes, net** - in accordance with Part A Chapter 2 Appendix C, the calculation is based on the difference between the value attributed to assets and liabilities in the economic balance sheet and the value attributed to those assets and liabilities for tax purposes, in accordance with the recognition, measurement and presentation provisions of IAS 12. Deferred tax assets may be recognized only if the Company shall meet the criteria included in the Solvency Circular, in addition to the criteria included in the abovementioned accounting standard.
- (8) **Payables and credit balances** - in accordance with Part A Chapter 1, some of the balances in this item were calculated in accordance with the general principles regarding the economic balance sheet.
- (9) **Financial liabilities** - in accordance with the general principles set in the Solvency Circular and subject to the guidance in Part A Chapter 3, whereby changes in the Company's credit risk may only taken into account for changes in risk-free interest. That is to say, the discount rate is a risk-free interest plus the margin on issuance date.
- (10) **Insurance contract assets and liabilities** - In accordance with the Commissioner's clarification regarding the classification of insurance contracts as assets or liabilities in the economic balance sheet, it is noted that the Company acted according to the classification of the coverages as liabilities or assets, as derived from the breakdown of the BE in Life and Health and Property and Casualty Insurance in the solvency reporting rules.
- (11) **Other assets and liabilities** - In accordance with the EIOPA's guidance and an answer provided under a Q&A process, the Company classified the items pertaining to insurance contracts as other assets and liabilities in the economic balance sheet.

Section 2B - Composition of liabilities for insurance contracts and investment contracts

	As of December 31, 2025			Risk margin (RM)
	Best estimate (BE)			
	Gross	Reinsurance	Retention	
	Audited			
	NIS thousand			
Liabilities for insurance contracts and non-yield-dependent investment contracts:				
Life insurance contracts	(2,786,673)	(153,819)	(2,632,854)	347,193
Long-term health insurance contracts (SLT)	(1,450,272)	966,339	(2,416,611)	3,855,516
P&C insurance contracts	5,239,408	1,728,732	3,510,676	69,856
Short-term health insurance contracts (NSLT)	93,432	22,913	70,519	3,104
Total liabilities for insurance contracts and non-yield-dependent investment contracts	1,095,895	2,564,165	(1,468,270)	4,275,669
Liabilities for insurance contracts and yield-dependent investment contracts:				
Liabilities for yield-dependent life insurance contracts - SLT life insurance and long term health insurance contracts	36,222,820	(4,355)	36,227,175	165,249
Investment contracts	6,823,824	-	6,823,824	-
Total liabilities for insurance contracts and yield-dependent investment contracts:	43,046,644	(4,355)	43,050,999	165,249
Total liabilities for insurance contracts and investment contracts	44,142,539	2,559,810	41,582,729	4,440,918

	As of December 31, 2024			Risk margin (RM)
	Best estimate (BE)			
	Gross	Reinsurance	Retention	
	Audited			
	NIS thousand			
Liabilities for insurance contracts and non-yield-dependent investment contracts:				
Life insurance contracts	(1,152,756)	(168,636)	(984,120)	364,459
Long-term health insurance contracts (SLT)	(155,768)	1,136,527	(1,292,295)	3,251,510
P&C insurance contracts	4,967,572	1,645,115	3,322,456	71,574
Short-term health insurance contracts (NSLT)	88,284	31,674	56,610	1,628
Total liabilities for insurance contracts and non-yield-dependent investment contracts	3,747,332	2,644,680	1,102,651	3,689,171
Liabilities for insurance contracts and yield-dependent investment contracts:				
Liabilities for yield-dependent life insurance contracts - SLT life insurance and long term health insurance contracts	32,788,873	(4,310)	32,793,183	209,123
Investment contracts	5,477,378	-	5,477,378	-
Total liabilities for insurance contracts and yield-dependent investment contracts:	38,266,251	(4,310)	38,270,561	209,123
Total liabilities for insurance contracts and investment contracts	42,013,583	2,640,370	39,373,212	3,898,294

Following are the key changes compared with December 31, 2024:

- A. In life insurance contracts and long-term health insurance contracts, the decrease in total liabilities (retention) is mainly due to an increase in new business, and the release of a gain due to the passage of time and a decrease in the interest rate, which have partially offset some of the demographic effects.
- B. The increase in total liabilities for insurance and yield dependent investment contracts stems mainly from positive returns beyond the discount rate as well as current contributions into planholders' portfolios for yield dependent insurance and investment contracts.

Section 3 - Own funds for SCR purposes

	As of December 31, 2025			
	Tier 1 capital		Tier 2 capital	Total
	Basic	Additional		
	Audited			
	NIS thousand			
Own funds	6,479,647	820,944	2,182,633	9,483,224
Deductions from Tier 1 capital (a)	(405,419)			(405,419)
Deductions (b)		-	-	-
Deviation from quantitative limitations (c)		-	-	-
Own funds for SCR purposes (d)	<u>6,074,228</u>	<u>820,944</u>	<u>2,182,633</u>	<u>9,077,805</u>
Of which - expected profits in future premiums (EPIFP) after tax	5,901,876			5,901,876
	As of December 31, 2024			
	Tier 1 capital		Tier 2 capital	Total
	Basic	Additional		
	Audited			
	NIS thousand			
Own funds	6,152,076	310,952	1,701,474	8,164,502
Deductions from Tier 1 capital (a)	(279,312)			(279,312)
Deductions (b)		-	-	-
Deviation from quantitative limitations (c)		-	-	-
Own funds for SCR purposes (d)	<u>5,872,764</u>	<u>310,952</u>	<u>1,701,474</u>	<u>7,885,190</u>
Of which - expected profits in future premiums (EPIFP) after tax	5,177,987			5,177,987

Additional Tier 1 capital was mainly affected by redemption totaling approx. NIS 311 million in June 2025 and capital raising totaling approx. NIS 800 million on the other hand. For details regarding the changes affecting Basic Tier 1 capital, see Section 3(d) below.

In view of the listing of Additional Tier 1 capital and in accordance with the Company's undertakings under the deed of trust, as from 2025 the Company publishes, as part of the Report of the Board of Directors, the estimated quarterly solvency ratio as of March 31 and September 30, as part of the periodic report published following the calculation date. The calculation of the estimated quarterly solvency ratio is not audited or reviewed by the independent auditor, and the controls conducted by the Company for the purpose of publishing the estimated ratio are less in scope compared to those executed for the purpose of publishing the Solvency Ratio Report, which is published in accordance with the Commissioner's directives. In addition, if the Company's solvency ratio falls to 120% or below, it will publish a Full Solvency Ratio Report on a quarterly basis in a semi-annual format, instead of an estimated ratio. on the solvency ratio cannot be estimated. According to the above, the Company made an estimate of its economic solvency ratio - which is not audited or reviewed by the independent auditor - as of September 30, 2025 (hereinafter - the **"Estimate"**).

The calculation (of the Estimate) was carried out in accordance with the guidelines of the Solvency II-based Economic Solvency Regime, and in accordance with the provisions of Circular 2020-1-15 of the Commissioner - Amendment to the Consolidated Circular concerning Implementation of a Solvency II-Based Economic Solvency Regime for Insurance Companies (hereinafter - the **"Provisions of the Economic Solvency Regime"**), which was published on October 14, 2020. The Company carries out the Estimate and publishes the quarterly disclosure in addition to the

publication of a mandatory solvency ratio reports as required under the Provisions of the Economic Solvency Regime.

Tier 2 capital increased following the raising of NIS 400 million in March 2025.

- A. **Amounts deducted from Tier 1 capital** - in accordance with the definition of “Basic Tier 1 capital” in Appendix B, Chapter 2, Part 2 of Section 5 in the Consolidated Circular - “Economic Solvency Regime” (hereinafter - the “**Economic Solvency Regime Appendix**”), these deductions include the amount of assets held against liabilities for non-yield-dependent insurance and investment contracts in breach of the Investment Rules Regulations, amount invested by the Company in purchasing ordinary shares of the Company, and the amount of dividend declared subsequent to the report date and through the publication of the report for the first time. Subsequent to the balance sheet date, in March 2026, the Company distributed a NIS 400 million dividend. It is emphasized that in April 2025, Menora Insurance distributed a dividend of approx. NIS 250 million, which was reflected in the deduction line item of the solvency ratio as of December 31, 2024.
- B. Deductions - in accordance with the provisions of Chapter 6 in Part B - Directives regarding Insurance Companies’ Own Funds to the Economic Solvency Regime Appendix.
- C. Deviation from quantitative limitations - in accordance with the provisions of Chapter 2 in Part B - Directives regarding Insurance Companies’ Own Funds to the Economic Solvency Regime Appendix.

Section 3 - Own funds for SCR purposes (cont.)

D. Composition of own funds for SCR purposes

	As of December 31, 2025 Audited	As of December 31, 2024 Audited
	NIS thousand	
<u>Tier 1 capital:</u>		
Basic Tier 1 capital	6,074,228	5,872,764
<u>Additional Tier 1 capital:</u>		
Additional Tier 1 capital instruments	820,944	-
Restricted Tier 1 capital instruments	-	310,952
Less deduction due to deviation from quantitative limit	-	-
Additional Tier 1 capital	820,944	310,952
Total Tier 1 capital	6,895,172	6,183,716
<u>Tier 2 capital:</u>		
Additional Tier 1 capital which was not included in Tier 1		
Tier 2 capital instruments	1,824,823	1,353,486
Hybrid Tier 2 capital instruments	357,810	347,989
Hybrid Tier 3 capital instruments	-	-
Subordinated Tier 2 capital instruments	-	-
Less deduction due to deviation from quantitative limit	-	-
Total Tier 2 capital	2,182,633	1,701,474
Total own funds for SCR purposes	9,077,805	7,885,190

For details regarding own funds for SCR purposes without applying the transitional provisions, see Section 6 - Effect of Application of Provisions for the Transitional Period below.

Main changes affecting Basic Tier 1 capital compared to December 31, 2024:

- A. In June 2025, a capital note issued to Menora Holdings totaling approx. NIS 311 million was redeemed and recognized as additional Tier 1 capital, while approx. NIS 800 million in Additional Tier 1 capital was raised.
- B. The calculation as of December 31, 2025 includes an aggregate dividend distribution of NIS 1,350 million, of which NIS 950 million was distributed during the reporting period: NIS 450 million in August 2025 and NIS 500 million in November 2025; an additional total of approx. NIS 400 million was distributed subsequent to the balance sheet date in March 2026.
- C. An increase in real returns in the Nostro and participating portfolios had a material effect on the improvement in the basic capital.
- D. Additionally, the Company recorded a substantial increase in its capital due to current profitability recorded in property and casualty insurance underwriting activity, alongside a positive contribution to the basic capital from new business in the Life and Health Insurance Segment during the period.

Section 4 - Solvency capital requirement (SCR)

	As of December 31, 2025	As of December 31, 2024
	Audited	Audited
	NIS thousand	NIS thousand
Basic solvency capital requirement (BSCR)		
Capital requirement for market risk-weighted component	3,316,025	2,967,833
Capital requirement for counterparty risk-weighted component	393,324	366,422
Capital requirement for underwriting risk-weighted component in life insurance	1,590,914	1,515,724
Capital requirement for underwriting risk-weighted component in health insurance (SLT+NSLT)	4,435,357	3,930,990
Capital requirement for underwriting risk-weighted component in P&C insurance	1,091,451	1,056,251
Total	10,827,071	9,837,219
Effect of diversification of risk-weighted components	(3,606,173)	(3,328,323)
Capital requirement for the intangible assets risk-weighted component	90,657	104,537
Total basic solvency capital requirement (BSCR)	7,311,555	6,613,433
Capital requirement for operational risk	254,613	270,422
Loss absorption adjustment due to deferred tax asset (in the negative)	(2,298,961)	(2,307,147)
Total solvency capital requirement (SCR)	5,267,207	4,576,707

Main changes in solvency capital requirement compared to December 31, 2024:

- The increase in the capital requirement for underwriting risk-weighted component in health insurance (SLT) arises mainly from the activity of the new business and demographic updates, especially with respect to morbidity.
- The increase in the capital requirement for the risk-weighted component is mainly due to the positive returns recorded by the Company with respect to its investment portfolio, alongside a slight increase in the SA component.

For details regarding the own funds for the solvency capital requirement without applying the transitional provisions, see Section 6 - Effect of Application of Transitional Provisions below.

Section 5 - Minimum capital requirement (MCR)

A. Minimum capital requirement (MCR)

	As of December 31, 2025	As of December 31, 2024
	Audited	Audited
	NIS thousand	
MCR according to the MCR formula	1,429,800	1,377,444
Lower band (25% of solvency capital requirement in the transitional period)	1,316,802	1,144,177
Upper band (45% of solvency capital requirement in the transitional period)	2,370,243	2,059,518
Minimum capital requirement (MCR)	1,429,800	1,377,444

B. Own funds for MCR purposes

	As of December 31, 2025		
	Tier 1 capital	Tier 2 capital	Total
	Audited		
	NIS thousand		
Own funds in respect of SCR according to Section 3	6,895,171	2,182,633	9,077,805
Deviation from quantitative limitations due to minimum capital requirement (*)		(1,896,673)	(1,896,673)
Own funds for MCR purposes	6,895,171	285,960	7,181,131

	As of December 31, 2024		
	Tier 1 capital	Tier 2 capital	Total
	Audited		
	NIS thousand		
Own funds in respect of SCR according to Section 3	6,183,716	1,701,474	7,885,190
Deviation from quantitative limitations due to minimum capital requirement (*)		(1,425,986)	(1,425,986)
Own funds for MCR purposes	6,183,716	275,489	6,459,205

(*) In accordance with the provisions of Chapter 3 in Part B to the Economic Solvency Regime Appendix, Tier 2 capital shall not exceed 20% of MCR.

Section 6 - Effect of Application of Transitional Provisions

	As of December 31, 2025			
	Including applying the transitional provisions	Effect of Deduction during the Transitional Period	Effect of a 50% rate Tier 2 capital during the transitional period	Excluding applying the transitional provisions
Audited				
NIS thousand				
Total insurance liabilities, including risk margin (RM)	48,196,939	(380,812)	-	48,577,751
Basic Tier 1 capital	6,074,228	248,480	-	5,825,748
Own funds for SCR purposes	9,077,805	248,480	22,818	8,806,507
Solvency capital requirement (SCR)	5,267,207	(132,332)	-	5,399,539
	As of December 31, 2024			
	Including applying the transitional provisions and adjusting the stock scenario	Effect of Deduction during the Transitional Period	Effect of a 50% rate Tier 2 capital during the transitional period	Excluding applying the transitional provisions and adjusting the stock scenario
Audited				
NIS thousand				
Total insurance liabilities, including risk margin (RM)	45,516,223	(395,654)	-	45,911,877
Basic Tier 1 capital	5,872,764	258,164	-	5,614,599
Own funds for SCR purposes	7,885,190	258,164	-	7,627,026
Solvency capital requirement (SCR)	4,576,707	(137,490)	-	4,714,197

See the description of the transitional provisions applicable to the Company during the transitional period and evaluation of the Deduction during the Transitional Period, in Section 2A - Information on Economic Balance Sheet, Section 2A - Deduction Value during the Transitional Period as of December 31, 2025.

Section 7 - Changes in Capital Surplus

	Own funds for SCR purposes	Solvency capital requirement (SCR)	Capital surplus (deficit)
	NIS thousand		
As of December 31, 2024	7,885,190	4,576,707	3,308,483
Net of the transitional provisions (in the negative)	451,853	138,184	313,669
As of January 1, 2025, without applying the transitional provisions	8,337,043	4,714,892	3,622,152
The effect of operating activities (a)	(624,259)	(55,454)	(568,805)
Effect of economic activity (b)	1,348,426	412,254	936,171
New business (c)	413,271	364,350	48,921
Effect of the issuance of capital instruments (net of redemptions) and a declared dividend (d)	(695,562)	(36,503)	(659,059)
Effect of changes in deferred tax, Additional Tier 1 capital and Tier 2 capital	27,588	-	27,588
As of December 31, 2025, without applying the transitional provisions	8,806,507	5,399,539	3,406,968
Effect of the transitional provisions and adjusting the stock scenario	271,298	(132,332)	403,630
As of December 31, 2025	9,077,805	5,267,207	3,810,598

- A. This section includes the effect of:
- New insurance contracts (P&C Insurance and NSLT health insurance) signed in the reporting year, and insurance portfolios in those subsegments, purchased or sold in the reporting year.
 - Investment in investees.
 - Other changes not included in the other line items.
- B. This section includes the effect of the current operating activity, including:
- Changes in the value of investment assets.
 - Changes in capital requirement in respect of market risk-weighted component, including change in the symmetric adjustment component (SA).
 - Effect of inflation.
 - Effect of changes in the risk-free interest rate curve on solvency.
- C. This item includes new insurance contracts (SLT life and health insurance) signed in the reporting year, and insurance portfolios in those subsegments, purchased or sold in the reporting year, excluding/including their effect on market risks, counterparty risk and operational risk.
- D. This item includes the effects of equity transactions including issuance and redemption of Tier 2 and Tier 1 instruments and the effect of a dividend declared subsequent to the publication date of the Solvency Ratio Report as of December 31, 2025 and through the report publication date.

Main Changes in relation to previous year:

- During the reporting period, the Company distributed a dividend of NIS 1,200 million, of which NIS 250 million was deducted from the opening balance for data as of December 31, 2024. Therefore, the actual effect totals NIS 950 million, and the NIS 400 million dividend distributed subsequent to the report date - in March 2026 - is included under equity transactions.
- The effect of economic activity contributed materially to the increase in capital surplus during the reporting period primarily due to positive returns in the nostro portfolio in the planholders' portfolios, offset by an increase in capital requirements.
- For more information regarding significant effects on the economic solvency ratio's components, see Section 1 above.

Section 8 - Sensitivity Tests

	As of December 31, 2025	As of December 31, 2024
	Effect on the economic solvency ratio (in %)	Effect on the economic solvency ratio (in %)
	Audited	
A 50-basis point decrease in risk-free interest	(6.3%)	(11.0%)
A 25% decrease in the value of equity assets	(15.9%)	(6.7%)
A 5% increase in morbidity rate	(11.4%)	(12.9%)
A 5% decrease in mortality rates	(2.7%)	(3.3%)

* The interest rate sensitivity test for 2024 is restated.

Main Changes in relation to previous year:

There was a substantial increase in the effect of the sensitivity test assessing the effect of changes in the value of equity assets on the solvency ratio, arising from an increase in the scenario's severity due to a substantial rise in the Symmetric Adjustment (SA) component, which was capped at +10%. While last year the SA value was high and capped at the upper limit only when the scenario was applied, this year the pre-capping value was high even within the component's fluctuation limits (-10% to +10%) and remained high after the application of the scenario. This change in the SA base value resulted in a different effect of the sensitivity test regarding the value of equity assets on the overall ratio.

The decrease in the effect of the interest rate sensitivity test is primarily due to an increase in the amounts of debt assets and insurance assets.

Section 9 - Restrictions on Dividend Distribution

The Company's policy is to hold a solid capital base to ensure its solvency and its ability to meet its obligations to policyholders and allow flexibility in its business activities to generate a return for its shareholders. The Company is subject to the capital requirements and regulation set for dividend distribution. Therefore, 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 Company approved a capital management plan which includes capital adequacy targets.

In November 2023, the Company's Board of Directors revised the target capital for dividend distribution starting from 2024 onwards, such that it will gradually increase linearly from 115% to a rate of 130% at the end of 2032. As of December 31, 2025, the target capital that was set amounted to 116.9% of the total capital requirements.

Subsequent to the balance sheet date, the Company distributed a dividend totaling approx. NIS 400 million, as detailed in Section 1.

The following are data on the Company's economic solvency ratio, calculated without taking into account the transitional provisions and subject to the solvency ratio target set by the Company's Board of Directors. The ratio is higher than the solvency ratio required by the letter.

	As of December 31, 2025	As of December 31, 2024
	Audited	Audited
	NIS thousand	
Excluding applying the transitional provisions		
Own funds for SCR purposes (in NIS thousand)	8,806,507	7,627,026
Solvency capital requirement (SCR) (in NIS thousand)	5,399,539	4,714,197
Surplus	3,406,968	2,912,829
Solvency ratio (in %)	163.1%	161.8%
Effect of material equity transactions taken in the period between the calculation date and the publication date of the Solvency Ratio Report		
Raising of capital instruments	-	184,204
Own funds for SCR purposes	8,806,507	7,811,230
Surplus	3,406,968	3,097,033
Economic solvency ratio (%)	163.1%	165.7%
Capital surplus after equity transactions taken in the period between the calculation date and the publication date of the Solvency Ratio Report, compared with the Board of Directors' target		
Target of the Board of Directors for the period (in percent)	116.9%	115.0%
Capital surplus over target	2,495,865	2,389,904

Material changes compared with December 31, 2024:

- A. For an explanation about changes in eligible own funds, capital requirement, and capital surplus in the transitional period, see Section 1.
- B. For an explanation about changes in the eligible own funds see Section 3 above.
- C. For an explanation about changes in the capital requirements in the transitional period, see Section 4.

May 25, 2026			
Date	Yehuda Ben Assayag Chairman of the Board	Michael Kalman CEO	Ruty Yehudayoff Cohen EVP, Chief Risk Officer



Economic Solvency Ratio Report

Shomera Insurance Company Ltd.

As of December 31, 2025

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To
Board of Directors of Shomera Insurance Company Ltd.

Dear Sir/Madam,

Re: Examination of the Application of Certain Guidance of the Commissioner of the Capital Market, Insurance and Savings regarding the Solvency II-Based Economic Solvency Requirement of Shomera Insurance Company Ltd. (hereinafter - the “Company”) as of December 31, 2025

We examined the capital required to maintain the solvency capital requirement (hereinafter - “**SCR**”) and the economic capital of the Company as of December 31, 2025 (hereinafter - the “**Information**”), included in the Company’s Economic Solvency Ratio Report attached hereby (hereinafter - the “**Report**”).

The Board of Directors and management bear the responsibility for the preparation and presentation of the Information drawn up in accordance with the directives of the Commissioner of the Capital Market, Insurance and Savings (hereinafter - the “**Commissioner**”) Solvency II-Based Provisions of the Economic Solvency Regime for Insurance Companies as included the Commissioner’s Circular 2020-1-15 dated October 14, 2020 (hereinafter - the “**Directives**”). The calculations, forecasts and assumptions on which the preparation of the Information was based fall under the responsibility of the Board of Directors and management.

We conducted our examination in accordance with International Standard on Assurance Engagements No. 3400 - The Examination of Prospective Financial Information, and in accordance with the Commissioner's Directives, as included in the Consolidated Circular, Chapter 7, Article 5, Part 1, Independent Auditor, which provides guidance as to audit of Economic Solvency Ratio Report.

Based on the examination of the evidence supporting the calculations, forecasts and assumptions, as referred to below, which were used by the Company’s Board of Directors and management in the preparation of the information nothing came to our attention which caused us to believe that the forecasts and assumptions, as a whole, do not constitute a reasonable basis for the information in accordance with the Directives. Furthermore, in our opinion, the information, including the method employed to determine the assumptions and forecasts, was prepared and presented in all material respects in accordance with the Directives.

Kost Forer Gabbay & Kasierer
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It should be emphasized that the projections and assumptions 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 information 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 information. Furthermore, actual results may materially vary from the information, since the combined scenarios of events may materialize in a manner that is materially different than the assumptions made in the information.

We draw attention to Section D. - comments and clarifications regarding the solvency ratio, the uncertainty derived from regulatory changes and exposure to contingent liabilities, the effect of which on the solvency ratio cannot be estimated.

**Tel Aviv,
May 20, 2026**

Respectfully,

**Kost Forer Gabbay & Kasierer
Certified Public Accountants**

A. Overview and disclosure requirements

Solvency II-based Economic Solvency Regime

The information provided below was calculated in accordance with the provisions of Circular 2020-1-15 of the Commissioner of the Capital Market, Insurance and Savings (hereinafter - the "**Commissioner**") - Amendment to the Consolidated Circular, Application Provisions for Solvency II-Based Provisions of the Economic Solvency Regime for Insurance Companies (hereinafter - the "**Solvency Circular**"), was prepared and presented in accordance with Chapter 1, Part 4, Section 5 of the Consolidated Circular as revised in Circular 2025-1-3 (hereinafter - the "**Disclosure Provisions**").

The Solvency Circular sets a standard model for calculating available own funds and the solvency capital requirement, aiming to bring insurance companies to a situation where they have the capacity to absorb losses arising from the materialization of unexpected risks to which they are exposed. **Solvency ratio is the ratio between an insurance company's available own funds and its regulatory solvency capital requirement.**

The available own funds shall be composed of Tier 1 capital and Tier 2 capital. Tier 1 capital includes own funds calculated by assessing the value of an insurance company's assets and liabilities in accordance with the Circular's provisions plus Additional Tier 1 Capital. Additional Tier 1 capital and Tier 2 capital include equity instruments with loss absorption mechanisms, including Subordinated Tier 2 capital, Hybrid Tier 2 capital and Tier 3 capital, which were issued prior to the circular's effective date. The circular includes restrictions on the composition of own funds for SCR purposes (see below), such that the rate of components included in Tier 2 Capital shall not exceed 40% of the SCR.

The existing capital should be compared to the capital requirement when there are two levels of capital requirements:

- The capital requirement to maintain an insurance company's solvency (hereinafter - "**SCR**") is risk-sensitive, and is based on a forward-looking calculation of the effect of the various scenarios' materialization, while taking into account the correlation of the various risk factors, based on the application guidance of the New Solvency Regime. This requirement aims to guarantee the precise and timely involvement of the regulatory authorities.
- Minimum capital requirement (hereinafter "**MCR**" or "**Capital Threshold**"). In accordance with the Solvency Circular, the minimum capital requirement shall be equal to the highest of the amount of the minimum Tier 1 capital requirement under the "Requirements of the Previous Capital Regime" and an amount derived from insurance reserves and premiums (as defined in the Solvency Circular), with a floor of 25% and a cap of 45% of the SCR.

The existing capital is calculated using data and models for calculating the economic solvency ratio, which are based, among other things, on forecasts and assumptions that rely mainly on past experience. The calculations performed as part of the economic capital calculation and the economic capital requirement are highly complex.

Forward-looking information

The data included in this Economic Solvency Ratio Report, including the eligible own funds and solvency capital requirement are based, among other things, on forecasts, assessments, and estimates of future events, the materialization of which is uncertain and is not under the Company's control, and which should be considered as "forward-looking information" as the term is defined in Section 32A to the Securities Law, 1968. Actual results may differ from the results reflected in this Economic Solvency Ratio Report, if such forecasts, assessments and estimates, either in whole or in part, fail to materialize or materialize in a manner different than anticipated, including, among other things, with respect to actuarial assumptions (including lapses, expenses, rate of release of the risk margin and underwriting income rate), assumptions regarding future management actions, risk-free interest rates, capital market returns, future revenue, and damage in catastrophe scenarios.

B. Definitions

Best estimate	- Expected future cash flows from insurance contracts and investment contracts throughout their term, without conservatism margins and discounted by an adjusted risk-free interest.
Short-term health insurance (non-similar to life techniques - NSLT)	- Health insurance that is deemed to be written on a similar technical basis as property and casualty insurance.
Basic solvency capital requirement (BSCR)	- The capital requirement from an insurance company to maintain its solvency, calculated in accordance with the Provisions of the Provisions of the Economic Solvency Regime Directives, without taking into account the capital requirement due to operational risk, and loss absorption adjustment due to deferred tax.
Solvency capital requirement (SCR)	- Total capital requirement from an insurance company to maintain its solvency, calculated in accordance with the Provisions of the Economic Solvency Regime.
Eligible own funds	- Total Tier 1 capital and Tier 2 capital of an insurance company, after deductions and amortization in accordance with the provisions of Part B of the Appendix to the Solvency Circular.
Basic Tier 1 capital	- Accounting own funds plus the change in the excess assets over liabilities stemming from discrepancies between the manner of assessing the value of assets and liabilities as part of the transition to economic balance sheet, net of unrealized assets and dividend declared subsequent to report date and has yet to be published for the first time.
Additional Tier 1 capital	- Perpetual capital note, non-performing preferred shares, Restricted Tier 1 capital instrument, additional Tier 1 capital instrument.
Tier 2 capital	- Tier 2 capital instruments, instruments of Subordinated Tier 2 Capital, Hybrid Tier 2, and Hybrid Tier 3 Capital - valued in accordance with the provisions of Part A of the Appendix to the Solvency Circular.
Effect of diversification of risk-weighted components	- Correlation between the various risks of the model - The greater the diversification between operating segments in the portfolio and diversification between risks, the greater is the effect of the correlation, which reduces the overall risk.
Solvency ratio	- Ratio between the eligible own funds and solvency capital requirement of an insurance company.
Economic balance sheet	- The Company's balance sheet when the value of the assets and liabilities is adjusted in accordance with the provisions of Part A in the appendix to the Solvency Circular.
Risk margin (RM)	- An amount in addition to the best estimate reflecting the total cost of capital that another insurance company or reinsurer would require to assume the Company's insurance liabilities.
Risk adjustment (RA) for non-financial risk	- The compensation an entity requires for bearing the uncertainty regarding the amount and timing of the cash flows arising from non-financial risk as the entity fulfils insurance contracts.

Minimum capital requirement (MCR)	- The minimum capital requirement for an insurance company.
UFR	- The ultimate forward rate derived from the expected long-term real interest rate and the long-term inflation expectations to which the adjusted interest rate curve converges, in accordance with the Provisions of the Economic Solvency Regime.
Volatility adjustment (VA)	- An anti-cyclical component reflecting the margin implicit in a representative debt assets portfolio of insurance companies and added to the adjusted interest rate curve in accordance with Provisions of the Economic Solvency Regime.
The Commissioner	- Commissioner of the Capital Market, Insurance and Savings Authority of the Ministry of Finance.

C. Calculation methodology

The Economic Solvency Ratio Report as of December 31, 2025 was calculated and prepared in accordance with the Solvency II-Based Provisions of the Economic Solvency Regime for Insurance Companies (hereinafter - the “**Directives**”) as set out in the Solvency Circular. Following are the main provisions and changes thereto:

Economic balance sheet

The economic balance sheet is calculated in accordance with the detailed rules and directives published by the Commissioner, which are based on the European Solvency II rules, with adjustments to reflect the characteristics of the economic environment and products in Israel. The purpose of the rules is to reflect the economic value of the balance sheet items in accordance with the Commissioner’s approach. In accordance with the Directives, the insurance liabilities are calculated based on the best estimate of all expected future cash flows from existing businesses, without conservatism margins and plus a risk margin, which represents the addition to the insurance liabilities that is expected to be required from another insurance company to assume the insurance company's insurance liabilities. In accordance with the Directives, the risk margin is calculated using the cost of capital method, at a rate of 6% per year of the expected capital requirement in respect of insurance risks over the life of the existing businesses as described below. The economic balance sheet is prepared based on the Company’s separate financial statements and include an investee, which constitutes a real estate arm. The economic balance sheet does not include the economic value of insurance agencies under the insurance company and also attributes zero value to intangible assets and deferred acquisition costs.

Solvency capital requirement (SCR)

The calculation of the solvency capital requirement is based on an assessment of the economic own funds’ exposure to the following risk-weighted components set in the Provisions of the Economic Solvency Regime: property and casualty insurance risks, market risks and counterparty default risks. These risk-weighted components include sub-risk-weighted components with respect to specific risks to which the insurance company is exposed. The exposure assessment of the economic own funds to each sub-risk-weighted component is carried out based on a defined scenario set out in the guidance. The determination of the solvency capital requirement is based on the sum of the capital requirement in respect of the risk-weighted components and risk-weighted sub-components, as stated above, net of the effect of the Company’s risk diversification in accordance with the correlations assigned to them under the Directives. The calculation of the solvency capital requirement also includes calculation of the capital requirement for operational risk, net of the loss absorption adjustment due to deferred tax, as detailed by the Provisions of the Economic Solvency Regime. Furthermore, the calculation of the solvency capital requirement includes components of capital requirement for operational risk and for management companies.

The capital requirement in respect of each of the risks are calculated in accordance with the Company’s exposures to that risk, taking into account the parameters set in the Directives. In accordance with the Directives, the amount of own funds requirement represents the scope of equity that will allow the insurance company to absorb unexpected losses in the forthcoming year and meet its obligations to policyholders and beneficiaries on time, with a 99.5% certainty level.

The loss absorption adjustment with respect to deferred tax assets beyond the balance of the deferred tax reserve as per the economic balance sheet is limited to 5% of the basic solvency capital requirement (BSCR), provided that the following conditions are met:

1. The insurance company is able to demonstrate to the Commissioner that it is probable that it will have future taxable income against which the tax assets may be utilized.
2. Future income will arise only from property and casualty insurance or from Not Similar to Life Techniques (NSLT) health insurance.

D. Comments and clarifications

1. General

The Economic Solvency Ratio Report includes, among other things, forecasts based on assumptions and parameters based on past experience, as they arise from actuarial studies conducted from time to time, and on Company's assessments regarding the future, to the extent that it has relevant and concrete information which can be relied upon. The information and studies are similar to those used as the basis for the Company's periodic report as of as of December 31, 2025. In addition, any information or studies obtained or completed after the publication date of the parent company's periodic report were not taken into account.

This Solvency Ratio Report was prepared based on the conditions and the best estimate as they were known to the Company on the publication date of the periodic report as of December 31, 2025.

It should be emphasized that in view of the reforms in the capital, insurance and savings market and the changes in the economic environment, past data are not necessarily indicative of future results, and the Company is unable to accurately assess the effect of the reform and the changes.

The calculation is sometimes based on assumptions regarding future events and steps taken by management, that will not necessarily materialize or will materialize in a manner different than the assumptions to be used in the calculation. Furthermore, actual results may materially vary from the calculation, since combined scenarios of events may materialize in a manner that is materially different than the assumptions made in the calculation.

The model, in its present form, is highly sensitive to changes in market variables and other variables; therefore, the status of capital reflected therefrom may be very volatile.

2. Future effects of legislation and regulatory measures known as of the report's publication date and exposure to contingent liabilities

In recent years, the field of insurance has been subject to frequent changes in relevant legislation and frequent regulatory directives. See Section 4.1 in Chapter A, Description of the Corporation's Business, in the Periodic Report for 2025, and in Section 4, under Minimum Capital Required from an Insurer to the Report of the Board of Directors for the period ended March 31, 2026.

Legislation and regulatory measures affect the Company's profitability and its cash flows and consequently - its economic solvency ratio.

The calculation of the solvency ratio does not reflect all potential effects of the aforesaid legislation and regulatory measures and of other developments that are not yet reflected in practice in the data; this is since to date the Company is unable to assess their entire effect on its business results and solvency ratio.

Section 1 - Economic solvency ratio and minimum capital requirement (MCR)

A. Economic solvency ratio

	As of December 31, 2025 Audited*	As of December 31, 2024 Audited*
	NIS thousand	
Own funds for SCR purposes - see Section 3	854,109	700,676
Solvency capital requirement (SCR) - see Section 4	638,021	563,152
Surplus	216,088	137,524
Economic solvency ratio (in %)	133.9%	124.4%
Effect of material equity transactions taken in the period between the calculation date and the publication date of the Solvency Ratio Report		
Raising (redemption) of capital instruments	-	-
Own funds for SCR purposes	854,109	700,676
Surplus	216,088	137,524
Economic solvency ratio (%)	133.9%	124.4%

*) Any reference made in this report to the term “audited”, shall be construed as an audit held in accordance with International Standard on Assurance Engagements No. 3400 - The Examination of Prospective Financial Information.

Following are the key changes compared with December 31, 2024:

- The results of the economic solvency ratio as of December 31, 2025 include a distribution of a dividend totaling NIS 100 million, paid in June 2025.
- An increase in real returns recorded by the Company during the period contributed to a substantial increase in own funds. On the other hand, there was an increase in the capital requirement due to an increase in the market risk-weighted component, due to positive returns in the investment portfolio and a slight increase in the symmetric adjustment (SA) under the stock scenario. The total increase in returns had a material effect on the improvement in capital surplus.
- An increase in underwriting income substantially increased own funds. On the other hand, there has been a substantial increase in capital requirements - mostly due to an increase in compulsory motor insurance reserves for new years in a new business activity (which is not covered by loss portfolio transfer (LPT) reinsurance transaction). The total increase in income had a material effect on the improvement in capital surplus.

For details regarding the target economic solvency ratio and restrictions applicable to the Company in connection with dividend distribution, see Section 8.

B. Minimum capital requirement (MCR)

	As of December 31, 2025	As of December 31, 2024
	Audited	Audited
	NIS thousand	
Minimum capital requirement (MCR) - see Section 5.A	233,612	212,286
Own funds for MCR purposes - see Section 5.B	854,109	700,676

Section 2 - Economic Balance Sheet

	Note	As of December 31, 2025		As of December 31, 2024	
		Balance sheet according to IFRS 17	Economic balance sheet	Balance sheet according to IFRS 17 *)	Economic balance sheet **)
		Audited		Audited	
		NIS thousand			
Assets					
Other cash and cash equivalents		385,597	385,597	190,972	190,972
Other financial investments:					
Deposits with banks and financial institutions		12,900	12,900	21,171	21,171
Government bonds		680,895	680,895	686,130	686,130
Liquid corporate bonds		439,431	439,431	376,204	376,204
Liquid shares		172,129	172,129	158,449	158,449
Loans (including investees)		595,235	595,235	582,192	582,192
Other		434,954	434,954	388,876	388,876
Total other financial investments		2,335,544	2,335,544	2,213,022	2,213,022
Receivables and debit balances		14,919	14,919	67,572	67,572
Reinsurance contract assets		333,934	283,800	244,049	135,177
Investments in investees that are not insurance companies:	(3)				
Other investees		104,888	47,433	83,513	22,858
Total investments in investees that are not insurance companies		104,888	47,433	83,513	22,858
Investment property - other		29,583	29,583	26,925	26,925
Property, plant & equipment		41,540	41,540	41,304	41,304
Intangible assets and goodwill	(1)	1,842	-	1,670	-
Total assets		3,247,847	3,138,416	2,869,027	2,697,831
Of which: Risk adjustment (RA) / risk margin (RM)		27,487	-	28,263	-
Equity					
Basic Tier 1 capital		827,497	855,810	694,327	702,154
Total equity		827,497	855,810	694,327	702,154
Liabilities					
Loans and credit		695	695	835	835
Liabilities for derivative instruments		3,940	3,940	1,772	1,772
Payables and credit balances		109,505	109,505	96,250	96,250
Liabilities for current taxes		55,972	55,972	26,528	26,528
Total liabilities for insurance contracts	(6)	2,222,661	2,039,283	2,026,497	1,806,908
Liabilities for deferred taxes, net	(5)	24,985	70,663	20,393	60,959
Other liabilities		2,592	2,592	2,425	2,425
Total liabilities		2,420,350	2,282,605	2,174,699	1,995,677
Total equity and liabilities		3,247,847	3,183,416	2,869,027	2,697,830
Of which: Risk adjustment (RA) / risk margin (RM)		142,800	91,884	130,838	77,935

*) The accounting balance sheet as of December 31, 2024 has been restated to reflect the effect of the application of IFRS 17 and IFRS 9.

**) The economic balance sheet as of December 31, 2024 was restated to conform to presentation under IFRS 17. The restatement does not affect the measurement of Basic Tier 1 capital and the solvency ratio.

Key changes in own funds compared with December 31, 2024:

There was a material increase in the total equity arising from the positive effect of the increases in nostro portfolio returns and from underwriting profitability in the insurance portfolio, as detailed in Section 1 above.

Section 2A - Information about the economic balance sheet

The fair value of assets and liabilities in the economic balance sheet was calculated in accordance with the provisions included in the chapter dealing with measurement of assets and liabilities for financial statements purposes in the Consolidated Circular (Code of Regulations), except for items for which other provisions apply as per the Solvency Circular, as follows:

Liabilities in respect of insurance contracts and reinsurance assets

Liabilities for insurance contracts are calculated in accordance with Part A Chapter 4 of the Solvency Circular based on a best estimate (hereinafter - “BE” or “**best estimate**”) on the basis of assumptions that are mainly a result of projecting to the future existing experience relating to past events, within the environment in which the Company operates, and without conservatism factors. In addition, in accordance the part referring to BE in the Commissioner’s Position - Best Practice for Calculation of Insurance Reserves in Property and Casualty Insurance for Financial Reporting Purposes, it is likely that the actual cash flows will vary to some extent from the estimates made on a “best estimate” basis. For further details, See Note 13 to the Consolidated Financial Statements as of December 31, 2025.

Limitations and qualifications with regard to calculation of the best estimate

Generally, the underlying assumptions of the models were formulated mainly on the basis of studies and analyses which are based on Company’s experience over the past few years, which did not include extreme events. Although there is low probability that extreme events will occur, the Company is unable to estimate this probability or the extent of the effect of those events. Accordingly, such events were not taken into account in the determination of the models’ underlying assumptions.

Limitations and qualifications with regard to calculation of the risk margin (RM)

The risk margin is calculated using the cost of capital method, at a rate of 6% per year of the expected capital requirement in respect of insurance risks over the life of the existing businesses. This calculation method was defined by the Commissioner and does not necessarily reflect the overall cost of capital that is expected to be required from another insurance company or reinsurer in order to assume the Company’s insurance liabilities.

In that context, it should be emphasized that the stress scenario calculated as part of the solvency model (capital requirements) are based on a set of scenarios and assumptions defined by the Commissioner, and which do not reflect any actual experience of the Company. Furthermore, the set of correlations on which the solvency model is based for the capital requirements was defined by the Commissioner and does not reflect the Company’s actual experience.

Assumptions underlying the insurance liabilities calculationa) Manner of determining the assumptions

The calculation's underlying assumptions were set in accordance with the Company's best estimates of relevant operational factors, and reflect the Company's expectations as to the future in respect of these factors. The operational assumptions (general and administrative expenses) were calculated in accordance with the results of the Company's internal pricing model applied to expenses relating to the relevant insurance liabilities, including: allocation of expenses to the different segments and activities (issuance, current management, investments, claims management, etc.) and assumptions regarding their future development (in accordance with the CPI, scope of premiums, assets under management, etc.).

Set forth below are the key assumptions on which the Company relied in the calculations:

b) Economic assumptions

- 1) Discount rate - risk-free interest rate curve based on the yield to maturity of bonds of the Government of Israel ("risk-free interest"), with convergence in the ultimate forward rate of 2.6% (UFR) plus a margin (VA) - all as set by the Commissioner.
- 2) The inflation rate is set as the difference between the yield to maturity curve on NIS government bonds and the yield to maturity curve on linked government bonds. It is noted that the inflation assumption is relevant to products with amounts of insurance, premiums, and/or CPI-linked interest rates, and to expenses for claims and/or premiums that the Company assumes will change according to the rate of the CPI or another CPI-linked rate.

c) Assumptions underlying property and casualty insurance

The estimate of the insurance liabilities in the various subsegments for policies earned is based on the provision in the Financial Statements as of December 31, 2025. The estimate includes indirect expenses and does not include risk margin (RM).

Other assets and liabilities:

- (1) **Intangible assets** - in accordance with Part A Chapter 2 Appendix A, an insurance company shall assess the value of intangible assets at zero, except for investment in Insurtech as defined in the Solvency Circular, for which it obtained the Commissioner's approval, as required.
- (2) **Deferred acquisition expenses** - in accordance with Part A Chapter 2 Appendix A, an insurance company shall assess the value of acquisition costs at zero. It should be noted that the value of the future profits implicit in the insurance contracts was taken into account in the premium reserve under the liabilities for insurance contracts line item.
- (3) **Investment in non-insurer investees** - in accordance with Part A Chapter 2 Appendix B, the calculation was carried out using the adjusted equity method, in accordance with the circular on non-insurer investees. In accordance with this method, the Company's stake in investees was included based on its relative share in the excess of their assets over their liabilities, calculated in accordance with the economic value of the assets and liabilities in accordance with the circular's provisions, based on their financial statements after writing-off intangible assets. In investees where the economic balance sheet reflects an excess of liabilities over assets, the value of the investment will be zero rather than a negative amount, when its value in the accounting balance sheet is a positive amount. The economic value of the investees does not include the profits implicit in those companies.
- (4) **Non-marketable debt assets** - in accordance with Part A, Chapter 1, the fair value of non-marketable debt assets is calculated on the basis of a discounted cash flow model; the discount rates are determined by a company providing price and interest rate quotes for institutional entities.
- (5) **Contingent liabilities** - as to the value of contingent liabilities in the economic balance sheet, see Section 2.B).
- (6) **Liabilities for deferred taxes, net** - in accordance with Part A Chapter 2 Appendix C, the calculation is based on the difference between the value attributed to assets and liabilities in the economic balance sheet (including the Deduction Amount) and the value attributed to those assets and liabilities for tax purposes, in accordance with the recognition, measurement and presentation provisions of IAS 12. Deferred tax assets may be recognized only if the Company shall meet the criteria included in the Solvency Circular, in addition to the criteria included in the abovementioned accounting standard.
- (7) **Payables and credit balances** - In accordance with Part A Chapter 1, some of the balances in this item were calculated in accordance with the general principles regarding the economic balance sheet.
- (8) **Liabilities for insurance contracts** - In accordance with the Commissioner's clarification regarding classification of insurance contracts to a liability in the economic balance sheet, it should be noted that the Company used the IFRS 17 classification.

Section 2B - Composition of liabilities for insurance contracts

	As of December 31, 2025			Risk margin (RM)
	Best estimate (BE)			
	Gross	Reinsurance	Retention	
	Audited			
	NIS thousand			
Liabilities for insurance contracts and non-yield-dependent investment contracts:				
P&C insurance contracts	2,028,940	566,986	1,461,954	87,276
Short-term health insurance contracts (NSLT)	53,129	1,840	51,289	4,608
Total liabilities for insurance contracts and non-yield-dependent investment contracts	<u>2,082,069</u>	<u>568,826</u>	<u>1,513,243</u>	<u>91,884</u>
	As of December 31, 2024			Risk margin (RM)
	Best estimate (BE)			
	Gross	Reinsurance	Retention	
	Audited			
	NIS thousand			
Liabilities for insurance contracts and non-yield-dependent investment contracts:				
P&C insurance contracts	1,885,480	651,420	1,234,059	74,244
Short-term health insurance contracts (NSLT)	39,941	590	39,351	3,691
Total liabilities for insurance contracts and non-yield-dependent investment contracts	1,925,420	652,010	1,273,410	77,935

Material changes compared with comparative figures in a previous period:

The increase in liabilities for insurance contracts (retention) arises mainly from an increase in operations and liabilities for insurance contracts in the Compulsory Motor Subsegment for early years, which are not covered under the LPT contract.

For further details, See Note 13 to the Consolidated Financial Statements as of December 31, 2025.

Section 3 - Own funds for SCR purposes

	As of December 31, 2025			
	Tier 1 capital		Tier 2 capital	Total
	Basic	Additional		
	Audited			
	NIS thousand			
Own funds	855,810	-	-	855,810
Deductions from Tier 1 capital (a)	(1,702)			(1,702)
Own funds for SCR purposes (d)	854,109	-	-	854,109
	As of December 31, 2024			
	Tier 1 capital		Tier 2 capital	Total
	Basic	Additional		
	Audited			
	NIS thousand			
Own funds	702,154	-	-	702,154
Deductions from Tier 1 capital (a)	(1,478)	-	-	(1,478)
Own funds for SCR purposes (d)	700,676	-	-	700,676

- (a) “Basic Tier 1 capital” in Appendix B, Chapter 2, Part 2 of Section 5 in the Consolidated Circular - “Economic Solvency Regime” (hereinafter - the “**Economic Solvency Regime Appendix**”), these deductions include the amount of assets held against liabilities in respect of non-yield dependent insurance contracts in breach of the Investment Rules Regulations, amount invested by the Company in buyback of ordinary shares, and the amount of dividend declared subsequent to the report date and through the publication date of the report for the first time.

Key changes compared with December 31, 2024:

For information regarding changes affecting Basic Tier 1 capital, see Section 3(b) below.

Section 3 - Own funds for SCR purposes (cont.)
(b) Composition of own funds for SCR purposes

	As of December 31, 2025	As of December 31, 2024
	Audited	Audited
	NIS thousand	
<u>Tier 1 capital:</u>		
Basic Tier 1 capital	854,109	700,676
Additional Tier 1 capital	-	-
Total Tier 1 capital	854,109	700,676
Total Tier 2 capital	-	-
Total own funds for SCR purposes	854,109	700,676

The main changes in own funds for SCR purposes arose from the positive effect of the increases in nostro portfolio returns and from underwriting profitability in the insurance portfolio, which were partially offset against the dividend distribution.

Section 4 - Solvency capital requirement (SCR)

	As of December 31, 2025 <u>Audited</u>	As of December 31, 2024 <u>Audited</u>
	NIS thousand	
Basic solvency capital requirement (BSCR)		
Capital requirement for market risk-weighted component	343,779	306,867
Capital requirement for counterparty risk-weighted component	57,990	47,426
Capital requirement for underwriting risk-weighted component in health insurance (SLT+NSLT)	31,287	26,230
Capital requirement for underwriting risk-weighted component in P&C insurance	465,705	405,989
Total	898,762	786,512
Effect of diversification of risk-weighted components	(218,529)	(190,356)
Total basic solvency capital requirement (BSCR)	680,233	596,156
Capital requirement for operational risk	62,462	57,763
Loss absorption adjustment due to deferred tax asset (minus)	(104,674)	(90,767)
Total solvency capital requirement (SCR)	638,021	563,152

Key changes in solvency capital requirement compared to December 31, 2024:

- (1) The increase in capital requirement in respect of the underwriting risk-weighted component in P&C insurance mainly arose from an increase in compulsory motor insurance reserves for new years (which are not covered by loss portfolio transfer (LPT) reinsurance transaction).
- (2) The increase in the capital requirement with respect to the market risk-weighted component is mainly due to the nostro portfolio's returns and a slight increase in the stock scenario (SA) component.
- (3) The increase in the capital requirement due to the counterparty risk component increased mainly due to a higher exposure to reinsurers, with the balance being in respect of securities lending and cash.

Section 5 - Minimum capital requirement (MCR)

A. Minimum capital requirement (MCR)

	As of December 31, 2025	As of December 31, 2024
	Audited	Audited
	NIS thousand	
MCR according to the MCR formula	233,612	212,286
Lower band (25% of solvency capital requirement in the transitional period)	159,505	140,788
Upper band (45% of solvency capital requirement in the Transitional Period)	287,109	253,418
Minimum capital requirement (MCR)	233,612	212,286

B. Own funds for MCR purposes

	As of December 31, 2025		
	Tier 1 capital	Tier 2 capital	Total
	Audited		
	NIS thousand		
Own funds for SCR purposes - according to Section 3	854,109	-	854,109
Deviation from quantitative limitations due to minimum capital requirement (*)		-	-
Own funds for MCR purposes	854,109	-	854,109

	As of December 31, 2024		
	Tier 1 capital	Tier 2 capital	Total
	Audited		
	NIS thousand		
Own funds for SCR purposes - according to Section 3	700,676	-	700,676
Deviation from quantitative limitations due to minimum capital requirement (*)		-	-
Own funds for MCR purposes	700,676	-	700,676

*) In accordance with the provisions of Chapter 3 in Part B to the Economic Solvency Appendix, Tier 2 capital shall not exceed 20% of MCR.

Section 6 - Changes in Capital Surplus

	Own funds for SCR purposes	Solvency capital requirement (SCR) NIS thousand	Capital surplus (deficit)
As of December 31, 2024	700,676	563,152	137,524
The effect of operating activities (a)	72,391	1,633	70,758
Effect of economic activity (b)	190,745	96,410	94,335
Effect of the issuance of capital instruments (net of redemptions) and a declared dividend (c)	(100,000)	(9,267)	(90,733)
Effect of changes in deferred tax, Additional Tier 1 capital and Tier 2 capital	(9,704)	(13,907)	4,204
As of December 31, 2025	854,109	638,021	216,088

- A. This section includes the effect of:
- New insurance contracts (P&C Insurance and NSLT health insurance) signed in the reporting year, and insurance portfolios in those subsegments, purchased or sold in the reporting year.
 - Investment in investees.
 - Other changes not included in the other line items.
- B. This section includes the effect of the current operating activity, including:
- Changes in the value of investment assets.
 - Changes in capital requirement in respect of market risk-weighted component, including change in the symmetric adjustment component (SA).
 - Effect of inflation.
 - Effect of changes in the risk-free interest rate curve on solvency.
- C. This section includes the effect of a dividend declared subsequent to the publication date of the Solvency Ratio Report as of December 31, 2024 and through the publication date of the solvency ratio report as of December 31 2025.

Key changes in the capital surplus compared with December 31, 2024:

- During the reporting period, the Company distributed a dividend of NIS 100 million.
- The effect of operating activities contributed significantly to an increase in capital surplus due to an increase in underwriting income, offset against an increase in capital requirements in respect of an increase in compulsory motor vehicle reserves and a slight increase in expected premiums.
- The effect of economic activity led to an increase in capital surplus during the reporting period mainly due to positive returns in the nostro portfolio, offset against an increase in capital requirements due to appreciation and exposure to equity components and a slight increase in respect of the symmetrical adjustment component in the stock scenario.
- For more information regarding significant effects on the economic solvency ratio's components, see Section 1 above.

Section 7 - Sensitivity Tests

The Company conducted an estimate of the sensitivity to a 25% decrease in the value of equity assets. In addition, the Company examined a scenario of a 0.5% change in the interest rate curves, which is immaterial.

	As of December 31, 2025	As of December 31, 2024
	Effect on the economic solvency ratio (in %)	Effect on the economic solvency ratio (in %)
	Audited	
A 25% decrease in the value of equity assets	(14.5%)	(9.8%)

The sensitivity tests only reflect direct effects, holding all other risk factors constant, and do not include secondary effects or derived changes on other risk factors. It is noted that the sensitivities are not necessarily linear, such that the sensitivities at other rates are not necessarily a simple extrapolation of the sensitivity tests presented.

Main Changes in relation to previous year:

There was a substantial increase in the effect of the stock sensitivity test on the solvency ratio, arising from an increase in the scenario's severity due to a substantial rise in the symmetric adjustment (SA) component, which was capped at +10%. While last year the SA value was high and capped at the upper limit only when the scenario was applied, this year the pre-capping value was high even within the component's fluctuation limits (-10% to +10%) and remained high after the application of the scenario. This change in the SA base value resulted in a different effect of the sensitivity test for shares on the overall ratio.

Section 8 - Restrictions on Dividend Distribution

The Company's policy is to hold a solid capital base to ensure its solvency and its ability to meet its obligations to policyholders and allow flexibility in its business activities to generate a return for its shareholders. The Company is subject to the capital requirements and regulation set for dividend distribution. Therefore, 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 Company approved a capital management plan which includes capital adequacy targets.

Solvency ratio target set by the Board of Directors:

During May 2026, the Company's Board of Directors set a target capital of 115% instead of the previous target capital of 113%.

Following are data on the Company's economic solvency ratio in accordance with the solvency ratio target set by the Company's Board of Directors. The ratio is higher than the solvency ratio required by the letter.

	As of December 31, 2025 Audited	As of December 31, 2024 Audited
	NIS thousand	
Own funds for SCR purposes	854,109	700,676
Solvency capital requirement (SCR)	638,021	563,152
Surplus	216,088	137,524
Economic solvency ratio (in %)	133.9%	124.4%
Effect of material equity transactions taken in the period between the calculation date and the publication date of the Solvency Ratio Report		
Raising (redemption) of capital instruments	-	-
Own funds for SCR purposes	854,109	700,676
Surplus	216,088	137,524
Economic solvency ratio (%)	133.9%	124.4%
Capital surplus after equity transactions taken in the period between the calculation date and the publication date of the Solvency Ratio Report, compared with the Board of Directors' target		
Target of the Board of Directors for the period (in percent)	115.0%	113.0%
Capital surplus over target	120,385	64,314

Key changes compared with December 31, 2024:

- For an explanation regarding changes in key capital surplus line items see Section 1 above.
- For an explanation about changes in the eligible own funds, see Section 3 above.
- For an explanation of changes in the capital requirement, see Section 4.

May 20, 2026

**Approval date
of the report**

**Ari Kalman
Chairman of the Board**

**Dani Izhaki
CEO**

**Ruty Yehudayoff Cohen
Chief Risk Officer**