Clal Insurance Enterprises Holdings Ltd.
Financial Statements
as of September 30,
2025

Clal Insurance Enterprises Holdings Ltd.

IMPORTANT

This document is an unofficial translation for convenience only of the Hebrew original of the September 30, 2025, financial report of Clal Insurance Enterprises Holdings Ltd. that was submitted to the Tel-Aviv Stock Exchange and the Israeli Securities Authority on November 25, 2025.

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

Quarterly Report
As of September 30, 2025

November 25, 2025

1. Report of the Board of Directors
2. Condensed Consolidated Interim Financial Statements
3. Separate Financial Data from the Consolidated Interim Financial Statements Attributable to the Company (Regulation 38C)
4. Report on the Effectiveness of Internal Control over Financial Reporting and Disclosure
5. Economic Solvency Ratio Report of Clal Insurance Company Ltd. as of June 30, 2025.

Clal Insurance Enterprises Holdings Ltd.

Report of the Board of Directors

as of September 30, 2025

Table of Contents

1.	**The Group's Structure, its Areas of Activity, and Developments Therein**	**1-2**
1.1	The Group's structure	1-2
1.2	The Group's areas of activity and developments therein	1-2
2.	**The Board of Directors' Explanations for the State of the Corporation's Business**	**1-2**
2.1	Significant events during and subsequent to the Reporting Period	1-3
2.2	Financial information by area of activity	1-7
2.3	Additional credit card data	1-17
2.4	Capital and capital requirements	1-18
2.5	Analysis of cash flow development, sources of financing and liquidity	1-25
3.	**Developments and Material Changes in the Macroeconomic Environment in the Reporting Period**	**1-31**
3.1	Key economic data	1-31
3.2	Key trends and material changes in the macroeconomic environment in the Reporting Period and thereafter	1-32
4.	**Restrictions on and Supervision of the Corporation's Business**	**1-35**
4.1	General	1-35
4.2	Long-term savings	1-37
4.3	Max's Activity	1-39
5.	**Exposure to Market Risks and Management Thereof**	**1-41**
6.	**Risk Review for Max**	**1-43**
7.	**Disclosure regarding Financial Reporting of the Corporation**	**1-60**
7.1	Reporting critical accounting estimates	1-60
7.2	Contingent liabilities	1-60
7.3	Internal control over financial reporting and disclosure	1-60

Report of the Board of Directors on the State of the Corporation's Affairs for the Period ended September 30, 2025 (hereinafter - the "**Report of the Board of Directors**") reviews the key changes in the activity of Clal Insurance Enterprises Holdings Ltd. (hereinafter - the "**Company**") in the first nine months of 2025 (hereinafter - the "**Reporting Period**").

The Report of the Board of Directors was prepared in accordance with the Securities Regulations (Periodic and Immediate Reports), 1970. The Report of the Board of Directors, with respect to the insurance business, was drawn up in accordance with the Supervision of Insurance Business Regulations (Reporting), 1998, and in accordance with the circulars of the Commissioner of the Capital Market, Insurance and Savings Authority (hereinafter - the "**Commissioner**"); the Report of the Board of Directors, with respect to the credit cards business, was drawn up in accordance with the reporting directives of the Banking Supervision Department (hereinafter - the "**Banking Supervision Department**") bearing in mind that the reader also has on hand the full periodic report of the Company for the year ended December 31, 2024 (hereinafter - the "**Periodic Report**" and/or "**Annual Financial Statements**").

Forward-looking information

The following report of the Company may contain, in addition to data relating to the past, also forward-looking information, as defined by the Securities Law, 1968. Forward-looking information, to the extent that it is included, is based, among other things, on estimates and assumptions by the Group's managements and subsidiaries and on forecasts regarding the future in connection with economic and other developments in Israel and across the world, legislative and regulatory provisions, competition in the Group's areas of activity, accounting and taxation changes and technological developments. Although the Company's consolidated companies believe their assumptions to be reasonable as of the report date, by nature they are not certain, and actual results may materially differ from those predicted; therefore, the readers of the report should treat this information with due cation.

1. The Group's Structure, its Areas of Activity, and Developments Therein

1.1 The Group's Structure

The Company's shareholders

In the Commissioner's letter of December 8, 2019, it was stated that no entity holds, whether directly or indirectly, the means of control in the Company.

For further details regarding shareholdings in the Company and changes during the Reporting Period, see Note 1 to the Consolidated Interim Financial Statements.

1.2 The Group's Areas of Activity and Developments Therein

1.2.1 For a description of the Group's areas of activity and its holding structure, see Section 1.1 in the chapter entitled Description of the Corporation's Business in the Periodic Report for 2024.

2. The Board of Directors' Explanations for the State of the Corporation's Business

The Group companies' operations are affected by constant regulatory changes and regulatory reforms. Clal Insurance's operations and results are significantly affected by changes in capital markets, including, among other things, by changes in the interest rate that has implications for Clal Insurance's insurance liabilities and financial assets portfolios, for the financial margin from investments as well. Max's activity is affected by macroeconomic conditions, the cost of living and interest rate in Israel. Macroeconomic conditions impact the level of private and business consumption, which, in turn, affect the Company's turnovers and have direct consequences on its business results.

As explained in Note 2 to these Interim Financial Statements, as from January 1, 2025 Clal Insurance has adopted IFRS 9 and IFRS 17 for the first time (hereinafter - the "**Reporting Standards**"), and the transition date for reporting under the Reporting Standards is January 1, 2024. The effect of the transition to reporting in accordance with the Reporting Standards regarding the Group's financial position and operating results with respect to the financial data of its subsidiary is detailed in Note 14 to these Consolidated Interim Financial Statements.

2.1 Significant Events during and Subsequent to the Reporting Period:

A. Approval of the Company's dividend distribution

According to the Company's policy (see Note 17(c)1 to the Annual Financial Statements), on May 28, 2025, the Company's Board approved a dividend distribution totaling approx. NIS 200 million, which constitutes approx. 64% of the dividends declared and/or distributed in the Company's subsidiaries as of the approval date of the Consolidated Interim Financial Statements.The dividend was paid on June 25, 2025.

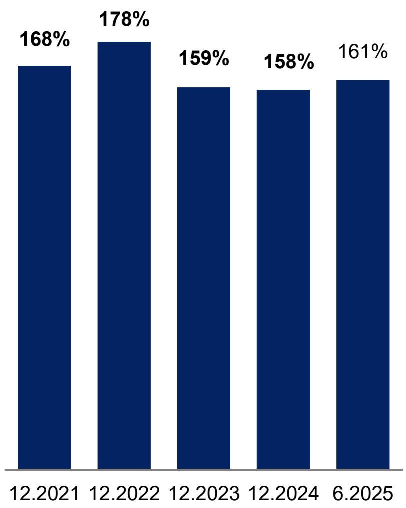
B. Solvency ratio, revision of capital target and dividend distribution in Clal Insurance

Clal Insurance published an Economic Solvency Ratio Report as of June 30, 2025, whereunder the ratio net of the Provisions for the Transitional Period after the dividend distribution is 138% compared with a ratio of 128% as of December 31, 2024.

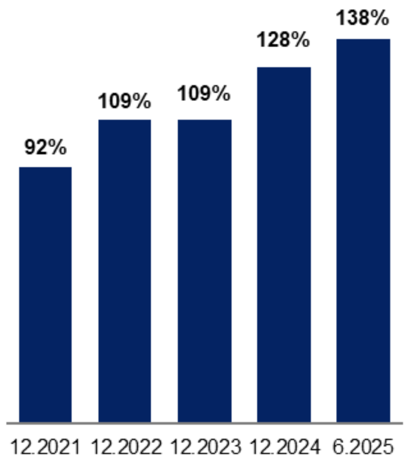
Taking into consideration the Provisions for the Transitional Period, the ratio after dividend distribution and revision of the Deduction is 161% as of June 30, 2025, compared to 158% as of December 31, 2024, respectively. For further details, see Section 2.4 and Note 6 to the Consolidated Interim Financial Statements.

In accordance with Clal Insurance's dividend distribution policy (see Note 17(c)2 to the Annual Financial Statements), on May 28, 2025, Clal Insurance revised the minimum capital target without taking into account the Provisions for the Transitional Period, such that subsequent to the dividend distribution the solvency ratio will be at least 115% compared to 110%. In addition, Clal Insurance's Board approved a dividend distribution of approx. NIS 300 million, which constitutes approx. 47% of Clal Insurance's 2024 comprehensive income in accordance with the Annual Financial Statements (approx. 25% of Clal Insurance's comprehensive income after the application of the Reporting Standards), having examined all aspects, including Clal Insurance's compliance with the economic solvency ratio targets detailed above. The dividend was paid on May 29, 2025.

Solvency ratio



Solvency ratio without application of Provisions for the Transitional Period



C. Capital markets and risk-free interest rate curve during the Reporting Period and thereafter

The results in the Reporting Period compared to last year were affected by volatility in capital markets, mainly in share indices, which affected investment revenues in the nostro portfolio and by an increase in the risk-free interest rate curve last year. The results in the quarter compared to last year were affected by an increase in the risk-free interest rate curve compared to a decrease last year and by positive capital market returns compared to the corresponding quarter last year, which affected investment revenues in the nostro portfolio.

It is noted that a preliminary estimate of the sensitivity to a parallel 0.5% change in the risk-free interest rate curve, with all other variables held constant, on the comprehensive income (loss) as of December 31, 2024 of Clal Insurance’s insurance liabilities and financial assets with a principal and interest feature is immaterial.

For details regarding the impacts of the above on the results, see Section 2.2 below.

D. Debt raising by Clal Insurance Capital Raising Ltd. a subsidiary of Clal Insurance

In April 2025, Clal Capital Raising issued to the public Bonds (Series N) totaling NIS 500 million in par value, by virtue of a shelf prospectus dated April 9, 2025.

On July 31, 2025, Clal Capital Raising executed early redemption of the outstanding balance of Notes (Series I) totaling approx. NIS 498 million, in accordance with their terms and conditions.

In October 2025, Clal Capital Raising issued approx. NIS 594 million p.v. in Notes (Series O) to the public and approx. NIS 555 million p.v. in Notes (Series O) to the Company by way of private placement. The private placement proceeds were used to cancel a NIS 450 million CPI-linked capital note, which was issued to the Company by Clal Insurance on October 29, 2020, and which was recognized by Clal Insurance as an additional Tier 1 capital instrument.The Bonds (Series O), which were issued to the public and under the private placement, constitute a single series for all intents and purposes.

For further details, see Note 5 to the Consolidated Interim Financial Statements.

E. Expansion and partial early redemption of bonds issued by the Company

On July 1, 2025, the Company carried out a private placement of Bonds (Series C) of the Company, by way of expanding an existing series. The Company allocated NIS 350 million in par value of Bonds (Series C), in exchange for a total of approx. NIS 358.4 million. The proceeds of the placement were used for partial early redemption of the Company's Bonds (Series A) and on July 13, 2025, the Company redeemed, by way of a partial early redemption, NIS 350 million in par value of Bonds (Series A).

F. Debt raising by Max and its becoming a reporting corporation

On January 6, 2025, Max completed a private placement of commercial papers for institutional entities, by way of expanding CPs (Series 2) by approx. NIS 154 million par value.

On April 7, 2025, Max published a supplementary prospectus and a shelf prospectus dated April 8, 2025, and on April 24, 2025, it completed a NIS 207 million raising of Commercial Papers (Series 5) from institutional investors and - for the first time - also from the public par value. As from this date, Max became a reporting corporation, as defined by the Securities Law, 1968. Max’s becoming a reporting corporation constitutes a part of its financing strategy as a growing company, and it allows Max to diversify and increase its sources of financing for its operating activities.

On July 10, 2025, Max issued a new private series of Subordinated Notes (Series F) with a contractual loss absorption mechanism, in the total amount of NIS 150 million par value, which are recognized as Tier 2 capital from the date of their issuance. Notes (Series F) are linked to the Consumer Price Index. In addition, on July 13, 2025, Max completed a public offering of Bonds (Series E) totaling NIS 300 million in par value.Bonds (Series E) are linked to the Consumer Price Index. For further details, see Note 5 to the Consolidated Interim Financial Statements.

G. The War of Revival (formerly - the “Iron Swords War”) and Operation Rising Lion

Further to Note 46(m) to the Financial Statements for 2024, 2025 started with ceasefire agreements on the northern front and the Gaza Strip front, which led to a relative calm. In March 2025, the temporary ceasefire between Israel and Hamas ended and the IDF resumed fighting in the Gaza Strip. This move led to increased tensions at the national and security levels, including, among other things, the resumption of missile attacks on Israel by the Houthis in Yemen. At the early hours of June 13, 2025, Operation Rising Lion (hereinafter - the "**Operation**") - a direct military conflict between Iran and Israel - began. This was a 12-day War, whose objective was to remove the Iranian nuclear threat and reduce strategic threats to Israel’s security. The

Operation ended on June 24, 2025, when the ceasefire agreed upon by Israel and Iran and brokered by the United States came into effect.
In the Gaza Strip front, since the collapse of the ceasefire in March 2025 fighting has continued under Operation Gideon's Chariots. At the end of September 2025, a proposal to end the War was presented by the President of the United States, and on September 9, 2025, a ceasefire agreement was signed under the "20-Point" agreement of the Trump-Netanyahu plan. Under the agreement, fighting in Gaza has largely stopped, all living hostages and the bodies of most deceased hostages were returned, a gradual reconstruction of the infrastructures in Gaza commenced and humanitarian aid has increased. The plan is designed to serve as a framework for ending the war between Hamas and Israel, including the demilitarization of Gaza, which will no longer be controlled by Hamas, and a change in the future governance structure in the Gaza Strip.

Israel's credit rating

Following the outbreak of the War of Revival in October 2023, the international rating agencies downgraded Israel's credit rating in 2024.

As of the approval date of the financial statements, the State of Israel's credit rating remains without change, but with a negative outlook, in accordance with the assessments of the three main rating agencies:

In May 2025, the international rating agency S&P reiterated Israel's credit rating at A, with a negative outlook (which remained without change too).

In March 2025, the rating agency Fitch reiterated Israel's credit rating at A, with a negative outlook (also without change).

In March 2025, the rating agency Moody's reiterated Israel's Baa1 credit rating with a negative outlook.
All rating agencies expressed concerns regarding the economic effects of Israel's prolonged War against Hamas, political uncertainty, internal tensions concerning the judiciary, the government's instability and the increase in the budget deficit due to security expenses and compensation to those affected by the War.
In October 2025, the rating agency Moody's reiterated Israel's Baa1 credit rating with a negative outlook, despite the ceasefire agreement.
In November 2025, the rating agency S&P upgraded Israel's rating outlook from "negative" to "stable" and reiterated its credit rating at A. According to S&P, the stable outlook reflects the military de-escalation following the ceasefire agreement between Israel and Hamas, which reduced the risk of regional war.
It is noted that subsequent to the balance sheet date, Israel's five-year CDS has declined substantially and currently stands at approx. 70 basis points per million dollars.

Effect on the Financial Statements

Clal Insurance - In the Reporting Period, and as of the approval date of the Consolidated Interim Financial Statements no material changes occurred in connection with the effects of the War and Operation Rising Lion on Clal Insurance's financial results.

Max - in the Reporting Period, the growth trend in Max's issuance turnovers in Israel and overseas and in its acquiring turnovers continued, exceeding turnovers in the corresponding period last year. During Operation Rising Lion, which lasted 12 days during the second quarter of the year, Max's business activity was adversely affected. During this period, Max's issuance and acquiring turnovers declined due to a decrease in the volume of activity in the domestic market, particularly in the leisure and entertainment sectors (including restaurants and coffee shops) and the clothing and footwear sectors; the decline also arose from the effect of the closure of Israel's airspace on the aviation and tourism sectors. The decline in the volume of activity led to a decrease - for the duration of the Operation - in Max's revenues from fees and commissions on credit card transactions. In addition, credit and credit card sales were adversely affected during some of the days of the Operation. As the Operation ended and the ceasefire came into effect, issuance and acquiring turnovers in Israel recovered rapidly and returned to pre-Operation levels. Max's overseas issuance turnovers increased gradually as the airspace was opened and foreign airlines' resumed flights to and from Israel; in total, during the Reporting Period, those turnovers were higher than in the corresponding period last year.

The estimated provision for credit losses is based on judgments and assessments. Further to Note 46(m) to the Consolidated Financial Statements for 2024, in 2023 Max increased the provision for current expected credit losses based on estimates of the potential increase in the credit risk of Max's customers. So far, and during the Reporting Period, there has not been a noticeable increase in the credit risk or actual credit losses of Max's customers due to the War and the Operation. However, there is still a certain degree of uncertainty regarding the full effects of the War on the Israeli economy and the repayment capacity of Max's customers. Therefore, since the estimated provision for credit losses is based, among other things, on judgments and assessments, and involves uncertainty, there is still a high probability that future credit losses will vary from the current estimate.

H. Share-based payment

Further to Note 44 in the Annual Financial Statements, on May 8, 2025, the Company's board of directors resolved to publish an outline for the allocation of up to 130,000 Class A options and 470,000 Class B options to be offered under the outline, based on the Plan for 2021, for employees and officers of the Company and/or companies under its control. In June 2025, after receiving all the required permits and approvals, the options offered in accordance with the outline were allocated. The shares underlying the exercise of these options will represent approx. 0.27% of the Company's equity capital as of the reporting date, assuming maximum exercise. The options will be exercisable for ordinary shares of the Company at the value of the benefit implicit in the options, subject to adjustments. The value of the benefit is based on the valuation of the options at their grant date, which is approx. NIS 30.08 per option, and the fair value of each tranche will be spread over the vesting period. The value of the benefit was calculated using the binomial model, and estimated at approx. NIS 15 million for all options, which will be awarded to Group officers and employees as stated above. The Class A options will be allocated in three tranches, spread over three years, and shall be exercisable beginning when one year, two years, and 3 years have elapsed from the allocation date, up to two years from the vesting/ holding date. (With respect to the first tranche, at least two years of vesting and holding are required).

The subsidiaries will bear the expense for the value of the options and will indemnify the Company in full for this benefit, based on the value of the financial benefit that will be recorded in the Company's financial statements and in accordance with the accounting principles.

On November 6, 2025, the Company's General Meeting approved - further to the approval of the Company's Compensation Committee and Board of Directors - the allocation of 10,572 restricted share units exercisable into 10,572 ordinary shares of the Company to the Company's CEO (hereinafter - the "**RSUs**"); the RSUs constitute approx. 0.01% of the Company's issued and paid-up share capital (approx. 0.01% fully diluted) (hereinafter - the "**Exercise Shares**"). The RSUs were allocated to the CEO without consideration. The RSUs were awarded in accordance with the Company's 2021 Equity Compensation Plan as amended in September 2025 by an adjustment regarding an allocation of RSUs.

The RSUs will vest over a 3-year period divided into twelve (12) equal vesting tranches. It is clarified that in accordance with the Company's Compensation Policy, the CEO will be required to hold the RSUs and/or the Exercise Shares for a period of at least two years from the allocation date.

Each tranche of RSUs will vest provided that the CEO will be a Group employee on each of the vesting dates, and subject to meeting all the additional conditions set in the Company's Equity Compensation Plan, which will be assessed on the vesting date.

The Company's Equity Compensation Plan includes adjustments to the RSUs.

The fair value of the securities allocated to the CEO as of the allocation approval date is approx. NIS 2 million, in accordance with an external valuation of the RSUs. The "Finnerty" model was used to calculate the Discount for Lack of Marketability (DLOM).

I. Judgment on VAT assessments issued to Max

Further to Note 9, Section 3.2 to the Financial Statements regarding a judgment pertaining to VAT assessments issued to the credit card companies concerning overseas activity: As of June 30, 2025, Max increased the provision for this proceeding by approx. NIS 170 million before tax and approx. NIS 130 million post tax. The provision for September 30, 2025 includes the assessment periods and the period following the assessment periods and through September 30, 2025, plus interest and linkage differences. It is noted that this provision mostly pertains to the years prior to Max's acquisition.

The Company has a right of indemnity from the sellers - in accordance with the acquisition agreement, with respect of the VAT assessment proceeding - totaling up to NIS 30 million, which it will exercise.

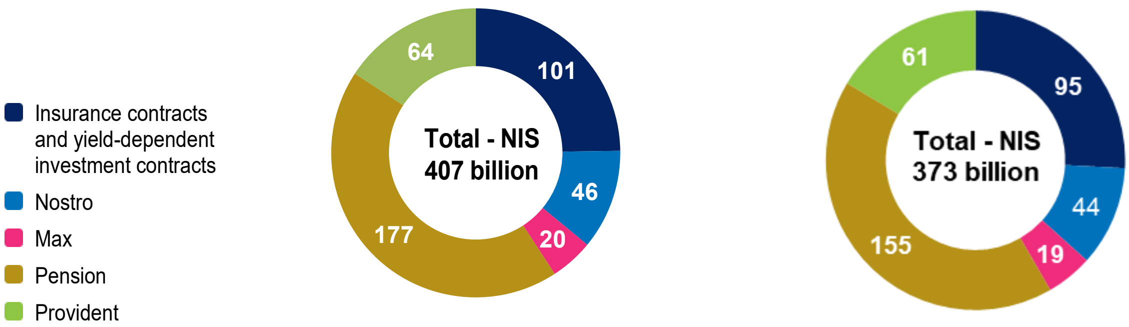
Accordingly, the effect of the increase in the provision in respect of the VAT assessment proceeding on the Company's business results totals approx. NIS 140 million before tax and approx. NIS 100 million post tax, net of the expected indemnity amount.

2.2 *Financial Information by Area of Activity (for details regarding the operating segments, see Note 4 to the Consolidated Interim Financial Statements)*

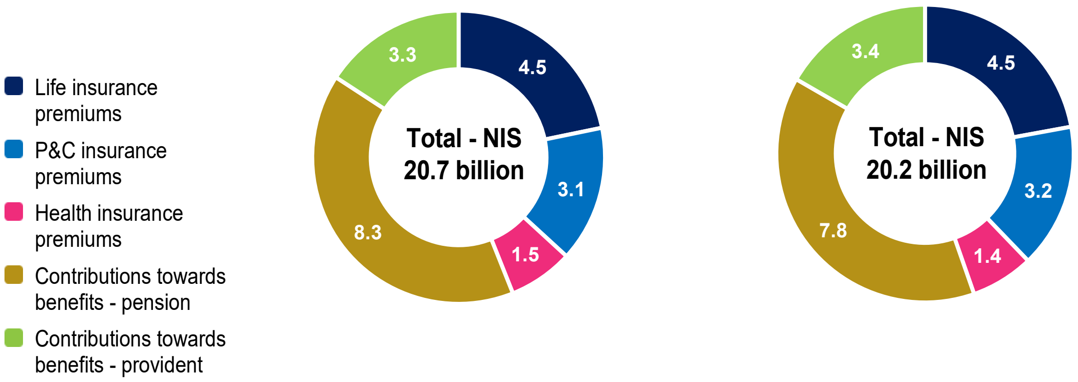
In the Reporting Period, Clal Insurance achieved growth in assets under management and sales of most products.

Summary of data from the Group's consolidated Financial Statements

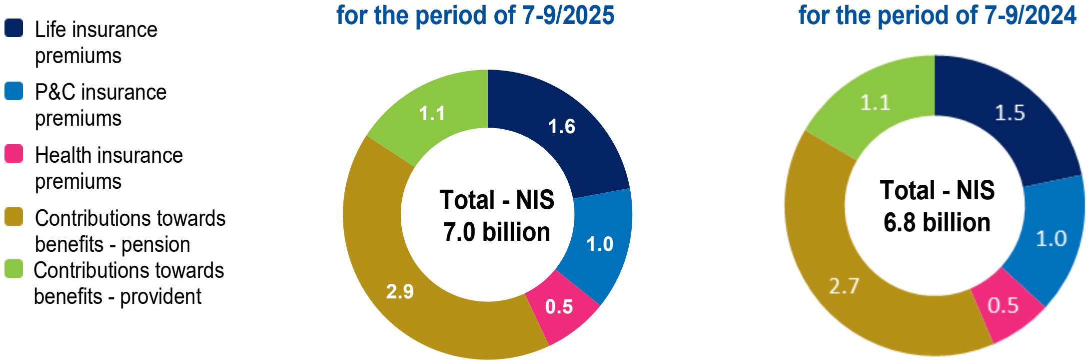
Assets under management as of September 30, 2025 | **Assets under management as of December 31, 2024**



Gross premiums, contributions towards benefits and proceeds for the period of 1-9/2025 | **Gross premiums, contributions towards benefits and proceeds for the period of 1-9/2024**



Gross premiums, contributions towards benefits and proceeds for the period of 7-9/2025 | **Gross premiums, contributions towards benefits and proceeds for the period of 7-9/2024**



Total assets under management by provident funds, excluding guaranteed return provident fund tracks and pension funds, are not included in the Company's Consolidated Financial Statements.

Following are the main changes in comprehensive income compared to prior periods:

The following is a breakdown of key comprehensive income components:

	1-9		7-9		1-12
In NIS million	2025	2024	2025	2024	2024
Life Insurance	**336**	242	**119**	43	347
P&C Insurance	**360**	379	**80**	76	495
Credit Insurance	**28**	25	**9**	10	34
Health Insurance	**377**	324	**156**	103	490
Pension	**45**	33	**13**	11	46
Provident	**3**	7	**(2)**	0	4
Total Core income - Insurance and Savings	**1,149**	1,010	**376**	243	1,417
Credit Cards	**343**	309	**125**	103	390
Agencies and Other	**40**	36	**14**	14	53
Not attributed to operating segments	153	140	52	33	180
Core income	1,686	1,495	**567**	393	2,041
Excess financial spread	**766**	540	**320**	241	245
Adjustments (see Section 2.1(i) above)	**(140)**	-	**-**	-	-
Minority share	**(10)**	(8)	**(4)**	(4)	(10)
Total other income	**615**	532	**317**	236	235
Comprehensive income, before tax	2,301	2,027	**863**	629	2,276
Taxes	**(771)**	(687)	**(293)**	(211)	(736)
Comprehensive income tax attributable to shareholders, post-tax	**1,531**	1,342	**590**	417	1,540
Return on equity, annualized, in %*	**23.5**	24.5	**24.9**	20.3	21.2
Return on equity, net of adjustments, annualized, in %*	**25.1**	24.5	**24.9**	20.3	21.2
Balance of contractual service margin (CSM) - retention - at the beginning of the period	**10,148**	8,813	**10,312**	8,801	8,813
Balance of contractual service margin (CSM) - retention - at the end of the period	**10,323**	9,033	**10,323**	9,033	10,148

*) The return on equity is calculated based on the net income for the period attributable to the Company's shareholders divided by the equity attributable to the Company's shareholders as of the beginning of the period.

Core income - the income includes underwriting income, income from savings management (investment contracts, pension and provident), credit cards, agencies and the Group's finance expenses. In addition, the core income in each insurance segment includes an additional annual spread of 2.25% above the risk-free interest rate plus a weighted illiquidity premium with respect to the investment portfolio held against non-yield-dependent insurance liabilities, excluding the Hetz bonds component - according to each segment's proportional share (return assumption) - and nominal risk-free interest plus an annual spread of 2.25% with respect to the investment portfolio held against the Company's capital and financial liabilities (adjusted financial spread).

Remaining financial spread – includes the financial effects which were not included in the adjusted financial spread, including changes in the risk-free interest rate curve.

Adjustments – Effects outside the Company's ordinary course of business.

A. The Company's results in the Reporting Period

The post-tax comprehensive income in the Reporting Period amounted to approx. NIS 1,531 million.

The post-tax comprehensive income in the Reporting Period, net of the effect of increasing the provision following a judgment handed down to the credit card companies - as explained in Note 9(3.2) to the Consolidated Interim Financial Statements - is approx. NIS 1,631 million.

It is noted that this provision mostly pertains to the years prior to Max's acquisition.

In the corresponding period last year, post-tax comprehensive income amounted to approx. NIS 1,342 million.

Core income:

Core income in the Reporting Period amounted to approx. NIS 1,686 million, compared with a core comprehensive income of approx. NIS 1,495 million in the corresponding period last year.

Insurance and savings

Total core income from Insurance and Savings in the Reporting Period amounted to approx. NIS 1,149 million, compared with a core comprehensive income of approx. NIS 1,010 million in the corresponding period last year, as detailed below.

In the Reporting Period, there was an increase in contributions towards benefits provided by the Pension Subsegment and proceeds from investment contracts, such that the total gross premiums, contributions towards benefits and proceeds from investment contracts amounted to approx. NIS 20.7 billion, compared with approx. NIS 20.2 billion in the corresponding period last year - an increase of approx. 2%.

Credit cards

The total income from credit cards in the Reporting Period amounted to approx. NIS 343 million before tax compared to approx. NIS 309 million in the corresponding period last year.

Max's revenues in this period amounted to approx. NIS 1,836 million compared to approx. NIS 1,668 million in the corresponding period last year due to the increase in turnovers in Israel and overseas.

Max’s net interest revenues increased and amounted to approx. NIS 631 million compared to approx. NIS 601 million in the corresponding period last year, mostly due to the increase in Max’s business credit activity, due to the increase in the consumer and business credit portfolio.

Credit loss expenses amounted to approx. NIS 130 million, compared with an expense of approx. NIS 159 million in the corresponding period last year.

The decrease in credit loss expenses arises both from a decrease in the amount of net write-offs compared to the corresponding period last year and a decrease in credit loss provisions as a result of an improvement in the credit portfolio’s quality.

Max's operating expenses totaled NIS 752 million, compared to NIS 658 million in the corresponding period last year, mainly due to an increase in expenses affected by the scope of the Company's business activities, such as fees and commissions to international organizations.

Revenues from investment and capital markets:

The results in the Reporting Period were affected by higher capital market returns during the period compared to the corresponding period last year, which affected the returns achieved by the Company in the Reporting Period compared to last year, and by the gain due to a decrease in insurance liabilities as a result of an increase in the risk-free interest rate, such that an excess financial margin of approx. NIS 766 million was recorded, compared to approx. NIS 540 million in the corresponding period last year.

Return on equity

The return on equity in annualized terms during the Reporting Period was a positive 23.5%, compared with 24.5% in the corresponding period last year.

Premiums, contributions towards benefits and assets under management

During the period, there was an increase in revenues from management fees for pension. For further details, see Section 2.2.1.3 and 2.2.1.4 below.

Assets under management by the Group as of September 30, 2025 totaled approx. NIS 407 billion compared with approx. NIS 373 billion on December 31, 2024 - an increase of approx. 9%.

Out of the total said assets, as of September 30, 2025 approx. NIS 177 billion are assets under management for pension compared to approx. NIS 155 billion on December 31, 2024 - an increase of approx. 14%.

B. Company's results in the quarter

The post-tax comprehensive income in the quarter amounted to approx. NIS 590 million, compared to approx. NIS 417 million in the corresponding period last year.

Core income:

Core income in the quarter amounted to approx. NIS 567 million, compared with a total of approx. NIS 393 million in the corresponding quarter last year.

Insurance and savings

Total underwriting core income from insurance and savings totaled approx. NIS 376 million in the quarter, compared to an income of approx. NIS 243 million in the corresponding quarter last year, as detailed below.

In the quarter, there was an increase in contributions towards benefits provided by the Pension Subsegment and proceeds from investment contracts, such that the total gross premiums, contributions towards benefits and proceeds from investment contracts amounted to approx. NIS 7.0 billion, compared with approx. NIS 6.8 billion in the corresponding quarter last year - an increase of approx. 3%.

Credit cards

Total income from credit cards in the quarter amounted to approx. NIS 125 million before tax compared to approx. NIS 103 million in the corresponding quarter last year.

Max's revenues in the quarter amounted to approx. NIS 645 million compared to approx. NIS 595 million in the corresponding period last year due to the increase in turnovers in Israel and overseas.

Max's net interest revenues increased and amounted to approx. NIS 215 million compared to approx. NIS 206 million in the corresponding period last year, mostly due to the increase in Max's business credit activity, due to the increase in the consumer and business credit portfolio.

Credit loss expenses amounted to approx. NIS 41 million, compared with an expense of approx. NIS 62 million in the corresponding period last year.

The decrease in credit loss expenses is mainly due to a decrease in the amount of net write-offs compared to the corresponding period last year.

Max's operating expenses in the quarter totaled NIS 264 million, compared to NIS 238 million in the corresponding period last year, mainly due to an increase in expenses affected by the scope of the Company's business activities, such as fees and commissions to international organizations.

Revenues from investment and capital markets:

A gain due to a decrease in insurance liabilities was recorded in the quarter as a result of an increase in the risk-free interest rate compared to a decrease in the corresponding quarter last year, and due to positive capital market returns compared to the corresponding quarter last year, which affected the investment revenues in the nostro portfolio, such that an excess financial margin of approx. NIS 320 million was recorded, compared to approx. NIS 241 million in the corresponding quarter last year.

2.2.1 Long-term savings

2.2.1.1. Life Insurance Subsegment including investment contract

	1-9		7-9	
	2025	2024	**2025**	2024
Income from insurance and savings services	**220**	129	**80**	6
Adjusted financial spread	**116**	114	**39**	38
Total from core income	**336**	242	**119**	43
Effect of the change in the interest rate curve on the liabilities and Hetz bonds	**(10)**	338	**74**	(23)
Remaining financial margin	**411**	264	**117**	47
Comprehensive income, before tax	**737**	845	**309**	68
The redemption rate of the life insurance contracts out of average savings in annualized terms	**2.4%**	2.1%	**3.0%**	2.2%

Core income:

The increase in income during the reporting period and quarter arises mainly from the effect of class actions last year and higher release of the contractual service margin due to revision of actuarial assumptions in 2024, mainly regarding the application of a stochastic model as explained in Section 2.4(a)4 below.

Financial effects:

The decrease in comprehensive income in the Reporting Period compared to last year is mainly affected by a decrease in insurance liabilities in the corresponding period last year due to an increase in the risk-free interest rate. This effect was partially offset against an increase in investment revenue due to capital market returns.

In the quarter, the increase in comprehensive income compared to the corresponding quarter last year is mainly affected by a decrease in insurance liabilities due to an increase in the risk-free interest rate compared to an increase in insurance liabilities due to a decrease in the risk-free interest rate in the corresponding quarter last year. In addition, in the current quarter investment revenue increased due to capital market returns compared to the corresponding quarter last year.

Investment income credited to policyholders in participating policies: following are details regarding the estimated amount of investment income credited to policyholders in life insurance and participating investment contracts calculated based on the return and balances of the insurance reserves in Clal Insurance’s business reports (in NIS million):

	1-9		7-9	
In NIS million	**2025**	**2024**	**2025**	**2024**
Investment income credited to policyholders net of management fees	**8,543**	6,641	**3,265**	3,199

2.2.1.2 Additional data regarding life insurance premiums and management fees:

	1-9		7-9		For the year
In NIS million	**2025**	**2024**	**2025**	**2024**	**2024**
Variable management fees	**414**	-	**153**	-	2
Fixed management fees	**445**	444	**149**	148	597
Total management fees	**860**	444	**303**	148	599
Current premiums	**3,052**	3,303	**1,009**	1,080	4,363
One-off premiums	**110**	119	**35**	34	(*153
Total premiums, gross	**3,162**	3,422	**1,044**	1,114	(*4,516
Current premiums	**248**	287	**80**	93	376
One-off premiums	**949**	652	**378**	277	955
Total premiums from investment contracts	**1,196**	939	**457**	371	1,331

*) Reclassified.

The decrease in current life insurance premiums in the period arises from further cancellations.

Details regarding the rates of return on participating policies

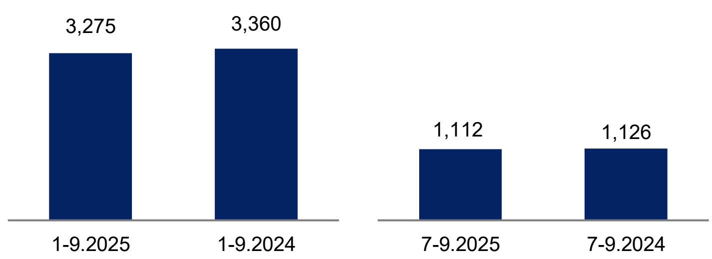
	Policies issued in 1992-2003 (Fund J)					Policies issued from 2004 and thereafter (the new Fund J)				
	1-9		7-9		For the year	1-9		7-9		For the year
In NIS million	2025	2024	2025	2024	2024	2025	2024	2025	2024	2024
Real returns before payment of management fees	**8.57**	5.20	**2.61**	2.47	8.92	**8.34**	5.17	**2.59**	2.49	8.47
Real return after payment of management fees	**7.09**	4.74	**2.11**	2.31	8.27	**7.61**	4.45	**2.36**	2.25	7.48
Nominal return before payment of management fees	**11.78**	8.91	**4.00**	4.09	12.65	**11.54**	8.87	**3.99**	4.11	12.19
Nominal return after payment of management fees	**10.25**	8.43	**3.50**	3.94	11.98	**10.79**	8.13	**3.76**	3.88	11.16

2.2.1.3 Provident Subsegment

	1-9		7-9	
In NIS million	2025	2024	2025	2024
Comprehensive income, before tax	**5**	6	**(2)**	1
Contributions towards benefits	**3,275**	3,360	**1,112**	1,126

Reporting Period and Quarter - the decrease in comprehensive income compared to the corresponding period last year arises mainly from an increase in operating expenses, including fees and commissions to agents and other selling expenses, offset by the effect of the increase in revenues from management fees and from the management company's nostro portfolio, due to the positive capital market returns in the current period compared to the previous period last year.

Contributions towards benefits - provident



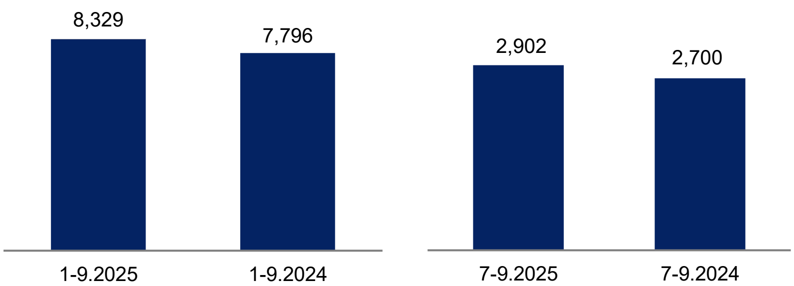
2.2.1.4 Pension Subsegment

	1-9		7-9	
In NIS million	2025	2024	2025	2024
Comprehensive income, before tax	**53**	37	**16**	13
Contributions towards benefits	**8,329**	7,796	**2,902**	2,700

The Reporting Period and Quarter - the increase in comprehensive income in the Reporting Period arises from an increase in revenues from management fees mainly from assets under management, which increased compared to the corresponding period last year, which was partially offset by an increase in operating expenses including commission to agents. In addition, during the Reporting Period, investment revenue from the nostro portfolio was up due to the positive returns recorded in the capital markets in the current period compared to the corresponding period last year.

The increase in contributions towards benefits in the Reporting Period arises mainly from the number of new planholders who signed-on to the fund offset against the number of active planholders who left, and from the increase in the average salary of the fund's active planholders, in respect of which contributions towards benefits are paid.

Contributions towards benefits - pension



2.2.1.5 The rate of outgoing transfers from savings products out of the balances of assets under management has increased in recent periods due to competition levels in the market. For further details regarding the effect of various factors on the markets, see Section 3 below.

2.2.2 Property and Casualty Insurance

	1-9		7-9	
	2025	2024	2025	2024
Gross premiums	3,083	**3,163**	966	**1,008**
Income from insurance services:				
Motor Property	108	**65**	23	**23**
Compulsory Motor Insurance	(24)	**83**	(5)	**10**
Credit Insurance	29	**25**	10	**10**
Remaining portfolios and other	208	**166**	40	**21**
Total income from insurance services	**321**	**340**	**68**	64
Adjusted financial spread	67	**65**	22	**21**
Total core income	388	**404**	89	**86**
Effect of the change in the interest rate curve on the liabilities	9	**28**	2	**(11)**
Remaining financial margin	(43)	**(11)**	(10)	**-**
Comprehensive income, before tax	354	421	81	**75**
CR rate in motor property*	89%	**93%**	93%	**93%**

* Calculated in accordance with the ratio between expenses from insurance services net of reinsurance revenues and revenues from insurance services net of reinsurance expenses.

Gross premiums:

During the Reporting Period - the decrease in premiums arises mainly from a decrease in motor property insurance.

The Quarter - the decrease in premiums arises mainly from a decrease in motor property insurance and timing differences with respect to large compulsory motor insurance transactions.

Comprehensive income:

During the Reporting Period - Comprehensive income in the Reporting Period amounted to approx. NIS 354 million, compared with a comprehensive income of approx. NIS 421 million in the corresponding period last year.

Core income totaled approx. NIS 388 million. Core income in the corresponding period last year totaled approx. NIS 404 million. In most subsegments, there has been an improvement compared to last year, except for compulsory motor insurance due to negative developments in the period in pending claims in respect of previous years compared to last year, in which there were positive developments, and in respect of a netting agreement with the National Insurance Institute.

In addition, in the Reporting Period there was a decrease in insurance liabilities due to the effect of an increase in the risk-free interest rate curve compared to last year. In addition, during the reporting period there was a decrease in investment revenues compared to the corresponding period last year, as detailed above.

The Quarter - Comprehensive income in the Reporting Quarter amounted to approx. NIS 81 million, compared with a comprehensive income of approx. NIS 75 million in the corresponding quarter last year.

Core income totaled approx. NIS 89 million compared to approx. NIS 86 million in the corresponding period last year. The higher income arises from an underwriting improvement in most subsegments except for the compulsory motor subsegment in which there was a decrease in income from insurance services due to negative developments in the period of pending claims in respect of previous years compared to last year in which there were positive developments.

In addition, in the quarter there was no significant change in the interest rate curve which affected the insurance liabilities compared to an increase in insurance liabilities due to a decrease in the risk-free interest rate curve in the corresponding quarter last year. In addition, during the reporting period there was a decrease in investment revenues compared to the corresponding period last year, as detailed above.

2.2.3. Health Insurance

	1-9		7-9	
	2025	**2024**	**2025**	**2024**
Gross premiums	**1,479**	1,381	**508**	487
Income from insurance services and activity	**327**	275	**140**	86
Adjusted financial spread	**50**	49	**17**	16
Total core income	**377**	324	**157**	103
Effect of the change in the interest rate curve on the liabilities	**-**	70	**52**	(10)
Remaining financial margin	**123**	(97)	**25**	61
Comprehensive income, before tax	**500**	297	**233**	153

Gross premiums:

In the Reporting Period and Quarter - the increase in premiums arises mainly from an increase in the individual insurance activity.

Comprehensive income:

Core income:

In the Reporting Period and the Quarter – the higher income in the Reporting Period and the quarter arises from an underwriting improvement in the medical expenses, critical illness and long-term care individual insurance subsegments, and from an increase in the release of the contractual service margin compared to the corresponding period and quarter last year, mainly due to revisions of actuarial assumptions in 2024.

Financial effects:

In the Reporting Period - the balance of the financial margin increased as a result of an increase in investment revenue compared to the corresponding period last year due to capital market returns. Furthermore, in the corresponding period last year, a gain was recognized due to a decrease in insurance liabilities as a result of the increase in the risk-free interest rate.

In the Quarter - the balance of the financial margin decreased as a result of a decrease in investment revenue compared to the corresponding quarter last year due to capital market returns. Furthermore, in the quarter, a gain was recognized due to a decrease in insurance liabilities as a result of the increase in the risk-free interest rate compared to a decrease in the corresponding quarter last year.

Information regarding investment income credited to health insurance policyholders of the participating long-term care type:

	1-9		7-9	
In NIS million	**2025**	**2024**	**2025**	**2024**
Investment income credited to policyholders	**156**	101	**56**	48

2.2.4. Credit cards

	1-9		7-9	
	2025	**2024**	**2025**	**2024**
Total revenues from the Credit Cards Segment	**1,299**	1,151	**467**	416
Total pre-tax income net of adjustments (see also 2.2(a))	**343**	309	**125**	103
Credit card transactions (Max) (see also Section 2.2.4.1)				
Revenues				
Revenues from credit card transactions	**1,192**	1,057	**428**	385
Interest revenues, net	**631**	601	**215**	206
Other revenues	**13**	10	**2**	4
Total revenues	**1,836**	1,668	**645**	595
Expenses				
Credit loss expenses	**130**	159	**41**	62
Operating expenses	**752**	658	**264**	238
Selling and marketing expenses (see Section 2.2.5 below)	**370**	326	**126**	117
General and administrative expenses (see Section 2.2.5 below)	**69**	59	**26**	20
Payments to banks	**190**	173	**68**	61
Total expenses	**1,511**	1,375	**525**	498
Pretax income	**325**	293	**120**	97
Technological activity (Milo)				
Revenues from credit card transactions	**107**	94	**39**	31
Comprehensive income, before tax	**18**	16	**5**	6

Max's results in the first nine months of 2025 were substantially affected by a one-off provision of NIS 170 million before tax (approx. NIS 131 million post tax) due to a judgment handed down to the credit card companies on August 6, 2025 in respect of an appeal filed regarding a VAT assessment of card holders overseas activity, which was included in Max's results for the second quarter of 2025. The above table is net of this one-off effect.

Revenue from credit card transactions include issuer fees and commissions, service fees and commissions in respect of the activity of card holders, fees and commissions from transactions carried out abroad, acquiring fees and commissions and other revenues from merchants net of fees and commissions to other issuers. The turnover of Max's domestic and foreign activity was up in the first nine months and third quarter of 2025 compared to the corresponding periods last year - an increase which led to an increase in Max's revenues from credit card transactions, both on the issuance side and on the acquiring side.

Net interest revenues of Max increased in the first nine months and third quarter of 2025 compared to the corresponding periods last year, mostly due to an increase in business activity, using responsible and strict management, which is supported by informed risk management, which is required in view of the macroeconomic environment and the lack of clarity as to the effects of the War.

Credit loss expenses in the first nine months of 2025 totaled approx. NIS 130 million, compared to approx. NIS 159 million in the corresponding period last year. The decrease in credit loss expenses arises both from a decrease in the amount of net write-offs compared to the corresponding period last year and a decrease in credit loss provisions as a result of an improvement in the quality of Max's credit portfolio due to, among other things, a change in the portfolio mix.

Max's **operating expenses** for the first nine months and third quarter of 2025, net of the one-off effect, increased compared to the corresponding periods last year, mainly due to an increase in expenses affected by the scope of Max's business activities, such as fees and commissions to the Global Organizations.

2.2.4.1 Data by area of activity - Max

	1-9 2025	1-9 2024	Rate of change
Total credit card transactions			
Revenues	**1,836**	1,668	10%
Comprehensive income	**325**	293	11%
Of which - issuance activity			
Revenues from credit card transactions	**983**	857	15%
Interest revenues	**449**	429	5%
Total revenues	**1,447**	1,296	12%
Operating, marketing and general and administrative expenses	**986**	858	15%
Credit loss expenses	**129**	152	(15%)
Payments to banks	**190**	173	10%
Total expenses	**1,305**	1,183	10%
Comprehensive income, before tax	**142**	113	26%
Of which - acquiring activity			
Revenues from credit card transactions	**209**	200	4%
Interest revenues	**182**	172	6%
Total revenues	**389**	372	5%
Operating, marketing and general and administrative expenses	**205**	185	11%
Credit loss expenses	**1**	7	(86%)
Total expenses	**206**	192	7%
Comprehensive income, before tax	**183**	180	2%

	7-9 2025	7-9 2024	Rate of change
Total credit card transactions			
Revenues	**645**	595	8%
Comprehensive income	**120**	97	24%
Of which - issuance activity			
Revenues from credit card transactions	**355**	316	12%
Interest revenues	**150**	146	3%
Total revenues	**509**	466	9%
Operating, marketing and general and administrative expenses	**348**	310	12%
Credit loss expenses	**41**	59	(31%)
Payments to banks	**68**	61	11%
Total expenses	**457**	430	6%
Comprehensive income, before tax	**52**	36	44%
Of which - acquiring activity			
Revenues from credit card transactions	**73**	69	6%
Interest revenues	**65**	60	8%
Total revenues	**136**	129	5%
Operating, marketing and general and administrative expenses	**68**	65	5%
Credit loss expenses	**-**	3	-
Total expenses	**68**	68	0%
Comprehensive income, before tax	**68**	61	11%

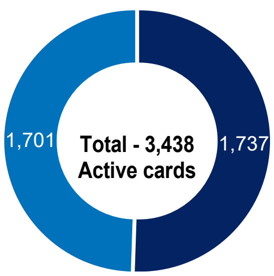
2.3 *Additional data regarding Max*

Definitions:

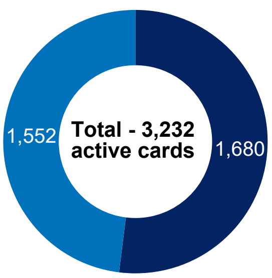
- Valid cards - valid issued cards, excluding blocked cards and prepaid cards.
- Active cards - valid cards with which at least one transaction was carried out during the last quarter.
- Issuance turnover - the turnover from transactions executed with all of the Company's cards, excluding cash withdrawals in Israel and net of cancelled transactions.
- Bank cards - cards issued jointly by the Company and banks to the banks' customers.
- Non-bank cards - cards issued by the Company to customers without cooperation with the banks, sometimes in collaboration with business entities such as organizations and loyalty programs.

Turnover of transactions in respect of valid credit cards (active and inactive) (in NIS million):

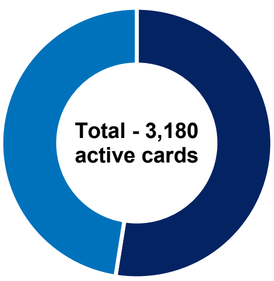
Breakdown of active cards as of September 30, 2025



Breakdown of active cards as of December 31, 2024



Breakdown of active cards as of September 30, 2024



Bank Non-bank

	For the nine month period ended September 30		For the three-month period ended September 30		For the year ended December 31,
	2025	2024	2025	2024	2024
Bank cards	**63,727**	59,912	**22,737**	21,069	80,382
Non-bank cards	**50,531**	43,769	**18,592**	15,976	59,388
Total	**114,258**	103,681	**41,329**	37,045	139,770

	As of		
Key credit quality indicators (in %)	September 30, 2025	December 31, 2024	September 30, 2024
Rate of balance of the provision for credit losses of outstanding receivables for credit card transactions	**2.03%**	2.24%	2.30%
Rate of non-accruing receivable balance of receivables for credit card transactions	**1.08%**	1.13%	1.20%
Rate of net write-offs of the average balance of receivables for credit card transactions	**1.20%**	1.43%	1.46%

2.3.1 Finance expenses in activity not allocated to segments

Reporting Period - In the Reporting Period, finance expenses amounted to approx. NIS 227 million, compared with approx. NIS 242 million in the corresponding period last year. The decrease arises from an early repayment in full of the syndicated loan at the beginning of 2024.

The Quarter - In the quarter, finance expenses amounted to approx. NIS 79 million, compared with approx. NIS 78 million in the corresponding period last year.

	1-9		7-9	
In NIS million	**2025**	**2024**	**2025**	**2024**
Clal Insurance - Tier 2 capital notes	**148**	151	**49**	53
Clal Holdings - Bonds	**66**	60	**26**	20
CIMax	**-**	16	**-**	-
Other	**13**	15	**4**	5
Total	**227**	242	**79**	78

2.4 *Capital and Capital Requirements*

A. Capital requirements in accordance with the application provisions of the Economic Solvency Regime in Clal Insurance (see Section 1 below)

The insurance companies in the Group are subject to the Provisions of the Solvency II-based Economic Solvency Regime in accordance with the application provisions of the Circular “Amendment to the Consolidated Circular Concerning Implementation of a Solvency II-Based Economic Solvency Regime for Insurance Companies”, which was published on October 14, 2020.

In accordance with the Consolidated 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 November 25, 2025, Clal Insurance approved and published its Economic Solvency Ratio Report as of June 30, 2025, which was posted on the Group’s website at:

https://www.clalbit.co.il/aboutclalinsurance/financialstatementsandpressrelease/.

It is noted that the calculation of the economic solvency ratio is based on data and models which may differ from those used by Clal Insurance as part of financial reporting, and which are based, among other things, on forecasts and assumptions that rely mainly on past experience. Specifically, and as detailed in the Economic Solvency Regime Circular, the calculation of the economic solvency ratio is based, to a large extent, on the model used to calculate the embedded value. For further details regarding the capital requirements that apply to Group companies, see Note 17(f) to the Annual Financial Statements.

In accordance with the principles for calculating the Deduction during the Transitional Period in accordance with the application provisions of the Economic Solvency Regime, the Deduction as of June 30, 2025 was revised and stands at NIS 2,012 million.

For additional information, including a general description of the economic solvency regime, the general underlying principles of the regime, the calculation methodology of the economic balance sheet and of the solvency capital requirement, Provisions for the Transitional Period, general review of the directives of the Commissioner's Directives relating to the Economic Solvency Ratio Report, definitions of key terms, comments and clarifications, please also read Sections 1, 3.1, 4.1 and 5.1 to the Economic Solvency Ratio Report of Clal Insurance as of June 30, 2025.

The solvency ratio as of June 30, 2025 does not include the effect of the Company's business activity in the period subsequent to June 30, 2025 and through this report's approval date.

For details regarding additional events during and subsequent to the Reporting Period, see Note 2.1 above.

The calculation made by the Company as of June 30, 2025 was audited by the independent auditors. The review was conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3400, Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Following are data regarding Clal Insurance's solvency ratio and minimum capital requirement (MCR) according to the Solvency II regime.

1. Economic solvency ratio

	As of June 30	As of December 31
	2025	2024
In NIS million	Unaudited	Audited
Own funds for SCR purposes	16,043	14,706
Solvency capital requirement (SCR)	10,040	9,624
Surplus	6,003	5,082
Economic solvency ratio (in %)	160%	153%
Effect of material equity transactions taken in the period between the calculation date and the publication date of the Company's Economic Solvency Ratio Report		
Capital instruments raising (repayment)	98	500
Deviation from quantitative limitation	-	-
Own funds for SCR purposes	16,141	15,206
Surplus	6,101	5,582
Economic solvency ratio (in %)	161%	158%

For details regarding the solvency ratio without applying the Provisions for the Transitional Period and regarding the target solvency ratio and restrictions applicable to the Company in connection with dividend distribution, see Subsection 3 below.

For events during the Reporting Period and subsequent to the report date, and their potential effect on the solvency ratio, see Section 2.1 and 2.2 above.

2. Minimum capital requirement (MCR)

In NIS million	As of June 30 2025 Unaudited	As of December 31 2024 Audited
Minimum capital requirement (MCR)	2,510	2,406
Own funds for MCR purposes	11,717	10,975

3. Solvency ratio without applying the Provisions for the Transitional Period

According to the letter published by the Authority, 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 Economic Solvency Regime - of at least 100%, calculated without taking into account the Provisions for the Transitional Period and subject to the solvency ratio target set by the insurance company's Board of Directors. The aforesaid ratio shall be calculated without the relief granted in respect of the original difference attributable to the acquisition of the provident funds and management companies. In addition, the letter set out provisions for reporting to the Commissioner.

The following are data on Clal Insurance's economic solvency ratio, calculated without taking into account the Provisions for the Transitional Period.

Solvency ratio without applying the Provisions for the Transitional Period In NIS million	As of June 30 2025 Unaudited	As of December 31 2024 Audited
Own funds for SCR purposes	14,198	13,284
Solvency capital requirement (SCR)	10,739	10,341
Surplus	3,459	2,943
Economic solvency ratio - in %	132%	128%
Effect of material equity transactions taken in the period between the calculation date and the publication date of the Company's Economic Solvency Ratio Report		
Raising of capital instruments	594	500
Deviation from quantitative limitation	-	(500)
Own funds for SCR purposes	14,792	13,284
Surplus	4,053	2,943
Economic solvency ratio - in %	138%	128%
The capital surplus in view of equity transactions made in the period between the calculation date and the publication date of the Economic Solvency Ratio Report, relative to the Board of Directors' target (see Section B below):		
The Board of Directors' economic solvency ratio target (%)	115%	115%
Capital surplus (shortfall) in relation to the target	2,442	1,392

4. Update regarding the stochastic model when calculating the economic solvency ratio of Clal Insurance

According to the economic solvency regime, the insurance liabilities were calculated in accordance with the Provisions of the Economic Solvency Regime, which in general, in relation to SLT life and health insurance, is calculated in accordance with the EV calculation practice in Israel.[1]The determination of the best estimate should be based on an estimation of the distribution of the potential best estimates ("**Stochastic Models**"), and in the absence of significant statistical data that will allow the assessment of the distribution probability of the best estimate, the Company used the expected value of each relevant factor ("**Deterministic Models**").

[1] EV (embedded value) is calculated in Israel in accordance with the rules and principles set by the Commissioner, who adopted the rules and principles of the report of the joint committee of insurance companies and the Commissioner, which worked with the guidance of consultants from Israel and abroad.

In accordance with an outline issued by the Commissioner in November 2023, the Stochastic Model will not be implemented in the calculation of the solvency ratio without implementing the Provisions for the Transitional Period - over 3 reporting dates - but the Company will disclose its effects in the Economic Solvency Ratio Report.

In the report as of December 31, 2024, the Company completed the stochastic calculation of the best estimate of the asymmetrical insurance liabilities cash flows (including carrying future variable management fees) based on an economic scenario generator,[2] including the implementation of tests and control processes regarding the accuracy, robustness, and market consistency, as is the normal practice in foreign companies that implement stochastic models in the calculation of their economic solvency ratio. The Stochastic Model is used to calculate the optimal actuarial estimate of asymmetric insurance liabilities (including recognition of future variable management fees). With the Stochastic Model, the return used as a basis for the calculation remains unchanged compared to the Deterministic Model. However, the calculation of cash flows in the Stochastic Model takes into account fluctuations in the returns of the relevant assets in accordance with their composition and characteristics, including the investment channels, duration, and exposure to index and foreign currency exchange rates and their effect on recognition of the variable management fees. In order to create the Stochastic Model, the Company selected economic models that match its asset classes. As part of the process of selecting and calibrating those economic models, the Company was supported by international consultancy firms. In addition, the independent auditors reviewed the calculation process and the internal control.

5. Revision of the capital target in Clal Insurance and dividend distribution in the Company and in Clal Insurance

For details regarding the revision of the capital target in Clal Insurance and dividend distribution in the Company and in Clal Insurance, see Note 2.1 (a) and (b) above.

6. Own Risk and Solvency Assessment of the Company (ORSA)

In January 2022, a principles paper regarding the implementation of the Own Risk and Solvency Assessment of an Insurance Company (ORSA) as well as an amendment to the Provisions of the Consolidated Circular, Reporting to the Commissioner of Capital Market regarding Own Risk and Solvency Assessment of an Insurance Company (ORSA) were published.

According to the Letter of Principles, the Company is required to examine, at least once a year, and to file with the Commissioner, each year, a report outlining the interrelationships between the overall strategy and annual work plan and the Company’s risk profile, risk management policy, overall exposure level and the adequacy of the buffer under various assumptions and scenarios. In doing so, the risk management policy, capital targets and the range of risk management applied by the Company should be examined and taken into account.

7. Debt raising by Clal Insurance Capital Raising Ltd. a subsidiary of Clal Insurance

In April 2025, Clal Capital Raising issued to the public Bonds (Series N) totaling NIS 500 million in p.v., by virtue of a shelf prospectus dated April 9, 2025.

On July 31, 2025, Clal Capital Raising executed early redemption of the outstanding balance of Notes (Series I), in accordance with their terms and conditions.

Furthermore, subsequent to the reporting date, in October 2025, Clal Capital Raising issued approx. NIS 594 million p.v. in Notes (Series O) to the public and approx. NIS 555 million p.v. in Notes (Series O) to the Company by way of private placement. The private placement proceeds were used to cancel a NIS 450 million CPI-linked capital note, which was issued to the Company by Clal Insurance on October 29, 2020, and which was recognized by Clal Insurance as an additional Tier 1 capital instrument. The Bonds (Series O), which were issued to the public and under the private placement, constitute a single series for all intents and purposes.

For further details, see 2.1(d) above.

2. As defined in the provisions of Appendix B, Section 5 (Part 2, Appendix 2) to the Provisions of the Economic Solvency Regime.

8. Debt raising by Max and its becoming a reporting corporation

On January 6, 2025, Max completed a private placement of commercial papers for institutional entities, by way of expanding CPs (Series 2) by approx. NIS 154 million par value.

On April 7, 2025, Max published a supplementary prospectus and a shelf prospectus dated April 8, 2025, and on April 24, 2025, it completed a NIS 207 million raising of Commercial Papers (Series 5) from institutional investors and - for the first time - also from the public par value. As from this date, Max became a reporting corporation, as defined by the Securities Law, 1968. Max's becoming a reporting corporation constitutes a part of its financing strategy as a growing company, and it allows Max to diversify its sources of financing for its operating activities.

On July 10, 2025, Max issued a new private series of Subordinated Notes (Series F) with a contractual loss absorption mechanism, in the total amount of NIS 150 million par value, which are recognized as Tier 2 capital from the date of their issuance. Notes (Series F) are linked to the Consumer Price Index. In addition, on July 13, 2025, Max completed a public offering of Bonds (Series E) totaling NIS 300 million in par value. Bonds (Series E) are linked to the Consumer Price Index. For further details, see Note 5 to the Consolidated Interim Financial Statements.

B. Capital requirements and capital adequacy in Max

1. Equity and capital adequacy

Max's reported equity capital amounted to NIS 2,168 million as of September 30, 2025, compared to NIS 2,061 million at the end of 2024 - an increase of approx. 5%, and compared to NIS 1,997 million on September 30, 2024 - an increase of approx. 9%. The equity capital as of the end of the third quarter of 2025 includes NIS 26 million in share capital, NIS 376 million in share premiums, a NIS 83 million capital reserve, NIS 7 million in accumulated other comprehensive loss, and NIS 1,690 million in retained earnings.

At the end of the third quarter of 2025, Common Equity Tier 1 capital amounted to NIS 2,170 million, compared to NIS 2,066 million as of December 31, 2024, and compared to NIS 2,002 million on September 30, 2024.

At the end of the third quarter of 2025, total capital amounted to NIS 2,794 million, compared to NIS 2,532 million as of December 31, 2024, and compared to NIS 2,462 million on September 30, 2024.

The capital adequacy ratios are calculated as the ratio of capital to the risk-weighted assets. The CET1 capital ratio is calculated as the ratio of CET1 capital to the risk-weighted assets. The total capital ratio is calculated as the ratio of total capital to the risk-weighted assets.

On September 30, 2025, the CET1 capital ratio amounted to 10.0%, which is similar to the ratio at the end of 2024 and on September 30, 2024. As of September 30, 2025, total capital to risk-weighted components ratio amounted to 12.9%, compared to 12.3% at the end of 2024, and 12.3% on September 30, 2024.

Max's CET1 capital ratio as of September 30, 2025 is the same as the ratio as of September 30, 2024 since the increase in equity as a result of the net income recorded in the period was offset by the increase in Max's activity and the growth in risk-weighted assets. The improvement in Max's total capital ratio as of September 30, 2025 compared to September 30, 2024 arises mainly from the issuance of a Tier 2 capital instrument (Subordinated Notes (Series F) with a loss absorption mechanism) on July 10, 2025.

In accordance with Proper Conduct of Banking Business Directive No. 203, "Measurement and Capital Adequacy - Credit Risk - the Standardized Approach", the weight of the risk of part of Max's exposure to Israeli banks derives from Israel's credit rating. Since Max uses ratings of the international credit rating agency Standard and Poor's (S&P), the downgrading of Israel's rating by this agency in April 2024 from -AA to +A led to an increase in the risk-weighted assets, which were recognized with respect to some of Max's exposures to the Israeli banks, which decreased Max's capital ratios by approx. 0.3%. The further downgrade of Israel's credit rating to A by S&P at the beginning of October 2024 does not affect Max's capital ratios, and even a further one-notch downgrade by S&P to A- is also not expected to affect Max's capital ratios. It is only if S&P will further downgrade Israel's rating by two or more notches to BBB+ or lower that, in Max's opinion, one can expect approx. 0.3%

decrease in its capital ratios based on data as of September 30, 2025. Max is not aware of an intention to affect such rating downgrade. The credit ratings assigned by other rating agencies do not affect Max's capital ratios.

On June 19, 2024, The Banking Supervision Department published a circular for revising Proper Conduct of Banking Business Directive No. 206 "Capital Measurement and Adequacy - Operational Risk", according to which on January 1, 2026 the existing directive will be replaced with a new directive, which adopts the revised directives of the Basel Committee regarding the calculation of capital requirements in respect of operational risk. The new directive redefines the business indicator components that serve as the basis for calculating the capital requirements in respect of the operational risk, and sets marginal coefficients to be multiplied by the business indicator in accordance with the ranges of the business indicator. Furthermore, the new directive stipulates that the business indicator will be multiplied by an internal loss multiplier, which will be based on the banking corporation's historical operating losses. It was further stipulated that a banking corporation, whose business indicator is lower than NIS 5 billion, is not required to use loss data in its calculation of the capital requirements, and its internal loss multiplier will stand at 1; for all other banking corporations, the internal loss multiplier will stand also at 1 through December 31, 2028, and the Banking Supervision Department will publish - no later than 2028 - the method for applying the internal loss multiplier to their capital requirements. Max is studying the effects of the revised directive on the calculation of the capital requirements.

Max's leverage ratio as of September 30, 2025 is 8.7%, similarly to the ratio at the end of 2024 and 8.6% as of September 30, 2024.

2. The Bank of Israel's capital adequacy targets

According to Proper Conduct of Banking Business Directive No. 472 "Merchant Acquirers and Acquiring Payment Card Transactions", an acquirer whose receivables balance in its latest Annual Financial Statements exceeds NIS 2 billion — the capital requirement will be calculated in accordance with Proper Conduct of Banking Business Directives Nos. 201-211 (Capital Adequacy and Measurement). It was also stipulated that despite that which is stated in Section 40 to Proper Conduct of Banking Business Directive No. 201, the Common Equity Tier 1 capital ratio shall not fall below 8%, and the total capital ratio shall not fall below 11.5%.

As from April 1, 2015, Max has been implementing Proper Conduct of Banking Business Directive No. 218 on leverage ratio (hereinafter - the "**Directive**"). Pursuant to the Directive, entities are required to have a consolidated leverage ratio of no less than 5%.

In the circulars published in recent years by the Banking Supervision Department amending the directive, it extended the term of an expedient set as a Temporary Order in November 2020, as part of adjustments to Proper Conduct of Banking Business Directives for dealing with the Covid-19 crisis, according to which the leverage ratio shall not fall below 4.5% on a consolidated basis. According to the last circular, dated September 14, 2025, against the background of a review conducted by the Banking Supervision Department to amend the directive and a review of the leverage ratio and its mix, the above relief was extended as a temporary order until June 30, 2027, provided that the leverage ratio does not fall below that as of December 31, 2026 or the minimum leverage ratio applicable to the banking corporation prior to the temporary order, whichever is lower.

3. Max's capital adequacy targets

Max's capital is designed to support all risks embodied in its activity as well as its multi-year business activity, including supporting its lines of business, expanding the activity and entering into new areas of activity and complement and supplement its operations.

Furthermore, Max analyzes its performance in a stress scenario, and has targets it will wish to meet upon the materialization of a stress scenario.

Max's policy, which was approved by its Board of Directors is to maintain a capital adequacy ratio, which is higher than the minimum threshold set by the Bank of Israel, and which is greater from the capital requirements needed to cover the risks in accordance with the results of Max's Internal Capital Adequacy Assessment Process (ICAAP).

In accordance with Max’s risk profile, on June 30, 2024 Max’s Board of Directors approved Max’s CET1 capital ratio internal target at 9.25% instead of 10% as was the case through that date. The revised internal target is 125 basis points (1.25 percentage points) higher than the minimum CET 1 capital ratio set by the Banking Supervision Department. Max has a safety buffer, which is higher than the revised internal target. The internal target for total capital ratio has not changed and stands at 12%.

4. Total capital adequacy to risk-weighted components ratio in Max: (*)

Following is a breakdown of the risk-weighted assets and capital requirements in respect thereof:

	As of September 30		As of September 30		As of December 31	
	2025		2024		2024	
	Unaudited					
In NIS million	Risk-weighted assets	Capital requirements	Risk-weighted assets	Capital requirements	Risk-weighted assets	Capital requirements
Credit risks - standardized approach						
Of banking corporations	**1,394**	**160**	1,202	138	1,217	140
Of corporations	**1,898**	**218**	1,649	190	1,747	201
Retail to individuals	**11,971**	**1,377**	11,395	1,310	11,775	1,354
Of small businesses	**1,649**	**190**	1,393	160	1,419	163
Other assets	**940**	**108**	1,049	121	1,048	121
Credit valuation adjustment (CVA)	**1**	**-**	-	-	1	-
Total credit risk	**17,853**	**2,053**	16,688	1,919	17,207	1,979
Market risk - standardized approach	**145**	**17**	116	13	55	6
Operational risk - standardized approach	**3,629**	**417**	3,234	372	3,347	385
Total risk-weighted assets and capital requirements	**21,627**	**2,487**	20,038	2,304	20,609	2,370
Capital base	**2,794**		2,462	-	2,532	
Total capital ratio	**12.9%**		12.3%		12.3%	
CET1 capital ratio	**10.0%**		10.0%		10.0%	

* Calculated in accordance with Proper Conduct of Banking Business Directives Nos. 201-211 on “Capital Adequacy and Measurement”, and Proper Conduct of Banking Business Directive No. 472 “Merchant Acquirers and Acquiring Payment Card Transactions”, which came into effect on September 1, 2016.

5. Dividend distribution policy and actual dividend distribution by Max

The dividend distribution in Max is subject to the directives of the Banking Supervision Department, including compliance with capital adequacy restrictions under the Basel directives. A dividend distribution is permitted subject to the provisions of the Companies Law, 1999, which stipulates, among other things, that Max may make a distribution out of its earnings, provided that there are no reasonable concerns that the distribution will prevent Max from fulfilling its existing and future undertakings, when they fall due.

During 2024, certain restrictions on dividend distribution included in Max's financing agreements were lifted.

On June 30, 2024, Max’s Board of Directors set, for the first time, a dividend distribution policy. According to the approved policy, as from 2024 Max will be able to distribute every year dividends at a total amount of up to 30% of Max’s net income for the year, which preceded the distribution year, in accordance with its consolidated financial statements. It is clarified that by setting the policy Max does not undertake to distribute a dividend on a certain date or rate, any distribution shall be subject to the full discretion of Max’s Board of Directors and require the individual approval of the Board of Directors of Max, subject, among other things, to compliance with all the restrictions applicable to Max under the law and under directives of the Banking Supervision Department.

Accordingly, in 2024, a NIS 62 million dividend was approved and distributed, which constitutes approx. 28% of Max's net income for 2023.

Both the set dividend distribution policy and the actual distribution which was approved were carefully considered, while retaining high capital surpluses in relation to Max's capital targets, in accordance with the regulator's expectation that the capital planning will be assessed in a conservative and informed manner in view of the War and the uncertainty in the Israeli economy.

In addition, under the issuance of the Bonds (Series E) in July 2025, Max undertook, as is generally acceptable, not to distribute dividends under certain circumstances, such as non-compliance with the financial covenants it undertook to comply with, the establishment of grounds for immediate repayment, or breach of any of its material undertakings, all as detailed in the deed of trust.

2.5. Analysis of Cash Flow Development, Sources of Financing and Liquidity

2.5.1. Cash flow for the Reporting Period

The consolidated cash flows provided by operating activities in the Reporting Period amounted to approx. NIS 1,006 million; most of the amount arises from realization of financial investments by the Insurance Company, offset be paid taxes. The consolidated cash flows used for investing activities totaled approx. NIS 1,813 million in the Reporting Period, mainly from a reduction in credit provided to card holders and merchants. The consolidated cash flows provided by financing activities totaled approx. NIS 202 million in the Reporting Period and included mainly the repayment of credit from banking corporations. The Group's cash and cash-equivalent balances decreased from a total of approx. NIS 7,069 million at the beginning of the Reporting Period to approx. NIS 6,344 million at the end of the Reporting Period.

2.5.2. Company's financing

2.5.2.1 The Company's sources of financing and liquidity

The Company attaches great importance to maintaining sufficient cash balances, in a manner that will allow it to repay its obligations, and support, where required, the capital needs of Clal Insurance, and liquidity needs in respect of the activity of other Group investees. Other funding sources include, among other things, dividend distributions from investees, and the option of selling stakes in investees, debt raising from the banking system and/or the public, utilization of credit facilities and capital raising.

It is clarified that some of the investees are subject to regulatory provisions regarding dividend distribution beyond the distribution limitations set out in the Companies Law, 1999, which stipulates, among other things, that the Company may make a distribution out of its earnings, provided that there are no reasonable concerns that the distribution will prevent the Company from fulfilling its existing and future undertakings, when they fall due:

A. **Clal Insurance** - the dividends from Clal Insurance depend on the policy set by the Board of Directors of Clal Insurance, see Section 2.4.A above, including compliance with the solvency ratio target set by the Board of Directors, which is higher than the minimum target set by the Banking Supervision Department. The Company considers interest proceeds received from its holding in a Restricted Tier 1 capital instrument of Clal Insurance as a source of liquidity, and classifies this holding as a financial investment.

B. **Max** - the dividend distribution in Max is subject to the directives of the Banking Supervision Department, including compliance with capital adequacy restrictions under the Basel directives. Dividend distribution is permitted subject to the provisions of the Companies Law, 1999. For details regarding the dividend distribution policy, see 2.4.B.5 above.

For further details regarding the restrictions on dividend distributions in Clal Insurance and Max, see Note 6 to the Consolidated Financial Statements.

Furthermore, the Company controls the following entities which are not subject to special Regulatory Restrictions pertaining to dividend distribution beyond those of the Companies Law:

A. **Clal Agency Holdings** - the Company presents the net financial assets of Clal Agency Holdings within the net financial assets of Clal Agency Holdings.

B. **Clal Finance** - as detailed in Note 9 to the Consolidated Annual Financial Statements, Clal Finance holds a 24.9% stake in Michlol Finance Ltd. Michlol Finance is a company whose share is listed on the Tel Aviv Stock Exchange; the market value of its shares, based on the share price on the Stock Exchange, is approx. NIS 133 million immediately prior to the reports publication date. Furthermore, Clal Finance has an option to purchase approx. further 7% of Michlol's shares.

This investment is presented among investment in investees based on equity value, and was not included in the financial investments in this section.

As of the reporting date, the Group has three types of financial liabilities, subordinated notes issued to address Clal Insurance's capital needs, and balances used in Max's operating activities issued by the Company.

Following is a table providing a breakdown of the net financial debt (the table includes the following companies: the Company, CIMax Holdings Ltd., and Clal Agency Holdings (1998) Ltd. as stated above, and does not include Clal Insurance and Max, which are subject to Regulatory Restrictions in addition to the distribution restrictions set out in the Companies Law, 1999):

NIS million	As of September 30 2025	As of December 31 2024
Financial assets		
Cash and cash equivalents	**62**	37
Other financial investments, mainly money market fund and Israeli		142
T-Bills by the Company	**209**	
Restricted Tier 1 capital instrument of Clal Insurance *)	**514**	493
Total assets	**785**	672
Less current maturities		
Current financial liabilities	**4**	43
Financial assets less current maturities	**781**	629
Non-current financial liabilities		
Non-current financial liabilities:		
Bonds issued by the Company - liability component	**1,536**	1,522
Total liabilities	**1,525**	1,522
Net financial debt	**755**	892
Unutilized credit facility**)	**250**	250

*) The other financial investments include an investment in a Restricted Tier 1 capital instrument of Clal Insurance amounting to NIS 534 million (fair value as of September 30, 2025 is approx. NIS 514 million).
Subsequent to the reporting date, on October 23, 2025, a subsidiary of Clal Insurance - Clal Insurance Capital Raising Ltd. - issued to the Company approx. NIS 555 million p.v. in Bonds (Series O) under a private placement . The issuance proceeds were used to cancel a NIS 450 million CPI-linked capital note, which was issued to the Company by Clal Insurance on October 29, 2020, and which was recognized by Clal Insurance as an additional Tier 1 capital instrument.

There was no material change to the Company's net financial debt due to the abovementioned actions. For further details, see 2.1(d) above.

**) In June 2025, the credit facility was renewed by one year until June 2026, without material changes to its conditions. For further details see Note 26(j) to the Annual Financial Statements. As of the report date and its approval date, the abovementioned credit facility has not been utilized.

2.5.2.2 The Company's financing characteristics

A. In its capacity as a holding company, the Company assesses the value of its assets against its liabilities in the context of funding and liquidity; it also assesses whether it has liquid means that are reasonably accessible to allow it to conduct its activities.

B. The Company's activity (investments, general and administrative expenses, debt service and dividends) is normally funded by dividends it receives, from investees, capital raising, loans from banking corporations and proceeds from disposal of assets.

C. For details regarding key financial movements in the Company (on a separate basis), see the data on cash flow attributable to the Company itself (on a separate basis).

D. For details regarding the Company's distributable profits, adjusted to reflect the Company's capital requirements, and regarding capital and capital requirements in the consolidated institutional entities and other Group companies, see Note 17 to the Annual Financial Statements.

2.5.2.3 Dedicated disclosure for the Company's bond holders

A. Data on bonds

Series / issuance date	Bonds (Series A)	Bonds (Series A) (expansion)	Bonds (Series A) (second expansion)	Bonds (Series B) (convertible bonds)	Bonds (Series C)	Bonds (Series C) (expansion)
Issuance date	February 2023	June 2023	August 2023	February 2023	December 2023	July 2025
Par value on issuance date (in NIS)	249,100,000	250,000,000	400,000,000	150,000,000	500,000,000	350,000,000
Par value as of September 30, 2025 (in NIS)	152,131,060	152,680,000	244,289,000	149,989,800	500,000,000	350,000,000
Carrying amount as of September 30, 2025 (in NIS)	Approx. NIS 151 million	Approx. NIS 150 million	Approx. NIS 241 million	Approx. NIS 143 million **)	Approx. NIS 497 million	Approx. NIS 354 million
Market value as of September 30, 2025*)	Approx. NIS 156 million	Approx. NIS 157 million	Approx. NIS 251 million	Approx. NIS 288 million	Approx. NIS 526 million	Approx. NIS 368 million
Interest type	Fixed, non-linked			Fixed, non-linked	Fixed, non-linked	
Nominal interest rate	4.7%			2.8%	5.25%	
Interest payable as of September 30, 2025	Approx. NIS 4 million	Approx. NIS 4 million	Approx. NIS 7 million	Approx. NIS 2 million	Approx. NIS 11 million	Approx. NIS 8 million
Effective interest rate on issuance date	4.9%	5.6%	5.3%	4.9%	5.5%	5.0%
Listed on the TASE	Yes			Yes	Yes	
Principal payment dates	February 28, 2028			February 28, 2028	The principal shall be repaid in three installments in each of the years 2029-2031	
Interest payment dates	The interest shall be paid in a single annual installment on February 28 of each of the years 2024-2028			The interest shall be paid in a single annual installment on February 28 of each of the years 2024-2028	The interest will be paid in two semi-annual installments, on November 1 and May 1 of each of the years 2024-2031	
Are the notes convertible	No			Yes	No	
Linkage base and terms	Notes (principal and interest) are not linked to the CPI and/or to any currency			Notes (principal and interest) are not linked to the CPI and/or to any currency	Notes (principal and interest) are not linked to the CPI and/or to any currency	
Pledged assets	None			None	None	

Series / issuance date	Bonds (Series A)	Bonds (Series A) (expansion)	Bonds (Series A) (second expansion)	Bonds (Series B) (convertible bonds)	Bonds (Series C)	Bonds (Series C) (expansion)
Company's right to execute early redemption or forced conversion	The Company may execute full or partial early redemption of its notes no more than once a quarter. Payment to note holders in respect of early redemption shall amount to the higher of: A. Market value; B. Outstanding par value; C. Balance of cash flow (principal and interest) discounted using the return on government bonds plus a 1% interest.			The Company may execute full early redemption of its notes starting 30 days from their listing on the stock exchange, and no later than 180 after such a listing. The payment to note holders in respect of early redemption shall be the outstanding par value of the notes (principal and accrued interest) plus one-off early redemption fee of 2% of the outstanding par value. The Company does not have the right to execute a forced conversion of the notes.	The Company may execute full or partial early redemption of its notes no more than once a quarter. Payment to note holders in respect of early redemption shall amount to the higher of: A. Market value; B. Outstanding par value; C. Balance of cash flow (principal and interest) discounted using the return on government bonds plus a 1% interest.	
Series' materiality	The series is material as this term is defined in Regulation 10(b)13(a) of the Securities Regulations (Periodic and Immediate Reports), 1970			The series is material as this term is defined in Regulation 10(b)13(a) of the Securities Regulations (Periodic and Immediate Reports), 1970	The series is material as this term is defined in Regulation 10(b)13(a) of the Securities Regulations (Periodic and Immediate Reports), 1970	
A cross-default clause is in place ***)	Yes			Yes	Yes	

*) The market value includes interest accrued as of September 30, 2025.
**) Of which approx. NIS 13 million represents the equity component presented under equity.
***) For further details, see Section 8.1.14 to the deeds of trust of Bonds (Series A) and (Series B) which were attached to the shelf offering report of February 9, 2023 and Section 8.1.14 to the Trust Deed (Series C) attached to the shelf offering report dated December 4, 2023.

B. Details regarding the conversion component in Bonds (Series B)

Criterion	Bonds (Series B) (convertible bonds)
Details of the security into which the bonds may be converted	The bonds are convertible into ordinary shares of the Company
Conversion ratio	At the issuance date, the conversion ratio was as follows: Every NIS 85 p.v. of the bonds will be convertible into one ordinary share of the Company In June 2025, after the Company's dividend distribution, the conversion ratio has changed such that every NIS 81.93 p.v. of Bonds will be convertible into one ordinary Company share (instead of the previous conversion rate under which every NIS 83.73 p.v. of Bonds were convertible into one ordinary Company share).
Key terms of conversion, including conditions precedent for the execution of a conversion and any distribution adjustments	The bonds are convertible on each day on which trading takes place on the Stock Exchange through February 18, 2028; If during the conversion right period the Company will distribute bonus shares and/or dividend and/or offer shares by way of offering rights, the number of shares arising from the conversion will be adjusted. For further details, see Section 6.3.3 to the deed of trust attached to the shelf offering report of February 9, 2023.

C. Details regarding rating

	Bonds (Series A)	Bonds (Series B) (convertible bonds)	Bonds (Series C)
Rating agency	Maalot	Maalot	Maalot
Rating on issuance date	ILAA-	ILAA-	ILAA-
Current rating	ILAA-	ILAA-	ILAA-

The trustee for the Notes (Series A, Series B and Series C) is Hermetic Trust (1975) Ltd. The names of the individuals in charge of the notes are Adv. Dan Avnon and/or Adv. Meirav Ofer, Tel: 073-2171000, Fax: 03-5271451, email: hermetic@hermetic.co.il, postal address: Champion Tower, 13th Floor, 30 Derech Sheshet HaYamim, Bnei Brak.

D. Contractual restrictions and financial covenants

As part of the trust deed of the Bonds (Series A, Series B and Series C), The Company undertook not to place a floating charge on all of its assets as long as the Bonds (Series A, Series B and Series C) are not repaid in full, unless it has obtained the bond holders' consent in advance or placed a floating charge of the same rank in favor of the bond holders, pari passu. Furthermore, with respect to the expansion of the Bonds (Series A, Series B and Series C), the Company assumed restrictions on dividend distribution; it also undertook to comply with financial covenants whereby its shareholders' equity will not fall below NIS 3.2 billion (as part of Series A and Series B) or NIS 3.4 billion (as part of Series C), and its net financial debt to total assets ratio will not exceed 50%.

In accordance with the deeds of trust, if changes are made to a parameter used to calculate any of the financial covenants detailed in the deeds of trust as a result of changes to generally accepted accounting principles applicable through that date (hereinafter - the "**Old Standards**"), and the effect of the abovementioned changes on the parameter used to calculate the financial covenants is non-negligible (as defined in the deeds of trust) - starting on the first-time application date of the accounting principles, the relevant financial covenant will be proportionally adjusted to the change arising from the application of the accounting principles. The abovementioned revised financial covenant will apply as from the first-time application date of the accounting principles.

As stated in Note 2 to the Company's Interim Financial Statements as of September 30, 2025 (hereinafter - the "**Interim Financial Statements**"), as from January 1, 2025, the Group applies IFRS 17 and IFRS 9 for the first time (hereinafter - the "**New Accounting Principles**") in respect of financial statement data of Clal Insurance Company Ltd. - a Company subsidiary. The effect of the transition to reporting on the Group's financial position in accordance with the New Accounting Principles is detailed in Note 14 to the Interim Financial Statements.

In accordance with Note 14 to the Interim Financial Statements, as a result of the first-time application of the New Accounting Principles, the Company's equity as of December 31, 2024 decreased by 7.5% compared to the equity calculated in accordance with the Old Standards (from approx. NIS 9,450 million to approx. NIS 8,742 million), and therefore - as from the first-time application date of the New Accounting Principles - the minimum equity financial covenant set in each of the deeds of trust shall be proportionally adjusted, such that as from the first-time application date of the New Accounting Principles, the minimum equity stated in the deeds of trust shall be deemed replaced by those stated in the following table:

Section in the Deed of Trust	Series	Minimum equity in accordance with the Old Standards	Minimum equity in accordance with the New Accounting Principles
		In NIS billion	In NIS billion
6.3.1 (a)	A and B	3.2	2.96
	C	3.4	3.15
6.2.1	A and B	4.2	3.89
	C	4.4	4.07
6.2.2	A and B	3.7	3.42
	C	3.9	3.61
6.5.1 (a)	A and B	3.7	3.42
	C	3.9	3.61

For further details, see Section 6.3.1 to the deeds of trust of Bonds (Series A) and (Series B) which were attached to the shelf offering report of February 9, 2023 and Section 6.3.1 to the Trust Deed (Series C) attached to the shelf offering report dated December 4, 2023.

In addition, an adjustment mechanism was set whereby the interest rate will increase as a result of failure to comply with any of the financial covenants.

The financial covenants will be adjusted if - as a result of the first-time application of accounting standards - they will undergo a change, whose effect is not negligible. For further details, see Section 6.3 to the deeds of trust of Bonds (Series A) and (Series B) which were attached to the shelf offering report of February 9, 2023 and Section 6.3 to the Trust Deed (Series C) attached to the shelf offering report dated December 4, 2023.

An adjustment mechanism was also set whereby the interest rate will increase if the Company's rating will be downgraded. For further details, see Section 6.4 to the deeds of trust of Bonds (Series A) and (Series B) which were attached to the shelf offering report of February 9, 2023 and Section 6.4 to the Trust Deed (Series C) attached to the shelf offering report dated December 4, 2023.

As of the reporting date, the Company complies with the covenants described above. As of September 30, 2025, the net financial debt ratio is approx. 6%, and shareholders' equity amounts to approx. NIS 10.1 billion.In addition, as of the reporting date and the publication date of this report, and during the period starting on the notes' issuance date, the Company has complied and continues to comply with all the conditions and undertakings as per the deeds of trusts, and no circumstances have arisen which establish grounds for immediate repayment of the notes. Furthermore, the Company did not receive notice from the trustee for the notes regarding its failure to comply with the conditions and undertakings as per the deeds of trusts.

The key points of the deeds of trust of Bonds (Series A and Series B), which were signed between the Company and the trustee, are attached to the shelf offering report of February 9, 2023, and the key points of the trust deed of Bonds (Series C) are attached to the shelf offering report of December 4, 2023, and the full texts of the deeds of trust are available for perusal by appointment at the Company's registered office on any business day during normal working hours.

E. Expansion and partial early redemption of bonds issued by the Company

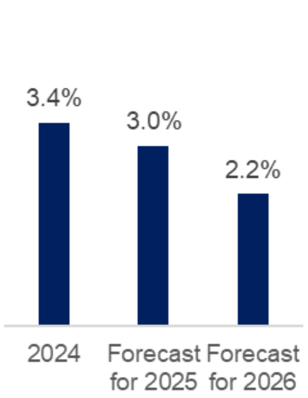
On July 1, 2025, the Company carried out a private placement of Bonds (Series C) of the Company, by way of expanding an existing series. The Company allocated NIS 350 million in par value of Bonds (Series C), in exchange for a total of approx. NIS 358.4 million. The proceeds of the placement were used for partial early redemption of the Company's Bonds (Series A) and on July 13, 2025, the Company redeemed, by way of a partial early redemption, NIS 350 million in par value of Bonds (Series A).

The abovementioned issuance costs of the Bonds (Series C) totaled approx. NIS 1 million.

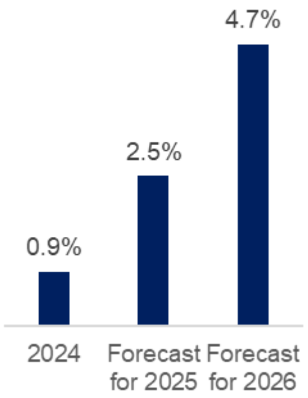
3. *Developments and Material Changes in the Macroeconomic Environment in the Reporting Period*

3.1 Key economic data:

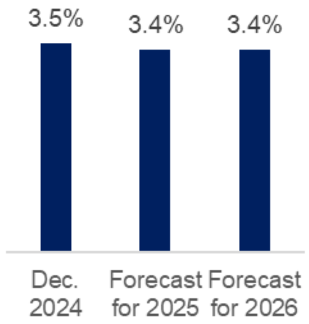
Inflation rate, Israel



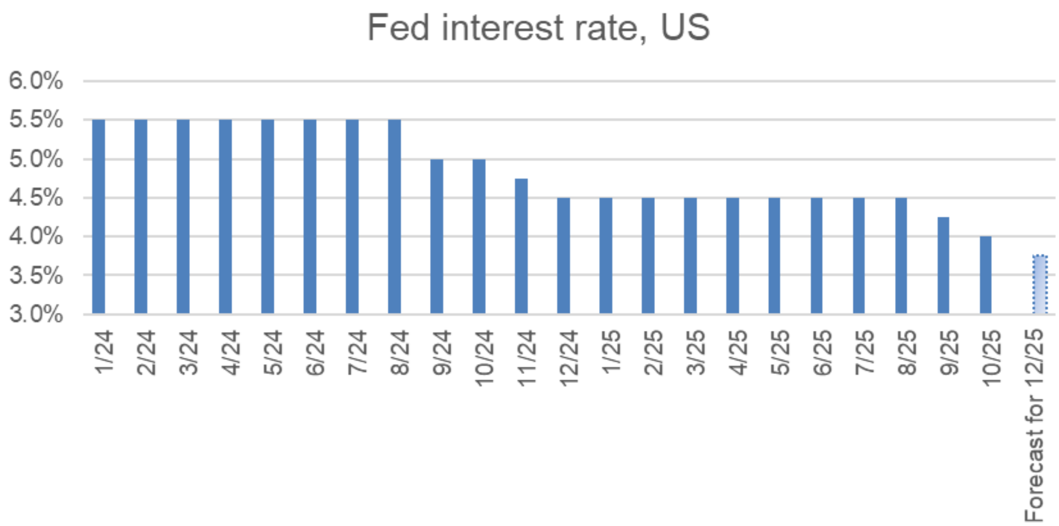
GDP growth, Israel



Broad unemployment rate, Israel



* Forecast data in accordance with the Bank of Israel Research Department's forecast, September 2025.



* The December 2025 data is based on the consensus of forecasts according to Bloomberg, November 5, 2025.

3.2 Following are key trends and material changes in the macroeconomic environment in the Reporting Period and thereafter:

As from October 7, 2023, Israel has been in a state of war; for further details, see Section 2.1(e) above.

Criterion	Data for the period
Development in the market and employment in Israel	In accordance with Central Bureau of Statistics publications, in the third quarter of 2025, annualized GDP increased by 12.4% compared to the previous quarter. The sharp increase in GDP in the third quarter of 2025 reflects a substantial increase in private spending, export of goods and services and investment in property, plant and equipment compared to the slumps in the second quarter of the year due to Operation Rising Lion. According to the macroeconomic forecast of the Bank of Israel’s Research Department (September 2025), GDP is expected to grow by 2.5% in 2025, and by 4.7% in 2026. As of the end of September 2025, the budget deficit amounted to 4.7% of GDP. In accordance with the Bank of Israel’s forecast, the government budget deficit in 2025 and 2026 is expected to amount to 5.1% of GDP and 4.3% of GDP, with the debt to GDP ratio expected to increase to 71% of GDP in 2025, and remain at a similar level in 2026. The labor market - upon the outbreak of the War, the broad unemployment rate (a data which includes - in addition to those unemployed - also those who are temporarily absent due to economic reasons, such as expense for unpaid leave) increased sharply from 4.2% to 9.7% in October 2023; however since then, the broad unemployment rate declined to 3.3% in September 2025. In accordance with the Bank of Israel’s forecast, the broad unemployment rate is expected to stand at approx. 3.4% at the end of 2025 and remain at a similar level at the end of 2026. According to the Central Bureau of Statistics’ estimates for August 2025, the average wage of a salaried employee continues to rise, and has risen by 5% compared to August 2024. The average wage for a salaried employee in current PPPs was NIS 13,935. The housing market – the increase in house prices has subsided and stands at 0.5% for the past twelve months (August-September 2025, compared to August-September 2024). The state of Israel's credit rating stands at Baa1 by Moody’s and A by S&P/Fitch. All rating agencies assigned a negative rating outlook, except for S&P ("stable"). Following the ceasefire agreement in Gaza, Moody's announced that the outlook will not be revised since the risks that the conflict will continue remain high. In order for the rating outlook to stabilize, the rating agencies first expect the War to end and for the government to stabilize the debt-to-GDP ratio. On November 7, 2025, S&P announced the upgrading of Israel’s credit rating outlook from negative to stable, and reiterated the rating at A. The agency cited the ceasefire agreement between Israel and Hamas of October as the main reason for the change, which could soften pressure on Israel’s economy, labor market, and public finances
Inflation data	In the third quarter inflation increased by 1.4%; since the beginning of the year - inflation was up by 3%.
Foreign exchange rates	Since the beginning of the year, the NIS has appreciated by 9.3% against the USD.
Development in interest rates and returns	In September 2025, the Monetary Committee decided to leave the interest rate without change at 4.5%, as was the case in its recent meetings.

Developments in capital markets in Israel and across the world (in terms of local currency)

In %	1-9		7-9		For the year
Share indices in Israel	**2025**	**2024**	**2025**	**2024**	**2024**
TA 35	**33.6**	13.8	**8.1**	7.0	28.4
TA 90	**31.8**	9.5	**5.0**	13.3	30.9
TA 125	**33.9**	12.3	**7.5**	8.4	28.6
TA Growth	**21.3**	16.2	**0.8**	5.3	37.3
Bond indices in Israel					
General	**4.7**	2.1	**1.6**	2.4	4.9
Tel Bond-CPI Linked	**5.3**	4.5	**2.1**	2.8	6.4
Tel Bond-Shekel	**4.2**	2.2	**1.1**	1.5	6.1
CPI-Linked Government Bonds	**3.8**	0.3	**1.8**	3.2	2.3
Government - NIS	**4.9**	(0.2)	**1.2**	1.8	3.0
Share indices across the world					
Dow Jones	**8.7**	12.0	**4.9**	7.9	12.7
NASDAQ	**16.5**	20.8	**10.7**	2.3	28.7
Nikkei Tokyo	**12.6**	13.3	**11.0**	(4.2)	19.2
CAC Paris	**7.0**	1.2	**3.0**	2.1	(2.2)
FTSE London	**14.4**	6.5	**6.7**	0.9	5.7
DAX Frankfurt	**19.9**	15.4	**(0.1)**	6.0	18.8
MSCI AC	**15.3**	17.5	**7.0**	7.8	17.5
S&P 500	**13.1**	20.3	**7.3**	5.1	23.2

For details regarding the effects on the financial results, see Section 2 above and Note 5 to the Financial Statements.

Global economic developments	The third quarter of 2025 was marked by ongoing tensions around the US-China trade war, with China responding with increased support for domestic industries and tighter regulation of American goods, and both sides imposed mutual export restrictions. It is noted that subsequent to the end of the quarter, the parties signed an agreement for mutual suspension of tariffs for a period of one year. At the same time, new regional trade agreements reduced some of the uncertainty, and markets were highly volatile but continued to climb due to increasing investments in AI infrastructures. Inflation around the world continues to subside and stabilize, which allowed central banks around the world to cut interest rates. In the labor market, developing countries report a slowdown in recruitment, raising concerns of slowing global growth. From a geopolitical perspective, the war in Ukraine continues without signs of subsidence, in the Middle East escalation peaked with a direct conflict between Israel and Iran in the second quarter, and political instability in Europe appears to continue. Political upheavals in Asia and Latin America contribute to uncertainty in the markets. **United States –** in the third quarter of 2025 tensions around trade policies subsided to some extent, after agreements signed in the previous quarter contributed to the stabilization in some of the industries affected by the tariffs. However, concerns regarding rising prices due to tariffs which were not lifted continue to have an adverse effect on inflation forecasts; inflation has now declined to 3%, but is still above the central bank's target. The central bank has cut interest rates again in September and again in October, and the market continues to expect a further interest rate cut this year and 2 more in 2026. The US economy experienced moderate growth in the third quarter, at an annual rate of approx. 1.8%; the labor market remained strong with a stable unemployment rate of around 4.2%. Despite the robustness of the labor market, there were signs of a slowdown in recruitment in some sectors, which raises doubts as to whether the high growth rate can be maintained. **Europe –** in the third quarter of 2025, the European Central Bank's interest rate was maintained at 2%, after inflation continued to subside and currently stands at approx. 1.7%. However, concerns regarding domestic inflationary pressures and weak growth forecasts caused the central bank to maintain its conservative monetary policy. The European economy grew at a slow rate of approx. 0.2% in the third quarter, mainly due to a slowdown in Germany and France. The geopolitical situation remained tense due to the ongoing war between Russia and Ukraine, which causes uncertainty regarding energy supply and trade. The unemployment rate in the quarter remained stable around 6.2%. **China –** in the third quarter of 2025, the effects of the trade war with the United States continued to be substantial, but the announcement of negotiations for a trade agreement and a "ceasefire" subsequent to the end of the quarter contributed to a subsidence in tensions in the markets. However, the mutual tariffs which were not lifted continue to have an adverse effect on some industries, indicating a change in the trade structure between the two countries. The growth rate in the third quarter of 2025 is 1.1%, reflecting an ongoing slowdown due to the domestic economic policy, alongside external challenges.

4. Restrictions on and supervision of the corporation's business

In this chapter, we will review in a condensed form laws, regulations, circulars and very material position papers, or drafts of laws, regulations, circulars and very material position papers, that apply to the activity of the Group's institutional entities, and which are material to the Group's activity, as published by the Knesset, the government or the Commissioner of the Capital Market, Insurance and Savings, as the case may be, subsequent to the publication date of the Annual Financial Statements.

We will also review - in a condensed form - laws, regulations, Proper Conduct of Banking Business Directives (hereinafter - "**PCBB**") and very material position papers, or drafts of laws, regulations, PCBBs and very material position papers, that apply to the activities of issuance, acquiring and processing of payment cards and credit to private individuals and businesses (hereinafter - "**Max's Activity**"), and which are material to the Group's activity, as published by the Knesset, the government or the Banking Supervision Department, as the case may be, subsequent to the publication date of the Annual Financial Statements.

4.1. General

4.1.1 Corporate governance in public companies with no controlling shareholder

In April 2025, the Knesset's Constitution, Law and Justice Committee passed the second and third readings of the Companies Law Bill (Amendment No. 38), 2025. Among other things, the bill includes the following proposed amendments regarding a company without a controlling shareholder: Adding a rebuttable presumption whereby in a company, none of the shareholders of which has a stake of more than 50% of its means of control, a stake of 25% or more of the means of control will be deemed as control therein; the requirement to appoint external directors was replaced by the requirement to appoint a majority of independent directors in the Board and its committees; allowing companies to pay a Chairperson of the Board, who is an independent director, a compensation, which is higher than the compensation cap paid to an external director; regulating a procedure for nomination of candidates for service as directors by an independent Appointment Committee; regulating a procedure for approval of transactions with directors and a procedure for approval of extraordinary transactions with substantial shareholders, who hold 10% or more of a certain type of means of control. It is noted that several changes have been made to the original bill, such as revoking the prohibition on an independent director's affinity to any director.

The law will not come into force before July 2026, and its coming into force is conditional upon the regulations, which will be brought for approval by the Committee, and in any case, Provisions for the Transitional Period will apply to serving directors. To date, the Company is unable to assess the implications of the bill and the regulations which will be promulgated, to the extent that they are promulgated, and their effect, due to, among other things, the fact that strict provisions apply to the Company by virtue of its status as the controlling shareholder in an insurance company.

4.1.2 Companies Regulations (Matters Not Constituting an Interest), 2006

In November 2025, an amendment to the Companies Regulations (Matters Not Constituting an Interest) was published, clarifying what constitutes a "negligible" relationship, which will not be deemed an "interest" impairing a director's independence. The amendment determines that a "negligible relationship" is one which does not impair the director's independence on the basis of an open list of considerations regarding this matter (the nature of the relationship, its essence, the date of its formation, its duration and the parties thereto).

Furthermore, the regulations have been amended such that it is now possible to determine that an employment relationship or the service as an officer - by the director or their related parties - are also negligible.

4.1.3 Increasing retail banking competition in the banking system

Further to the report published in August 2025 by the inter-ministerial taskforce for the assessment of measures to increase retail banking competition in the banking system, which looked into steps to remove barriers to the entry of additional players into the banking system, in November 2025 a draft bill - Increasing Competition in the Banking Market (Legislative Amendments), 2025 was published (hereinafter - the "**Banking Law Draft Bill**"), which proposes to implement the legislation amendments required for the adoption of the inter-ministerial taskforce's recommendations, the key points of which are:

- Setting three licensing levels - **a micro bank** (with asset value of up to 2.5% of the total asset value of all Israeli banks, unless determined otherwise and no more than 5%), **a small bank** (with asset value of up to 5% of the total asset value of all Israeli banks, which is not controlled by a large bank) and a **large bank** (with asset value higher than 5% of the total asset value of all Israeli banks).
- Providing regulatory expedients to small banks and new banks by exempting them from the requirement to provide certain banking services, such as – expedients/exemption from fair disclosure rules for a limited period and requirements arising from the "Switch at a Click" and "Open Banking" reforms, and non-applicability of the Officer Salary Law for 10 years.
- Expanding the areas of activity in which banks are permitted to engage, such as allowing activities involving digital currencies; and vesting in the Banking Supervision Department the power to expand a small bank's permitted areas of activity, beyond those set by law.
- Raising the mandatory threshold for obtaining a holding permit in a small bank from 5% to 10%.
- Holding companies, which control institutional entities, will be allowed to control a micro bank and at the same time hold a pension insurance agent license and a pension marketing agent license.
- Extending and reinforcing the protections and directives applicable to credit card companies which operate the issuance of bank cards as per the Law for Promoting Competition and Minimizing Market Concentration - It is proposed that a bank with a broad scope of activity will not operate more than 40% of the new payment cards it issues through a single operating company (as opposed to the current 52% limit).

Further to the above, in November 2025, a draft government resolution was published regarding structural changes which will be discussed in the lead-up to the 2026 Economic Plan (hereinafter - the "**Draft 2026 Economic Plan**"), in which it is proposed, among other things, to task the Minister of Finance with promoting the necessary legislative amendments based on the inter-ministerial taskforce's recommendations, the principles set forth in the Banking Law Draft Bill and in another draft bill, which has not yet been published, regarding the regulation of corporations holding financial entities, including the amendment to the VAT Law.

Inaddition, in June 2025, the Banking Supervision Department published a draft roadmap regarding the modification of the Banking Supervision Department's directives to its regulatory levels, in order to expand the implementation of proportionate regulation approach, and thus enable continued support for the entry of new entities into the banking system. Among other things, the draft defines permanent levels for all banks, in accordance with their total assets under management (up to NIS 15 billion; between NIS 15-50 billion, and over NIS 50 billion); the draft also sets a preparation period for new banks (of two years, and gradual implementation in accordance with the scope and complexity of the new bank's activity).

The roadmap draft includes planned modifications to various Proper Conduct of Banking Business Directives, such as tiered capital and liquidity requirements, reliefs with respect to Proper Conduct of Banking Business Directives pertaining to corporate governance and risk management, credit, investments and activity involving securities, financial risks, operational risks, technology and cyber, and bank-customer relations.

At this stage, it is impossible to assess the effects of the Banking Law Draft Bill and the Draft 2026 Economic Plan on retail banking competition in the banking system. However, if they are issued as final directives, such that additional entities will be able to obtain a bank license and/or holding companies, which control institutional entities, will be able to control a small bank, the competition in the financial and banking system may intensify and the market relevant to the Group's activity may undergo structural changes.

4.1.4 Draft of the Privacy Protection Authority's guidance regarding the applicability of the Privacy Protection Law to artificial intelligence systems

In April 2025, the Privacy Protection Authority's guidance was published as a draft for public comment, presenting the Authority's interpretation of the provisions of the Privacy Protection Law and the regulations promulgated thereunder for the purpose of exercising its powers regarding databases, which use artificial intelligence systems, including for the purpose of exercising the supervisory powers, powers regarding administrative inquiries, enforcement and imposition of sanctions conferred upon the Authority under Amendment No. 13 to the Privacy Protection Law, which entered into force in August 2025 (hereinafter - the "**Draft Guidance**"). Under the Draft Guidance, the Authority clarified that the Privacy Protection Law applies to artificial intelligence systems, which store or actually process personal information, and clarified the appropriate application of the provisions of the law and its regulations to artificial intelligence systems.

4.1.5 Draft Regulations – Licensing Fees

Drafts of the Supervision of Financial Services Regulations (Provident Funds) (Fees), 2025 and the Supervision of Financial Services Regulations (Insurance) (Fees), 2025 were published in June 2025 (hereinafter - the "**Draft Fees Regulations**"). Under the Draft Fees Regulations, it is proposed to change the existing situation, whereby the amount of fees is uniform for each provident fund and for each insurance subsegment, and to prescribe fee amounts, which will be based on the total assets under management.

Insofar as the current version will be the final one, it will lead to a very substantial increase in the amounts of annual fees imposed on the Group's institutional entities.

The Israel Insurance Association submitted a response to the drafts on behalf of the companies.

The Company's assessments regarding the effects of the Draft Fees Regulations constitutes forward-looking information, which is based on Company's assessments and assumptions as of the report publication date, and the actual outcome may be materially different than predicted, and depends, among other things, on the final version of the regulations, if and when they are amended and the manner in which the final version is to be implemented.

4.1.6 Increasing competition in the guarantee provision market

The Draft 2026 Economic Plan was published in November 2025, which suggests, among other things, the amendment of various legal provisions pertaining to the provision of a bank guarantee, such that one will also be able to provide a guarantee issued by non-bank guarantee providers, including insurers, in order to increase competition in the guarantee market. It is also suggested to task the ministers with the assessment and promotion of similar amendments to secondary legislation within their remit and to determine that such assessment will be carried out in any future regulation.

At this stage, it is impossible to assess the effects of the Draft 2026 Economic Plan on non-bank guarantees. However, should the above suggestions be issued as final directives, such that non-bank entities will be able to issue guarantees, competition in the financial system regarding this issue may increase.

4.1.7 Credit Data Law

In November 2025, the Draft 2026 Economic Plan was published, in which it is proposed, among other things, to amend the provisions of the Credit Data Law, 2016, such that it will be possible to set up a Central Credit Register for businesses. which will give credit providers access to corporations' data, while adapting the scope of the law's provisions to the type of database and revising those provisions such that they reflect the distinction between this register and the register for private individuals, in terms of information sources, types of credit data, the register's objectives, etc. Other proposed amendments to the law are aimed at improving the efficiency of the Central Credit Register for private customers and improving the household credit market, including the amendment and expansion of a credit indication mechanism.

At this stage, it is impossible to assess the effects of the Draft 2026 Economic Plan on the Credit Data Law. However, should the above suggestions be issued as final directives, this may require Clal Insurance to make substantial operational preparations.

4.2. Long-term savings

4.2.1 Imputation of yield in a comprehensive new pension fund

The comprehensive new pension funds are eligible to guaranteed return at a rate of 30% of the total balances accrued in the fund.

Under the Supervision of Financial Services Regulations (Provident Funds) (Imputation of Yield in a Comprehensive New Pension Fund), 2016 (hereinafter - the "**Yield Imputation Regulations**"), a different allocation of the designated bonds was determined, divided into three groups: annuity recipients, planholders aged fifty or older and young planholders. As from July 1, 2017, the imputation of the guaranteed return in the comprehensive pension fund is carried out such that for annuity recipients a return at the rate of 60% of total assets of the annuity recipients is imputed in respect of Guaranteed-Return Assets, whereas for planholders, who are not annuity recipients, the return in the fund arising from the balance of investment in Guaranteed-Return Assets is imputed. The different allocation to planholders aged 50 or older and to planholders who are aged 50 or younger is expected to become effective on January 1, 2026.

In September 2025, a Draft Supervision of Financial Services Regulations (Provident Funds) (Imputation of Yield in a Comprehensive New Pension Fund), 2025 was published (hereinafter - the "**Yield Imputation Regulations Amendment Draft**"), which suggests that the allocation group comprised of planholders who are aged fifty or older be cancelled and replaced by an allocation group of planholders aged 60 or older, who are assigned to specific tracks - an age-based track for People Aged 60 or Older, the General Track, Halacha Track and two other specialized tracks - which will benefit from a guaranteed return at a rate of 40% of the total balances accrued in the fund to planholders of this group.

In addition, in September 2025, a Draft Supervision of Financial Services Regulations (Provident Funds) (Transfer of Planholders in Default Tracks to a Track Appropriate for Their Age), 2025 was published, which proposes to stipulate that a planholder who has not yet reached the age of 60 will not be allowed to belong to a default track for People Aged 60 or Older.

Variation in the rate of allocation of guaranteed return between similar investment tracks offered by different entities may cause savers to sign-on or switch to certain pension funds.However, the mechanism proposed under the Yield Imputation Regulations Amendment is not expected to have a material effect on the Company's business results.

The Company's assessment regarding the Imputation of Return Regulations, draft amendment thereof and Transfer of Planholders Regulations constitutes forward-looking information, based on information in the Company's possession on the report date. Actual results may vary from those expected and depend, among other things, the behavior of the competing entities; the distributing entities; the selections made by planholders and policyholders; and the final version of the Yield Imputation Regulations Amendment Draft and the Planholder Transfer Regulations, if they are passed.

4.2.2 The investment instruments assessment taskforce

In February 2025, an interim report was published of a taskforce set up by the Ministry of Finance a year earlier to assess the various investment instruments in medium and short-term savings, map the gaps and formulate recommendations regarding an adequate regulatory outline for the abovementioned investment instruments, such that the arbitrage in this market will be reduced. The report states that there is a regulatory and tax arbitrage in the short and medium-term savings instruments, and recommends a solution consisting of three parts:

A. Cancellation of tax arbitrage – it is proposed to cancel the linkage between the tax benefit to the product and the benefit to a dedicated investment account, under which it will be possible to sell and buy various securities and investment instruments without a taxable event, and to defer tax on contributions up to a cap set in law (and above the cap without tax deferral). Gains accrued in savings will be subject to capital gains tax upon withdrawal. It is also proposed to reduce the exemption for capital withdrawal after the age of 60.

B. Creating a uniform platform, including a user interface to increase accessibility for savers – it is proposed to create a platform, which will display to the saver all savings and investment instruments they holds, which will incorporate three accounts:
- Pension account (which will include all of the saver's pension products);
- Investment account in which voluntary products benefited from tax benefits;[2]
- An investment account in which voluntary products do not benefit from tax benefits.

The platform will enable users to execute transactions and provide brokerage and consulting services.

C. Holistic financial brokerage - it is proposed to create an infrastructure for the provision of holistic and proactive financial brokerage services while creating a compensation model that aligns the interests of the broker with those of the saver.

The Capital Market, Insurance and Savings Authority, whose representatives where among the committee's members, published a separate response on its behalf in which it objected to material components of the proposal, in light of economic costs in general and in particular substantial budgetary costs, which are expected to be incurred upon its implementation, addressing certain regulatory discrepancies while ignoring other significant regulatory discrepancies, and changes in products with the assessment of which the taskforce was not tasked.Among other things, the Authority noted that the proposal raises concerns regarding adverse effects on Israeli savers, and in particular those who save through products regulated by the Capital Market Authority, due to, among other things, concerns regarding the channeling of savers to products, which are not suitable for their needs, reducing competition in the field and raising the prices of savings and investment products. It was

2. Products, saving in which is not in accordance with the law (investment provident funds, savings policies, mutual funds).

also argued that the main part of the proposal is granting a tax benefit to private investors in the capital market at the expense of a tax benefit to voluntary pension savings and Child Savings, which is contrary to Israel's tax policy.

In November 2025, the Draft 2026 Economic Plan was published, in which it was clarified that a proposed government resolution regarding this issue will be submitted in coordination with the Ministry of Justice, concurrently with the completion of the final report of the taskforce for assessment of regulatory arbitrage in short- and medium-term savings instruments.

At this stage, the Company is unable to assess the effects of the interim report, prior to the publication of the abovementioned proposed resolution and final report. However, insofar as the recommendations of the interim report become final recommendations and enacted verbatim in legislation, the Company's savings activity may be materially affected.

4.3 Max's Activity

4.3.1 Payment Services Regulations (Exemption from the Provisions of the Law)

In July 2025, a revised version of the Payment Services Regulations (Exemption from the Provisions of the Law) (Amendment), 2025, was published, further to the draft published in March 2025. The amendment retains the exclusion of gift vouchers/cards, which are not designated for a particular payer (unidentified), including digital cards, from certain provisions of the Payment Services Law. Furthermore, the regulations apply new consumer provisions to such means of payment and their operation. Max will work to apply the required modifications to its gift card issuance activity, including with regard to fair disclosure and the manner of presenting customers with the information and informing them of changes as required; it will also work to modify additional operational processes.

Max believes that the execution of the abovementioned modifications has no material effect on its activity.

4.3.2 E-banking

In July 2025 (further to the draft published in April 2025), a revision was published to Proper Conduct of Banking Business Directive 367 regarding e-banking; the revision concerns fraud incidents with which the banking system copes. The amended directive requires a banking corporation to deliver to another banking corporation substantiated information, which can assist in assessing, identifying and preventing fraud in the other banking corporation. The amendments' effective date is December 31, 2025.

At this stage, given the fact that it is not yet clear which information banking corporations will be required to deliver and which information they will be able to receive, including in what manner such information will be delivered/received, how often, etc., Max is unable to assess the implications of the said revision.

4.3.3 Proper Conduct of Banking Business Directive No. 313 - Restrictions on the Indebtedness of a Borrower and a Group of Borrowers

In January 2025, the Banking Supervision Department published a revision to the directive, which extends the existing exception whereby a liability of a banking group of borrowers vis a vis a credit card company shall not be subject to the "banking group of borrowers" restriction, and shall not be included in the aggregate restriction of single-name corporate borrowers, until the earlier of January 1, 2026 or the effective date of an alternative directive.

On February 4, 2025, the Banking Supervision Department published a new Proper Conduct of Banking Business Directive on major exposures, which is intended to replace PCBB Directive No. 313 (Indebtedness Restrictions for a Borrower and For a Group of Borrowers), in the course of adapting the Proper Conduct of Banking Business Directives to the recommendations of the Basel Committee on Banking Supervision (hereinafter – "**Basel Committee**"). The directive is due to commence on January 1, 2026 (subject to several provisions for the transitional period, as set forth in the directive), and, among other things, it stipulates that exposures arising from operating bank payment cards are not subject to the major exposure limit. Max is studying the effects of the directive.

In July 2025, a revised draft of the directive was published, which postponed the effective date of the new directive to July 1, 2026, and accordingly, the abovementioned exclusion period was extended.

4.3.4 Consumer Protection

In April 2025, the Consumer Protection Law (Amendment No. 72), 2025, was published in the Official Gazette, under which dealers who allow consumers to pay with a payment card, will not make the purchase using a payment card contingent on a minimum purchase amount.

At this preliminary stage, it is impossible to assess the effects of the above on Max.

4.3.5 Services to customers affected by sanction regimes

On June 4, 2025, the Banking Supervision Department published a draft of a new Proper Conduct of Banking Business Directive regarding the provision of services to customers affected by sanction regimes. The draft directive seeks to ensure that appropriate banking services will be provided to customers affected by sanction regimes, and prescribes the requirements imposed on banking corporations with regard to risk management and provision of banking services to such customers. Among other things, the draft prescribes the requirement to set a risk management policy in this regard, alongside provisions regarding refusal to enter into an agreement or termination of engagement, due to the implementation of such a policy.

5. *Exposure to Market Risks and Management Thereof*

In accordance with the Securities Regulations (Periodic and Immediate Reports), 1970, Disclosure on exposure to, and management of, market risks relates to exposures of the Company and its consolidated companies, except for Mivtachim in Israel.

There were no material changes in the Company's exposure to market risks and their management during the Reporting Period compared to the Annual Financial Statements.

Subsequent to the reporting date, on October 23, 2025, a subsidiary of Clal Insurance - Clal Insurance Capital Raising Ltd. - issued to the Company approx. NIS 555 million p.v. in Bonds (Series O) under a private placement . The issuance proceeds were used to replace a NIS 450 million CPI-linked capital note, which was issued to the Company by Clal Insurance on October 29, 2020, and which was recognized by Clal Insurance as an additional Tier 1 capital instrument. The above actions will contribute to a substantial reduction in exposure to changes in NIS interest and to the cancellation of the sensitivity to the linked interest presented in this report under the Annual Financial Statements.

For further details, see 2.1(d) above.

Linkage base report as of September 30, 2025

	NIS		Foreign currency				Other non-monetary items	Credit card company in Israel	Israeli insurance company	Total
In NIS million	Non-linked	CPI-linked	USD	EUR	GBP	Other				
Cash and cash equivalents for yield-dependent contracts	-	-	-	-	-	-	-	-	**3,680**	**3,680**
Other cash and cash equivalents	**122**	-	**13**	-	-	-	-	**898**	**1,631**	**2,664**
Financial investments for yield-dependent contracts	-	-	-	-	-	-	-	-	**96,472**	**96,472**
Other financial investments measured at fair value	**145**	-	-	-	-	-	**73**	**2**	**43,084**	**43,304**
Other financial investments measured at depreciated cost	-	-	-	-	-	-	-	-	**2,305**	**2,305**
Receivables for credit card transactions, net	-	-	-	-	-	-	-	**18,729**	-	**18,729**
Receivables and debit balances	**93**	**22**	-	-	-	-	**4**	**57**	**686**	**863**
Current tax assets	-	**5**	-	-	-	-	-	**99**	-	**104**
Insurance contract assets	-	-	-	-	-	-	-	-	**3,158**	**3,158**
Reinsurance contract assets	-	-	-	-	-	-	-	-	**2,722**	**2,722**
Investments in investees accounted for by the equity method	-	-	-	-	-	-	**142**	-	**62**	**204**
Investment property in respect of yield-dependent contracts	-	-	-	-	-	-	-	-	**3,909**	**3,909**
Investment property - other	-	-	-	-	-	-	-	-	**1,506**	**1,506**
Property, plant and equipment	-	-	-	-	-	-	**17**	**129**	**131**	**277**
Intangible assets and goodwill	-	-	-	-	-	-	**881**	**240**	**1,095**	**2,216**
Costs of obtaining investment management service contracts	-	-	-	-	-	-	**5**	-	**781**	**786**
Deferred tax assets	-	-	-	-	-	-	**11**	**97**	**6**	**114**
Right-of-use asset	-	-	-	-	-	-	**92**	**189**	**379**	**660**
Total assets	**360**	**27**	**13**	-	-	-	**1,225**	**20,441**	**161,607**	**183,673**

Linkage bases report as of September 30, 2025 (cont.)

In NIS million	NIS		Foreign currency				Other non-monetary items	Credit card company in Israel	Israeli insurance company	Total
	Non-linked	CPI-linked	USD	EUR	GBP	Other				
Liabilities										
Loans and credit	1,545	-	-	-	-	-	-	7,519	5,922	14,986
Liabilities for derivative instruments	-	-	-	-	-	-	-	-	678	678
Payables and credit balances	134	-	-	-	-	-	3	382	2,815	3,334
Payables for credit card transactions	-	-	-	-	-	-	-	10,225	-	10,225
Current tax liabilities	1	-	-	-	-	-	-	2	145	149
Liabilities for yield-dependent investment contracts	-	-	-	-	-	-	-	-	13,026	13,026
Liabilities for non-yield-dependent investment contracts	-	-	-	-	-	-	-	-	2,491	2,491
Liabilities for insurance contracts	-	-	-	-	-	-	-	-	127,148	127,148
Liabilities for reinsurance contracts	-	-	-	-	-	-	-	-	62	62
Liabilities for employee benefits, net	18	-	-	-	-	-	-	26	49	93
Deferred tax liability	-	-	-	-	-	-	9	-	544	553
Lease liabilities	-	107	-	-	-	-	-	189	466	762
Total liabilities	1,698	108	-	-	-	-	12	18,343	153,346	173,506
Total exposure	(1,338)	(81)	13	-	-	-	1,213	2,098	8,262	10,167

6. *Risk Review for Max*

For an extensive description of the effect of the War of Revival (formerly - the "Iron Swords War") and Operation Rising Lion on Max's risks and their management, see the chapter addressing the War of Revival and Operation Rising Lion at the beginning of Max's Report of the Board of Directors and Management. For an extensive description of Max’s risks and their management, see Max’s 2024 Financial Statements.

General description of the risks and their management

Max is engaged in a wide range of financial activities that involve the taking of risks, including: credit risk, market risk and liquidity risk. Those risks are accompanied by other risks, such as: operational risks, including information security and cyber risks, compliance risks and prohibition on money laundering, legal risk, strategic risk, reputational risk, ESG risks and model risk embodied in the business activities. Intelligent and in-depth risk management encompassing all areas of Max's activity is part of Max's strategy and a necessary condition for the fulfillment of its long-term goals.

For additional information regarding the risks, see Pillar 3 - Disclosure of Additional Information regarding Risks, which was posted on Max’s website.

Credit risk

In accordance with Proper Conduct of Banking Business Directive No. 311 (hereinafter - “**Directive 311**”) regarding the management of credit risks, the risk is defined as a risk that a borrower or a counterparty of Max will fail to meet its obligations to Max, as they were agreed upon.

Credit risk management

In accordance with Directive No. 311, the objective of the management of credit risks is to maximize the return adjusted to Max’s risk appetite, by ensuring that the exposure to credit risk is in line with Max’s policy on this topic.

The credit policy

Max operates according to a credit policy, which is approved by the Board of Directors once a year, and which constitutes one of the main pillars through which Max’s credit strategy and risk appetite are reflected. The credit risks policy stipulates, among other things, the principles for provision of credit, including guidelines for the marketing of retail and business credit, the methods of control and the management of the credit risks and restrictions on the provision of credit, in order to monitor and mitigate the credit risk in the portfolio in accordance with the risk appetite.

The credit policy serves as a framework for setting procedures for identifying, measuring, monitoring and placing controls on the credit risk, which is derived from Max’s risk appetite.

As a leading company in its area of activity, Max developed a professional function that implements an informed and efficient risk management processes in its business activities in the field of credit, in accordance with the customers’ needs.

The three lines of defense

- First line of defense - This responsibility of the first line of defense includes identifying, assessing, measuring, monitoring, mitigating, and reporting the risks embodied to the products, activities, processes, and systems for which they are responsible, and for managing a proper control environment in the risk management context. Among other things, the first line of defense checks compliance with internal and regulatory restrictions, monitors economic indicators, checks the powers of each function, and assesses the credit provided on a case by case basis.
- Second line of defense - the Credit Control Unit, headed by the Chief Risk Officer, is in charge, among other things, of setting the work methodology and challenging the first line of defense. Its roles include: formulating the risk appetite restrictions, formulating the credit policy, assessing the restrictions set in the policy, applying independent controls regarding the credit risk, including issuing opinions regarding high-amount credit requests, monitoring risk trends and risk centers, and delivering appropriate reports to Max’s management and Board of Directors.
- Third line of defense - the internal audit function conducts an independent review and challenges the Company’s risk management processes and systems, as well as various credit-related audits in accordance with the work plan.

In addition to the abovementioned Directive No. 311, Max implements the relevant directives of the Banking Supervision Department, including Proper Conduct of Banking Business Directive No. 313 regarding the restrictions on the indebtedness of a single borrower and a group of borrowers in order to reduce the concentration of risk of borrowers, Proper Conduct of Banking Business Directive No. 312 regarding the restrictions on liability of related parties, aimed at limiting the scope of liability of parties related to the Company and minimize the risks stemming from those transactions, and Proper Conduct of Banking Business Directive No. 450 regarding debt collection proceedings aimed at regulating the actions that should be taken in order to increase fairness and transparency when collecting debts from customers. In addition, Max also takes action and implements the provisions of Proper Conduct of Banking Business Directive No. 311A on consumer credit management.

Max operates in accordance with dedicated rules regarding the marketing and initiation of retail loans. Max has in place scenarios for conversations it initiates with customers, which include: Fair disclosure to the customer in accordance with the Banking Rules (Service to Customer, Fair Disclosure and Delivery of Documents), 1992 and they were written in accordance with its code of ethics, the principles for management of the conduct risks, and the guidelines in connection with the marketing of credit to customers, while providing full disclosure to the customer.

During Operation Rising Lion, Max formulated an expedients framework for its private and business customers, who were adversely affected by the Operation, while adapting ongoing operations to their needs and ensuring they can comply with their undertakings, and - at the same time - continuing to carefully and closely monitoring the various risk indicators.

Credit risk for credit to private individuals

The credit risk in respect of credit to private individuals arises mainly from the exposure to current transactions involving credit cards and credit products.

Max offers a range of credit products to private individuals, as follows:

- Non-interest-bearing credit - a credit facility for making purchases using credit cards.
- Interest-bearing credit – composed of several products, mainly: Car finance loans ("car loan"), solo loans ("all-purpose loan") and revolving credit. Most of the credit is advanced at variable interest, but CPI-linked credit is also advanced at a fixed interest rate under the car financing activities.

Model-based underwriting

Most of the consumer credit that is advanced by Max, is provided through a model-based underwriting process, which is based on statistical credit scoring models, that include various scoring scales, and an additional score in case of default, in combination with a business constitution.

The decision regarding the amount of credit and the interest rate set for a customer is based on the model in combination with business rules, that constitute another method for assessing the risk level.

The models are based on internal and external information sources which may indicate negative developments in the customer’s financial position, such as: payment default, exceeding credit limits, and warnings from external sources of information.

Max develops and improves the models for new and existing customers on an ongoing basis and as required, and also validates them independently on a periodic basis, based on generally accepted practices, and in accordance with the Bank of Israel’s guidance, such that it is possible to estimate the risk level of customers included in the credit portfolio at any given time.

Max has in place a credit underwriting model for new customers, and a separate underwriting model for existing customers:

- The Application Scoring model (AS) - a statistical model, that determines a new customer’s risk level; it is used to determine eligibility and credit terms (facility amount and interest rate).
- The Behavior Scoring model - a statistical model, that determines existing customers’ risk score, based on the customer’s behavior; it is used to manage the credit and make the required adjustments in relation to the credit facility, loans and the interest rate set for borrowers.

Underwriting of credit to private individuals

The process of underwriting of credit to private individuals, and the monitoring of changes in an existing customers risk level is mostly carried out using a model-based process, which is based on statistical credit scoring models, as detailed above.

Max has in place control and monitoring processes that routinely monitor the development of the scores assigned to customers in the models, and monitors the portfolio’s risk profile on an ongoing basis. In addition to its model-based underwriting, Max uses manual underwriting in cases where further checks are required in addition to the score issued based on the model.

Among other things, the credit is managed based on constraints derived from Max's risk appetite and credit policy.

The three main products in the interest-bearing credit portfolio for private customers are:

Solo Loans ("all-purpose loan")

Solo loans are advanced to private customers based on a structured underwriting process in accordance with the customer's level of risk and the restrictions set by Max. These loans are not secured by any collateral of any kind. Review of the existing solo loan portfolio and the flow of new loan applications is carried out on an ongoing basis and monitored using predefined risk indicators, which are adapted periodically to changes in the market and in the characteristics of the borrowers as needed.

Car loans

Car loans to private individuals are advanced based on a structured underwriting process and in accordance with the restrictions placed by Max. All of the said vehicles are pledged in favor of Max. Data review regarding the development of the portfolio and the monitoring of the risk indicators are provided on an ongoing basis. Alongside the risk arising from the repayment capacity of each customer, the car loan activity also entails risks associated with the collateral - operational risks such as inappropriate lien execution, failure to receive an insurance policy with a lien clause in favor of Max, etc., and the risk inherent in the decrease in the value of the collateral (and an increase in exposure).

Revolving credit

Short-term credit which allows private individuals to set up monthly billing, with any amount that exceeds the set billing amount, "revolves" to the next month and bears interest. This product has a risk level that depends, among other things, on the monthly repayment rate out of the outstanding credit balance.

Max closely and regularly monitors risk indicators and macroeconomic developments, which indicate that despite the prolonged uncertainty arising from the ongoing War and the geopolitical situation, no material deterioration has been observed. However, there is still uncertainty regarding the extent of the expected damage to the economy and the long-term implications of the security situation, and in light of this, Max continues to apply a conservative approach with regard to credit loss provisions.

Marketing of credit to private individuals

In accordance with its strategy, Max operates to expand its private individuals' credit portfolio, while maintaining a high level of diversification. Among other things, Max defines the mix of credit products, the growth rate and the offers made to customers in accordance with internal economic parameters, and developments in macroeconomic indicators.

Max defined a policy and work processes that are suitable for marketing of credit to customers, while modifying the offer in accordance with the customer's needs and characteristics. The process of marketing the credit and its approval is implemented in accordance with the principles set out in Max's Code of Ethics, which reflects the core principles adopted by Max: fairness, transparency, customer experience, initiative, partnership and excellence.

The marketing process also includes a strict assessment of the conduct risk while ensuring that the credit matches the customer's needs and maintaining transparency and fairness. This activity is backed by supportive work processes, emphasizing, among other things, provision of full disclosure regarding all credit products at the time of sale, removing customers from sales lead lists, at their request, etc.

Max maintains ongoing control processes in a range of channels with regard to the implementation of the policy and the processes set in the various distribution and sale channels. The policy sets qualitative and quantitative principles, according to which credit will be advanced, managed and monitored, in order to improve the credit portfolio, and mitigate the risk embodied in its management. Max monitors alerts and up-to-date information regarding customers included in its credit portfolio using multiple risk indicators applicable to the entire portfolio, segments and economic indicators, in order to monitor changes in the risk profile. If necessary, Max takes action to mitigate the risk through a range of tools in accordance with the risk assessment. Max has set internal limits in connection with the diversification of the various credit products that have different risk levels. Among other things, Max has set limits regarding the credit facility offered to borrowers in accordance with various parameters and thresholds it has put in place, including in relation to the mix of the risk levels based on internal scoring models and external information. During the Reporting Period, there were no material changes in those characteristics.

Max has set an authorization hierarchy regarding credit decisions, and holds periodic discussions - at least once a quarter - on the mix of risk in the portfolio, including monitoring of risk indicators, and reports on compliance with limits to Max's top risk management committee, its Board of Directors' Risk Committee and its Board of Directors.

In recent years, regulation is characterized with pro-consumer regulations, that affect Max's ability to receive repayments from its customers; in recent years, there has also been a deterioration in individuals/private borrowers' repayment capacity. Those changes are reflected in the number of bankruptcy applications, receivership orders applications, receivership orders issued, bankruptcy orders, and discharge orders. Max takes action to achieve optimal and efficient collection of debts in order to reduce the amounts of debts written-off.

Commercial credit

The risk arises from the exposure in respect of different credit products undertaken by the merchants in accordance with their needs. Max offers a range of credit products to business customers, mainly loans with various periods, and facilities for business credit card purchases, alongside autonomous guarantees to merchants aimed at securing rent payments, and an expanding range of products that addresses businesses' working capital, establishment and other needs.

The War of Revival has different effects on different economic sectors. While some sectors achieved growth, the scope of activity of others declined due to the prolonged fighting and uncertainty. In view of the above, Max has mapped and is mapping the economic sectors in accordance with their sensitivity to the effects of the fighting in line with the various changes over the period and the development of macroeconomic risks. Businesses from hypersensitive sectors are monitored frequently, in order to identify on a timely basis a potential deterioration in their condition, such as a deterioration in cash flow and in their debt repayment capacity to Max.

Underwriting commercial credit

This credit is advanced to small and micro merchants and limited liability companies. Max operates based on a tight credit policy that integrates internal restrictions on underwriting and on the management of the Credit Segment. To date, most of the credit to merchants is advanced to merchants, which use Max as their acquirer. In those cases, funds from acquiring may be used to settle the debt, and this mitigates the credit risk and reduces the rate of losses from such credit. The rate of credit loss provisions in respect of this credit, which is based on historical loss rates, takes this fact into account. Alongside its activities with customers who use its acquiring services, Max also advances credit to customers who are not involved in its acquiring activities, including, among other things, as part of state-backed funds, and short-term loans for factoring suppliers' procurement, backed by a policy of an external insurance company and car loans backed by the car as collateral.

Max continues to apply a conservative approach with regard to credit loss provisions.

Troubled credit

Max has set procedures for identifying troubled credit and for classifying debts as troubled. In accordance with these procedures, Max classifies all of its troubled debts and off-balance sheet credit items as: Troubled accruing credit and troubled non-accruing credit.

Analysis of credit quality, troubled credit risk and non-performing assets:

	September 30, 2025				September 30, 2024				December 30, 2024			
	Commercial	Private	Others	Total	Commercial	Private	Others	Total	Commercial	Private	Others	Total
In NIS million	Unaudited											
Credit risk with credit performance rating (1)												
On-balance-sheet credit risk	**1,506**	**14,606**	**2,738**	**18,849**	1,333	13,564	2,375	17,272	1,309	14,060	2,385	17,754
Off-balance-sheet credit risk	**744**	**24,143**	**14,695**	**39,582**	682	24,149	13,461	38,292	685	25,308	13,678	39,671
Total credit risk in credit performance rating	**2,250**	**38,749**	**17,433**	**58,431**	2,015	37,713	15,836	55,564	1,994	39,368	16,063	57,425
Credit risk not in credit performance rating (2)												
Non-troubled	**12**	**474**	**-**	**486**	12	424	-	436	12	453	-	465
Troubled accruing	**29**	**400**	**-**	**429**	33	351	-	384	42	363	-	405
Troubled non-accruing	**28**	**159**	**-**	**187**	30	161	-	191	23	158	-	181
Total on-balance sheet credit risk	**69**	**1,033**	**-**	**1,102**	75	936	-	1,011	77	974	-	1,051
Off-balance-sheet credit risk	**2**	**31**	**-**	**33**	2	29	-	31	2	31	-	33
Total credit risk not in credit performance rating	**71**	**1,064**	**-**	**1,135**	77	965	-	1,042	79	1,005	-	1,084
Overall credit risk incl. of the public	**2,321**	**39,813**	**17,433**	**59,566**	2,092	38,678	15,836	56,606	2,073	40,373	16,063	58,509
Additional information on total non-performing assets:												
Non-accruing debts	**28**	**159**	**-**	**187**	30	161	-	191	23	158	-	181
Total non-performing assets	**28**	**159**	**-**	**187**	30	161	-	191	23	158	-	181

(1) Credit risk whose credit rating at the reporting date matches the credit ratings for granting new credit in accordance with Max's policy.

(2) Credit which is not rated “performance” is credit for Max’s customers whom, as of the Report Date, Max had decided not to provide with additional credit.

Comments:

A. Credit risk is stated before the effect of credit loss provision and the effect of collateral which is deductible for the purpose of indebtedness of a borrower or group of borrowers.

B. The total amount of debts with payment deferrals of 180 days or more, granted during the War to borrowers who were not in financial difficulties, is negligible.

Changes in non-accruing debts for receivables for credit card transactions

	For the nine month period ended September 30						For the year ended December 31		
	2025			2024			2024		
	Com-mercial	Private	Total	Com-mercial	Private	Total	Com-mercial	Private	Total
In NIS million	Unaudited								
Outstanding balance of non-accruing debts as of the beginning of period	**28**	**158**	**186**	27	148	175	27	148	175
Loans classified as non-accruing during the period	**20**	**279**	**299**	30	310	340	34	411	445
Non-accruing debts written-off from the books of accounts	**(16)**	**(166)**	**(182)**	(14)	(172)	(186)	(20)	(227)	(247)
Repaid non-accruing debts	**(4)**	**(112)**	**(116)**	(13)	(125)	(138)	(13)	(174)	(187)
Balance of non-accruing as of end of the period	**28**	**159**	**187**	30	161	191	28	158	186

	For the three-month period ended September 30					
	2025			2024		
	Commercial	Private	Total	Commercial	Private	Total
In NIS million	Unaudited					
Outstanding balance of non-accruing debts as of the beginning of period	**29**	**161**	**190**	27	155	182
Loans classified as non-accruing during the period	**5**	**98**	**103**	10	108	118
Non-accruing debts written-off from the books of accounts	**(5)**	**(52)**	**(57)**	(3)	(55)	(58)
Repaid non-accruing debts	**(1)**	**(48)**	**(49)**	(4)	(47)	(51)
Balance of non-accruing as of end of the period	**28**	**159**	**187**	30	161	191

Indicators of analysis of credit quality, expenses and credit loss provisions:

	As of September 30, 2025		
	Commercial	Private	Total
	%		
Credit quality analysis			
Rate of outstanding receivables that are non-accruing for credit card transactions	**1.78**	**1.02**	**1.08**
Rate of outstanding receivables that are non-accruing or 90 days or more in arrears for credit card transactions	**1.78**	**1.02**	**1.08**
Rate of troubled credit out of receivables for credit card transactions	**3.61**	**3.57**	**3.57**
Rate of credit not in credit performance rating of the balance of receivables for credit card transactions	**4.38**	**6.59**	**6.39**
Analysis of credit loss expenses for the reporting period			
Rate of expenses in respect of credit losses out of the average balance of receivables for credit card transactions	**0.81**	**1.07**	**1.05**
Rate of net write-offs of the average balance of receivables for credit card transactions	**1.27**	**1.20**	**1.20**
Analysis of credit loss provision			
Rate of balance of the provision for credit losses of outstanding receivables for credit card transactions	**3.61**	**1.87**	**2.03**
Rate of balance of provision for credit losses of outstanding non-accruing receivables for credit card transactions	**203.57**	**184.28**	**187.17**
Rate of the balance of provision for credit losses of outstanding receivables which are non-accruing or in arrears of 90 days or more for credit card transactions	**203.57**	**184.28**	**187.17**
Rate of net write-offs of the balance of provision for credit losses for receivables for credit card transactions	**32.75**	**61.43**	**56.76**

* The balance of receivables for credit card transactions does not include other accounts receivable.

	As of September 30, 2024		
	Commercial	Private	Total
	%		
Credit quality analysis			
Rate of outstanding receivables that are non-accruing for credit card transactions	2.12	1.11	1.20
Rate of outstanding receivables that are non-accruing or 90 days or more in arrears for credit card transactions	2.12	1.11	1.20
Rate of troubled credit out of receivables for credit card transactions	4.45	3.52	3.60
Rate of credit not in credit performance rating of the balance of receivables for credit card transactions	5.30	6.43	6.33
Analysis of credit loss expenses for the reporting period			
Rate of expenses in respect of credit losses out of the average balance of receivables for credit card transactions	1.51	1.41	1.42
Rate of net write-offs of the average balance of receivables for credit card transactions	1.21	1.48	1.46
Analysis of credit loss provision			
Rate of balance of the provision for credit losses of outstanding receivables for credit card transactions	4.66	2.07	2.30
Rate of balance of provision for credit losses of outstanding non-accruing receivables for credit card transactions	220.00	186.96	192.15
Rate of the balance of provision for credit losses of outstanding receivables which are non-accruing or in arrears of 90 days or more for credit card transactions	220.00	186.96	192.15
Rate of net write-offs of the balance of provision for credit losses for receivables for credit card transactions	24.24	66.89	59.22

* The balance of receivables for credit card transactions does not include other accounts receivable.

	As of December 31, 2024		
	Commercial	Private	Total
	%		
Credit quality analysis			
Rate of outstanding receivables that are non-accruing for credit card transactions	**2.01	1.05	**1.13
Rate of outstanding receivables that are non-accruing or 90 days or more in arrears for credit card transactions	**2.01	1.05	**1.13
Rate of troubled credit out of receivables for credit card transactions	4.67	3.45	3.56
Rate of credit not in credit performance rating of the balance of receivables for credit card transactions	5.54	6.46	6.38
Analysis of credit loss expenses for the reporting period			
Rate of expenses in respect of credit losses out of the average balance of receivables for credit card transactions	1.27	1.43	1.42
Rate of net write-offs of the average balance of receivables for credit card transactions	1.35	1.44	1.43
Analysis of credit loss provision			
Rate of balance of the provision for credit losses of outstanding receivables for credit card transactions	4.46	2.04	2.24
Rate of balance of provision for credit losses of outstanding non-accruing receivables for credit card transactions	**221.43	194.30	**198.39
Rate of the balance of provision for credit losses of outstanding receivables which are non-accruing or in arrears of 90 days or more for credit card transactions	**221.43	194.30	**198.39
Rate of net write-offs of the balance of provision for credit losses for receivables for credit card transactions	29.03	65.15	59.08

* The balance of receivables for credit card transactions does not include other accounts receivable.

** Reclassified.

Credit Exposure to Foreign Financial Institutions

Max has an immaterial exposure involving the international organizations Visa and Mastercard in respect of the balance of transactions executed by tourists in Israel, net of the balance of transactions executed by Israelis abroad, in respect of which Max has not yet been credited by the international organizations. In the third quarter of 2025, there was no material change in Max's exposure to foreign financial institutions.

For further details regarding the credit risk, see Pillar 3 - Disclosure of Additional Information regarding Risks, which was posted on Max's website.

Market risks

Proper Conduct of Banking Business Directive 339, Management or Market Risks, defines market risk as the risk of loss in on-balance sheet and off-balance sheet positions as a result of a change in the fair value of a financial instrument due to change in market conditions (changes in price levels in various markets, interest rates and foreign exchange rates, inflation rates, prices of shares and commodities).

Max has a policy for the management of market risks, which is approved by Max's management and Board of Directors. The policy paper includes a reference to the risk appetite limits, and the hedging processes in respect of the different exposures and is validated from time to time. Furthermore, Max continuously monitors all financial risks, exposure levels, results of sensitivity analyses and present and expected material changes, including global and domestic macroeconomic trends and their potential effect on Max and the Israeli economy. These topics are discussed in a Financial Risk Management Forum headed by the CEO.

Exposure to interest rate risk

Proper Conduct of Banking Business Directive No. 333 regarding management of interest rate risk defines the interest rate risk as the risk to earnings or capital arising from fluctuating interest rates. Changes in interest rates affect Max's income by changing its net interest revenues (including changes in non-interest revenues/expenses). Changes in interest rates also affect the value of Max's assets, liabilities and off-balance sheet instruments, since the present value of future cash flows (and in some cases, the cash flows themselves) changes when interest rates change.

Max's exposure to changes in interest rates arises from a number of sources:

- Repricing risk - arises from timing differences in repayment periods (at fixed interest) and the repricing dates (at variable interest) of Max's assets, liabilities and off-balance sheet positions. Discrepancies in repricing dates may expose the income and the economic value to unexpected fluctuations due to changes in the interest rates.

  Changes in interest rates may cause an increase in prices of sources, and an erosion in profitability.

- Basis risk - a risk arising from imperfect correlation between interest rate changes in different financial markets, or different instruments with similar repricing characteristics. Fair value exposure - Max's assets include balances that do not bear interest and fixed interest balances. When interest rates are changed, an exposure may arise that will lead to a decrease in Max's fair value. The exposure even increases if the average duration of the financial assets vary from that of the financial liabilities.

- Yield curve risk - a risk in which Max's income will be adversely affected by a parallel shift of the yield curve or by a change in its shape.

Basis risk management

The assessment of the exposure to the basis risk is carried out by analyzing the effect of the change in interest rates on the fair value and on net interest revenues. The risk arises from the exposure to future changes in interest rates, their potential effect on the value of assets and liabilities in accordance with the economic value approach, and their effect on income in accordance with the profits approach. The exposure arises, among other things, from the difference between the repayment dates and interest calculation dates of the assets and liabilities in each of the linkage bases. The mitigation of the interest rate risk also includes an assessment of the differences between the assets and the liabilities in accordance with the linkage bases, where most of Max's exposure lies in the shekel linkage base.

Max has put in place exposure monitoring indicators, upon the materialization of any of which courses of action will be set in order to mitigate the risk; among other things, and where needed, Max will use hedging instruments, as approved by Max's management and Board of Directors.

Derivative financial instruments

Generally, it is Max's policy to use derivative financial instruments for economic hedges only.

Following are the fair value data of financial instruments and the effect of interest rate fluctuations on the fair value:

1. Net book balance, net and fair value of the financial instruments of Max and its consolidated companies, except for non-monetary items:

	As of September 30, 2025				
	NIS		Foreign currency *		
In NIS million	Non-linked	CPI-linked	USD	Other	Total
Net book balance	**1,168**	**154**	**74**	**71**	**1,467**
Financial assets	**16,457**	**2,722**	**147**	**88**	**19,414**
Financial liabilities	**15,326**	**2,572**	**73**	**17**	**17,988**
Net fair value of financial instruments	**1,131**	**150**	**74**	**71**	**1,426**

	As of September 30, 2024				
	NIS		Foreign currency *		
In NIS million	Non-linked	CPI-linked	USD	Other	Total
Net book balance	1,191	206	47	69	1,513
Financial assets	16,539	1,074	125	79	17,817
Financial liabilities	15,373	865	78	10	16,326
Net fair value of financial instruments	1,166	209	47	69	1,491

	As of December 31, 2024				
	NIS		Foreign currency *		
In NIS million	Non-linked	CPI-linked	USD	Other	Total
Net book balance	1,338	191	20	35	1,584
Financial assets	16,659	1,518	71	43	18,291
Financial liabilities	15,355	1,325	51	8	16,739
Net fair value of financial instruments	1,304	193	20	35	1,552

* Including foreign-currency linked NIS.

2. Effect of hypothetical changes in interest rates on the net fair value of Max's financial instruments, excluding non-monetary items:

	As of September 30, 2025				
	NIS		Foreign currency **		
In NIS million	Non-linked	CPI-linked	USD	Other	Total
Simultaneous changes					
Simultaneous increase of 1%	**5**	**(4)**	*	*	**1**
Simultaneous decrease of 1%	**(5)**	**4**	*	*	**(1)**
Non-simultaneous changes					
Steepening	**4**	**(6)**	*	*	**(2)**
Flattening	**(4)**	**1**	*	*	**(3)**
Short-term interest rate increase	**(5)**	**(4)**	*	*	**(9)**
Short-term interest rate decrease	**5**	**4**	*	*	**9**

	As of September 30, 2024				
	NIS		Foreign currency **		
In NIS million	Non-linked	CPI-linked	USD	Other	Total
Simultaneous changes					
Simultaneous increase of 1%	8	(8)	*	*	-
Simultaneous decrease of 1%	(8)	8	*	*	-
Non-simultaneous changes					
Steepening	4	*	*	*	4
Flattening	(4)	(2)	*	*	(6)
Short-term interest rate increase	(4)	(5)	*	*	(9)
Short-term interest rate decrease	4	5	*	*	9

	As of December 31, 2024				
	NIS		Foreign currency **		
In NIS million	Non-linked	CPI-linked	USD	Other	Total
Simultaneous changes					
Simultaneous increase of 1%	7	(7)	*	*	-
Simultaneous decrease of 1%	(7)	7	*	*	-
Non-simultaneous changes					
Steepening	3	1	*	*	4
Flattening	(3)	(2)	*	*	(5)
Short-term interest rate increase	(3)	(5)	*	*	(8)
Short-term interest rate decrease	3	5	*	*	8

* An amount lower than NIS 1 million.

** Including foreign-currency linked NIS.

3. Effect of scenarios of interest rate changes on net interest revenues and noninterest finance income:

	As of September 30, 2025	
In NIS million	Interest revenues	Total
Simultaneous changes		
Simultaneous increase of 1%	**38**	**38**
Simultaneous decrease of 1%	**(38)**	**(38)**

	As of September 30, 2024	
In NIS million	Interest revenues	Total
Simultaneous changes		
Simultaneous increase of 1%	*38	*38
Simultaneous decrease of 1%	*(38)	*(38)

	As of December 31, 2024	
In NIS million	Interest revenues	Total
Simultaneous changes		
Simultaneous increase of 1%	38	38
Simultaneous decrease of 1%	(38)	(38)

* Reclassified.

Foreign exchange rate risk

The exposure to the foreign exchange rate risk is reflected in a loss as a result of changes in exchange rates as part of Max's routine business activities. Max's exposure to the foreign exchange rate risk arises from currency exposure as a result of the effect of changes in exchange rate on foreign-currency denominated assets and liabilities in Max's balance sheets, mainly the USD and the EUR. The currency exposure is a by-product of Max's routine business activities; it does not involve a deliberate exposure by Max in order to increase income.

Most of Max's exposure to changes in foreign exchange rates arises from its activities, i.e., acquiring and issuance, in which an international organization is involved (Visa or Mastercard). Since Max has business activities linked to foreign currencies, changes in foreign exchange rates expose it to losses due to exchange rate differences.

Max's foreign exchange rate risk management mainly focuses on mitigating and minimizing the general exposure, and also to sub-exposures arising from cash flow activities and the accounting exposure.

Management of foreign exchange rate risk

Max defined a maximum exposure limit for foreign currency balances after hedging actions. The hedging of the exposure is carried out for each exposure type in accordance with Max's policy through, among other things, selling and buying of foreign currency and using financial derivatives, while maintaining the limit set and acting in accordance with the decision of the management and the Board of Directors.

Max has put in place monitoring indicators for each exposure type, upon the materialization of any of which courses of action will be set in order to mitigate the risk.

CPI risk

Max's exposure to the risk in connection with the CPI is reflected in a loss it may incur as a result of changes therein. Max has an exposure arising from CPI-linked activities, mainly due to interest-bearing credit linked to the Consumer Price Index.

CPI risk management

Max defined a maximum exposure limit to the CPI after hedging actions. The hedging of the exposure in accordance with Max's policy by, among other things, taking CPI-linked financing sources and by using financial derivatives, while maintaining the limits set and acting in accordance with the decision of management as approved by the Board of Directors.

Liquidity and financial risk

In accordance with Proper Conduct of Banking Business Directive 342 regarding liquidity risk management, the liquidity risk is defined as a risk to Max's income and stability stemming from its inability to meet its liquidity needs.

Max has a number of activities that affect its liquidity:

- Cash flows from core activities, i.e., issuance, acquiring and credit activities.
- Cash flow in respect of sources, including: raising and repayment of bonds and loans from banks and the capital market.
- Timing differences between the inflows arising from payments from customers, and the outflows from amounts credited to merchants in respect of the acquiring activities.
- Changes in Max's cash flows arising from the behavior of Max's customers or from a significant change in other players in the financial and non-financial system.

Management of liquidity and financial risk

Among other things, Max mitigates the liquidity risk using a liquidity model that takes into account all of Max's sources and uses derived from its current and anticipated operating activities, which affect Max's cash flows. The liquidity model calculates the expected liquidity ratio; its aim is to issue an alert regarding situations where liquidity pressures may be detected. The mitigation of Max's liquidity risk takes into consideration the liquidity needs of all of the subsidiaries.

As part of its liquidity risk policy, Max defined a minimum liquidity ratio limit and performance indicators in the normal course of business and under various scenarios, which were approved by the management and Board of Directors. In addition, Max has set a methodology that assists the identification and management of a liquidity crisis in order to ensure Max's ability to meet the challenges that arise from its operating activities, and which may arise due to pressures in financial markets.

As part of its ongoing assets and liabilities management, Max uses diverse funding sources, in order to diversify the risk.

Max's sources of financing include: Equity, banking sources, including holding secured credit facilities with several banks, which are utilized in accordance with Max's needs, which change from time to time, and raising liquid and illiquid securities through various financial instruments.

On April 7, 2025, Max was listed as a reporting corporation on the Tel Aviv Stock Exchange and on April 24, 2025, Max raised, for the first time, commercial papers (CPs) from institutional investors and from the public. Max's becoming a reporting corporation allows it to diversify its sources of financing by adding the option of raising funds from the public. On July 10, 2025, Max completed an issuance of Subordinated Notes (Series F) to institutional investors, and on July 13, 2025, it completed an issuance of Bonds (Series E) to institutional investors and to the public.

On July 1, 2021, a directive entered into effect regarding a daily acquiring arrangement, by virtue of the Israel Competition Authority's decision to exempt, subject to conditions, the interchange acquiring arrangement between the credit card companies. As from that date, transfers of funds between an issuer and an acquirer (in respect of single-payment transactions and immediate or deferred billing transactions) are carried out on a daily basis. Consequently, there was a decrease in Max's funding needs, due to a decrease in the average utilization of the credit facilities compared with periods prior to the date on which the arrangement came into effect. The development of this trend depends on the conditions in the acquiring market.

In the Reporting Period, Max fulfilled its obligations and met all the conditions in connection with the financing agreements to which it is a party.

Max has a forum for the management of financial risks, which is headed by its CEO; Max's CFO, Chief Risk Officer and Chief Internal Auditor attend the forum's meetings. Among other things, the forum discusses exposures and hedging actions.

In November 2024, the rating agency Midroog Ltd. (hereinafter - "**Midroog**") reiterated Max's issuer rating at Aa3.il (rating outlook: stable), the rating of Max's Subordinated Notes (Series D) at A1.il (hyb) (rating outlook: stable) and the rating of Commercial Papers at P-1.il.

In December 2024, Midroog assigned a P-1.il rating for Commercial Paper raised by Max through an expansion of Commercial Papers (Series 2). In April 2025, Midroog assigned a P-1.il rating to liquid Commercial Papers (Series 5), issued to the public on April 24, 2025.

In June and July 2025, Midroog assigned an Aa3.il rating (rating outlook: stable) to the issuance of a new series of Bonds (Series E), and an A1.il (Hyb) rating (rating outlook: stable) to the issuance of Max's Subordinated Notes (Series F).

In November 2025, Midroog reiterated Max's issuer rating at Aa3.il (rating outlook: stable), the rating of Bonds issued by Max (Series E) at Aa3.il (rating outlook: stable), and the rating of the Company's Subordinated Notes (Series D and F) at A1.il (hyb) (rating outlook: stable). In addition, Midroog reiterated the rating of the Commercial Papers issued by Max at P-1.il.

Max also monitors the effect of macroeconomic conditions, and if the War will continue and/or expand and/or if the State of Israel's credit rating will be downgraded again, the supply of sources of financing in the economy may be smaller and Max's exposure to the liquidity risk will increase. Max believes that such deterioration scenarios may affect the cost of the sources available to Max, but it expects that it will still have sufficient sources of financing to maintain its business activities.

These assessments constitute forward-looking information based on Max's assessments and the information available to it on the report publication date. Actual effects may substantively vary from those assessed, due to, among other things, the macroeconomic situation and actual market conditions.

Operational risk

Proper Conduct of Banking Business Directive No. 350 regarding operational risks defines an operational risk as "the risk of a loss as a result of the inadequacy or failure of internal processes, personnel, and systems, or as a result of external events. This definition includes legal risk, but does not include strategic risk and reputational risk". There are situations where other risks materialize, such as: credit risk, compliance risk, and reputational risk are caused as a result of an operational failure.

Max is exposed to operational risks as part of its activities, such as:

- The issuance activity - as part of its issuance activity, Max is exposed to fraudulent transactions, both in Israel and abroad, involving the credit cards it issues. In recent years, digital transformation processes have accelerated and the adoption of new technologies has become rapid and widespread, both among customers and among the companies, as reflected in new products and services. These changes have led to an increase in cyber threats, financial crime, and digital fraud. Max invests and will continue to invest considerable resources in strengthening its identification, monitoring and control systems; those resources are also invested in advanced technologies in order to address the exposure to risks in an optimal manner.
- The acquiring activity - as part of the acquiring activity, Max provides payment spreading and factoring services. The exposure in respect of these services arises from the risk that a merchant will not supply the goods it had undertaken to supply, and which may lead customers to complain about "failure to deliver". The scope and period of exposure was derived from the type of service provided by the merchant in accordance with the product supply date.

In addition, operational risks are naturally present in all of Max's processes, and arise, among other things, from actions carried out by Max's employees across the various units, from the use of various technologies and various IT systems.

Operational risk management

Operational risk management at Max complies with Proper Conduct of Banking Business Directives, which determine, among other things, basic risk management principles. Risk management at Max is an ongoing process of identifying and assessing risks, ongoing measurement of the exposures and capital requirements to cover these risks, and reporting to management and the Board of Directors.

Following are the key principles in operational risk management:

- **The three lines of defense** - The first line of defense is the business units that assume the risk, which is charged with formulating the internal controls to reduce exposure and minimizing the probability of risk materializing and the damage arising its materialization. The second line of defense is operational risk management, headed by the Chief Risk Officer, who is an independent entity which outlines the policy, the risk management work framework, and control - as described below. The third line of defense is the internal audit, which performs independent audits.
- **Operational risk policy** - Max has an operational risk policy, which is validated and approved by the management and Board of Directors once a year. The policy includes corporate governance for risk management, the risk management framework, and risk appetite limitations.
- **Operational risks map** - Max maintains an operational risks map, which covers its key processes, and is validated from time to time together with the business units. The risk map includes assessment of the inherent risk, assessment of the control, and assessment of the residual risk. The operational risk map serves as a support tool for business decision making and assessment of the exposure to operational risk.
- **Risk identification, measurement, and assessment methodology** - Max has uniform methodology for identifying and assessing the operational risks inherent in its activities. The identification methodology uses various tools and includes quantitative and qualitative risk assessment and assessment of the effectiveness of the controls over the risks.
- **Operating loss and near loss events** - Max has a regulated process for reporting operating loss and near-loss events, and a process for drawing conclusions and learning from these events. Collection of data on loss events supports, among other things, the process for assessing operating risk exposure.
- **New products** - Max has an orderly risk management process for new products including new systems, activities and processes. Under this process, a mapping of potential risks is carried out in all of the organization's units and accordingly effective risk mitigation and control plans are defined before the launch of new products and services or when they undergo changes.

For further details regarding the operational risk, see Disclosure of Additional Information about Risks, which was posted on Max's website.

Other risks

Information security and cyber risk

According to Proper Conduct of Banking Business Directive No. 364, Management of Information Technology Risks, Information Security, and Cyber Defense, the cyber risk is defined as the potential for damage resulting from an occurrence of a cyber incident, taking into account its probability and its severity of its impact. A cyber incident is an event during which the Company’s IT and/or computer-embedded systems and infrastructures are attacked by, or on behalf of, opponents (whether external or internal to Max), and such attack may result in the materialization of the cyber risk.

In its capacity as a financial organization, Max is an attractive target for various attackers according to the corresponding threat map. The IT systems, communication networks, and external suppliers, as well as the IT systems which serve Max’s customers are a target for cyber attacks, the introduction of malwares, malicious code, phishing attacks, and other exposures aimed at inflicting damage to Max’s services, steal information or impair its database.

Max’s business activities relies - to a large extent - on technology-based systems. Therefore, the availability of the systems, the reliability of the data, and maintaining the confidentiality of the data are essential for an orderly business activity. Furthermore, Max views business and customer information stored on its systems and on its suppliers’ systems as a key asset, and invests many efforts and resources in implementing advanced information security control and defense mechanisms and processes.

Max’s information security and cyber security strategy paper defines its approach and objectives regarding information security and cyber security in accordance with Max’s business strategy. The paper aims to constitute a framework for the information security and cyber security policy and work procedures in this field, which define the management and implementation principles, areas of responsibility, the relevant officers and their powers, and the operations and technologies used by Max. As part of the preparations it makes to address the various cyber threats, Max has in place and leads internal and external processes to mitigate the cyber threats posed against it and its customers. As part of the above, cyber security risks are mitigated through a number of security and control cycles, on several levels, in order to mitigate the potential exposures in respect of this threat.

A hybrid work routines, which combines remote work with on-site work, transferring business systems to cloud infrastructure, and the growing use of AI capabilities triggered a change in Max's exposure to cyber risks. Max adapted its defenses and controls against those risks and has taken steps to implement additional controls in order to enhance its defenses as part of the hybrid work environment.

To date, no attacks have been identified, which penetrated Max’s network. However, in view of the above, Max is preparing for potential attacks by tightening and strengthening its controls in this field, in addition to using tools to raise awareness among its employees and meeting global standards.

During Operation Rising Lion, dozens of groups - both small and large - acted to disseminate attacks against Israeli websites; the number of attacks - spread through social media - increased from a several per week to dozens a day. Many websites were mentioned by the attackers, including Max’s - with no actual effect on Max. However, despite their extensive efforts, the Iranian attackers have not been able to cause substantial damage to Israel in general and to Max in particular.

Strategic Risk

Strategic risk is the risk of adversely affecting Max’s income, capital, reputation or position as a result of erroneous business decisions, inappropriate implementation of decisions or lack of response to industry-specific, economic, regulatory and technological changes.

Strategic risks may be divided into 3 types:

- External environment - risks arising from changes in the political, economic and social environment.
- Competition environment - risks arising from changes in the competition environment in which Max operates.
- Internal environment - risks arising from decisions, processes or actions Max has taken or avoided taking.

Max currently faces significant challenges in all areas of activity, multiple threats in its core businesses alongside opportunities and addressing with material regulatory changes.

Strategic risk management in The Company is based on continuously assessing its strategy, including, among other things, the following activities:

- Formulating and adapting a long-term strategic plan in accordance with developments in Max's areas of activity, which includes a review and assessment of various events in the work environment (regulations, competition, technology, etc.), and assessment of expected changes in each of Max's lines of business.
- Regular discussions by Max's management and Board of Directors, as part of which those changes are presented, and the need to revise the strategy is considered.
- The Risk Management Department challenges the assessments of the strategic trends as identified by The Company on a regular basis; it also raises topics, which are relevant to the strategic risk where necessary.

Regulatory risk

Regulatory risk is the risk of loss due to the effect of future expected regulation, including legislation and/or directives issued by various regulators. Max is exposed to a regulatory risk with respect to all of its areas of activity.

The business environment in which Max operates is a dynamic environment, on which regulators and legislators currently focus. These regulatory changes were designed, among other things, to encourage competition in the field by reducing entry barriers and cutting costs to the customers, and protecting customers in the context of fair disclosure, etc. This regulatory framework mostly tightens the restrictions on activity in the industry, and sometimes leads to a regulatory mismatch between Max and its competitors. However, a number of expected regulatory changes are expected to serve as a source of new business opportunities.

The management of the regulatory risk is carried out by regularly identifying new regulatory initiatives and referring them to the relevant function in Max, and continuously reporting them to Max's management.

Upon its listing as a reporting corporation, Max is regulated by the Israel Securities Authority.

For further details regarding the new regulatory provisions relevant to Max's activities, see the corporate governance report, further details and appendices below.

Compliance risk

Compliance risk is the risk of a legal or regulatory sanction being imposed, and/or a material financial loss and/or a reputational damage incurred by Max as a result of failing to comply with the laws and regulations. According to Proper Conduct of Banking Business Directive No. 308 on compliance, Max is required to mitigate all compliance risks arising from all the laws, regulations, guidance and circulars applicable to its activities. The management of the compliance risk is an integral part of Max's business activities, and does not fall exclusively within the remit of the compliance function. The lines of business bear significant responsibility to the issue of compliance, and play an active role in the management and mitigation of Max's exposure to compliance risks.

Max's compliance function operates bearing in mind the unique challenges Max faces on several levels in order to mitigate compliance risks. This is done while continuously assessing the evolving risk picture and applying a risk-based approach while integrating and implementing the various regulatory provisions.

Money laundering and financing of terrorism risk

The money laundering and/or financing of terrorism risk is the risk that the organization and its employees' fail to comply with the provisions of the law and regulation and the work processes for the implementation of the provisions at Max and consequently the imposition of a sanction and/or financial sanction and criminal liability on the corporation and its officers and adverse effect on Max's reputation.

Max adapts the work processes and controls to new typologies and regulatory provisions regarding the prohibition on money laundering and financing of terrorism.

Under these processes and in accordance with regulatory provisions and the requirements of international organizations, Max acted to validate and strengthen the dedicated processes associated with the fulfillment of Max's obligations regarding international sanctions.

Max continues to adapt its internal monitoring, control and prevention processes in accordance with the risk management assessment and the potential of evolvement of various risks with an emphasis on countries at increased risk and/or high-risk sectors. Reports are delivered regularly to regulators.

The compliance function worked to implement the directives and regulatory points of emphasis published following Operation Rising Lion, including any required adjustments to work processes. In addition, the function continued applying it monitoring and control operations and assessing the various risks.

Legal risk

The risk arising from an activity of Max regarding which there is a concern that it is not in line with legal provisions (whether primary or secondary legislation), directives and guidance issued by competent authorities, regulation, or case law, a risk arising from legal proceedings conducted against Max, and the risk arising from a concern that Max will breach contractual obligations. Legal risk is also defined as a deficient legal opinion, including drawing up agreements that do not adequately protect Max's rights, or failure to give appropriate guidance due to changes in legislation, regulatory directives, case law, or Max's contractual obligations.

Max's risk management approach was that the management of the legal risk is an integral part of the business environment. As a result, decision-making on risk management takes into consideration business and legal aspects.

Max has a legal risk officer, whose purview involves mitigating Max's legal risk while reaching optimal correlation between Max's activities and the legal risks, such that the decision making will correspond to Max's risk appetite.

Legal counseling is provided to Max by its Legal Counsel Department in collaboration with the external attorneys Max works with.

Reputational risk

Reputational risk is the potential that negative publications, whether true or false, market rumors, public perception, or social protests regarding the operating methods of Max and its employees, will have an adverse effect on its reputation and good name, and/or lead to a decline in its customer base, and/or result in high legal costs, and/or lower revenues. The reputational risk is a part of Max's activities, and is a company-wide risk. All of Max's products, services, activities, processes, and systems, as well as Max's collaborations with other companies and entities, embody a potential risk, whether as part of its business activities or as part of its administrative-internal activities, whether done maliciously or in good faith.

The management of the risk by Max is composed, first and foremost, of a process for identifying reputational exposures (any action which may be associated with the brand and lead to negative media coverage or discourse), which is addressed using the New Product Procedure. Monitoring and response are carried out continuously.

Macroeconomic risk

Macroeconomic risk is the risk that the income and capital of Max may be adversely affected by a deterioration in the macroeconomic environment in Israel and across the world. Max's business strategy and capital planning include assumptions, that are derived, among other things, from the macroeconomic environment, and Max assesses and evaluates the effect of the changes in the macroeconomic environment on its business results and capital planning.

The high interest rate environment is onerous for consumers and merchants and may affect the credit risk. Max monitors the trends in the development of the macroeconomic risk against the backdrop of geopolitical uncertainty, which was reflected in an increase in the risk premium of the Israeli economy, due to, among other things, the economic effects of the War of Revival. Max monitors and mitigates this risk continuously, and at this stage there is no material increase in the materialization of the potential risk.

At the end of September 2025, a proposal to end the War was presented by the President of the United States, and on October 9, 2025, after negotiations between Israel, Hamas and the mediating states, a ceasefire agreement was signed in which it was agreed to stop the fighting, release all hostages in exchange for release of terror-related prisoners and the withdrawal of IDF forces from parts of the Gaza Strip to lines agreed between the parties.

The geopolitical effects of the implementation of the agreement and violations thereof are substantial and may materially change the macroeconomic environment in which the Israeli economy in general and Max in particular operate.

On April 3, 2025, the President of the United States announced a new tariff plan on goods imported to the United States from various countries. Those countries include, among others, China, the European Union, the UK, Israel, etc.On August 1, 2025, the President of the United States signed an executive order in which he revised the tariff on imports from Israel to 15% (the same rate as the European Union). One of the key export sectors to the United States - high-tech services - is not included in the executive order and will not be subject to tariffs. Max assesses the plan's effect on its business customers, both direct effects as a result of trade activities with the US and indirect effects of the tariff plan; Max continues to monitor potential developments and effects.

Max is assessing its ability to withstand adverse developments in the macroeconomic environment using systemic stress scenarios. Furthermore, Max continuously monitors various risk indicators, including macroeconomic indicators, and material changes in those indicators are discussed by the Financial Risk Management Forum, which is chaired by its Enterprise Risk Management Committee, which is chaired by its CEO and Board of Directors' Risk Committee.

Environmental risk

Environmental and climate risks may directly and indirectly affect Max's financial stability, business activity, and customers. The climate risk is an evolving risk arising, among other things, from the impact of the materialization of environmental risks and from regulatory developments, developments in the business environment, and technological developments relating to the adaptation to climate change.

In recent years, the definition of climate risk has expanded, and currently also includes the organization's effect on the environment even if it is not directly associated with a financial loss.

This risk may be reflected both in direct adverse effect on Max's activity such as: operational disruptions due to extreme climate events or natural disasters, and indirectly - through exposure to customers, suppliers and business partners operating in industries or regions with a sensitive environmental profile.

Max's management works to encourage environmental awareness and leads activities pertaining to this issue under its corporate social responsibility. As from 2009, Max has ISO 14001:2015 certification, and is assessed once a year by the IQC Institute of Quality & Control for compliance with the standard's requirements; inter alia, the environmental risk survey is revised and improved. As part of its implementation of the standard's provisions, Max takes action to increase awareness among its employees.

At the beginning of July 2024, Max published an ESG report for 2022-2023, which summarizes and reflects Max's main activities which impact the environment, society and corporate governance, out of a deep commitment and a sense of responsibility to the society and environment in Israel. Max opted to publish the report in view of the great importance it places on sharing with Max's customers, employees and other stakeholders its actions in the above areas.

Additionally, Max is preparing to implement Proper Conduct of Banking Business Directive No. 345 - Principles for the Effective Management of Climate-Related Financial Risks, the effective date of which is in June 2026.

Model risk

Model risk is the potential for negative effects as a result of decisions or actions (including reporting) based on incorrect or misused model outputs. The materialization of a model risk may result in financial loss, erroneous business decisions and strategies or reputational damage with extensive effects. Which could arise, among other things, from incompatibility of the model with the business reality, usability that is not in line with the designation, and errors in calculations and data when applying the model.

The use of models in decision-making processes has been growing in recent years, and accordingly the model risk management system at Max is compatible with this direction as appropriate and required.

Max changes the monitoring level and frequency in accordance with the level of domestic and global uncertainty, in order to mitigate and minimize the model risk.

The principles for model risk management are defined in Max's Model Risk Management Policy, which outlines the general principles required, including the content of development and validation, the method of use, corporate governance, organizational structure, partners in the process and required actions in the ordinary course of business and at times of crisis. Max's management of model risks is conducted through policy papers, procedures and orderly work processes.

In August 2024, the Banking Supervision Department published Proper Conduct of Banking Business Directive No. 369 "Model Risk Management". Max started implementing the directive on its effective date (August 2025).

7. Disclosure regarding Financial Reporting of the Corporation

7.1. Reporting Critical Accounting Estimates

For details on the use of estimates and judgments in the preparation of financial statements, see Note 2(b) to the Financial Statements.

7.2. Contingent Liabilities

The independent auditors' report to the shareholders' of the Company includes an emphasis of matter paragraph regarding that which is stated in Note 9 to the Financial Statements regarding exposure to contingent liabilities.

7.3. Internal Control over Financial Reporting and Disclosure

7.3.1. Securities Regulations

In December 2009, **the Securities Regulations (Periodic and Immediate Reports (Amendment No. 3), 2009** were published, which concern the corporation's internal control over financial reporting and disclosure function; their aim is to improve the quality of financial reporting and disclosure in reporting corporations.

An amendment of July 7, 2011 prescribes that a corporation that consolidates a banking corporation or an institutional entity or carries out proportionate consolidation of a banking corporation or an institutional entity, may opt to implement - only with regard to the internal control in that banking corporation or institutional entity - the format of assessing the effectiveness of internal control prescribed in the other laws applicable thereto in that respect, if such a format is in place regarding the quarterly report.

Accordingly, in addition to the officers' statements and the report on the effectiveness of internal control provided in the quarterly report, disclosure and officers' statements are attached in connection with the internal control in the consolidated institutional entities to which the Commissioner's Directives apply.

In addition to officers' statements regarding internal control in the consolidated credit card company, which is subject to the directives of the Banking Supervision Department regarding the assessment of the effectiveness of internal control over financial reporting.

7.3.2. Commissioner's Directives regarding Internal Control over Financial Reporting and Disclosure

In recent years, the Commissioner published a number of circulars (hereinafter - the "**Commissioner's Circulars**"), which are designed to implement the requirements of Section 302 and Section 404 of the SOX Act in insurance companies, in management companies of pension and provident funds, and in pension and provident funds (hereinafter - the "**Institutional Entities**").

Accordingly, Clal Insurance and the consolidated institutional entities included the information in accordance with the provisions of the law and the reporting provisions on the dates as set in those directives.

7.3.3. Section 302 and 404 of the SOX Act - Management's Responsibility for Internal Control over Financial Reporting and Disclosure

According to the Commissioner's circulars, which are based on Section 302 and Section 404 of the SOX Act, and as detailed in previous Reports of the Board of Directors of Clal Insurance, Clal Insurance has worked continuously to implement the required procedure in accordance with the said provisions, which includes an assessment of the work processes and the internal controls being implemented, in accordance with the stages and the dates set in the circulars. As part of this process, Clal Insurance adopted the internal control model of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) - the Committee of Sponsoring Organization of the Treadway Commission - which is a generally accepted framework for assessment of internal controls.

The management of Clal Insurance (the institutional entity), in collaboration with its CEO, Deputy CEO and Head of the Finance Division, have evaluated the effectiveness of Clal Insurance's disclosure controls and procedures as of the end of the Reporting Period. Based on this assessment, the CEO, Deputy CEO and Head of the Finance Division of Clal Insurance concluded that, as of the end of this period, the controls and procedures as to Clal Insurance's disclosure are sufficiently effective for recording, processing, summarizing, and reporting the information that Clal Insurance 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.

During the quarter ending September 30, 2025, no changes took place in the internal control over financial reporting of the Group's institutional entity that had a material effect, or is expected to have a material effect, on the institutional entity's internal control over financial reporting.

Internal control changes

The Company's first-time application date of IFRS 17 (hereinafter - "**IFRS 17**" or the "**Standard**") regarding insurance contracts, which superseded IFRS 4 - Insurance Contracts - was January 1, 2025. In addition, on the abovementioned date the Company applies for the first time IFRS 9, Financial Instruments (hereinafter - "**IFRS 9**"), which supersedes IAS 39, Financial Instruments (hereinafter - "**IAS 39**") (see also Note 3 – Significant Accounting Policies).

The application of the new provisions involved lengthy and complex preparations, which included, among other things, revising accounting policies, improving models and defining new models, creating databases and interfaces, integrating a selected technological application, etc.

Following the first-time application of the Commissioner's Directives, in the first quarter of 2025 there was a material change in the process of measuring liabilities and assets for insurance contracts, which are accounted for under IFRS 17, and a change in the process of classifying and measuring financial instruments in the Company, which are accounted for under IFRS 9.

In order to prepare the data of liabilities and assets for insurance contracts and financial instrument data (hereinafter - "**These Data**") and for the purpose of assessing the effectiveness of the controls and procedures regarding their disclosure for the first quarter, the Company made preparations in accordance with the roadmap set by the Commissioner, to map the control environment associated with the work processes of These Data. As part of the preparations, the work processes associated with These Data were assessed, and the map of controls and risks was revised. Most of the new and revised controls, especially those associated with data integrity, analysis and reasonableness of results, had already been integrated under the preparation of the Financial Statements as of December 31, 2024. Additional controls, including those relating to the new disclosures required in financial reporting, were integrated under the preparation of the Financial Statements as of March 31, 2025.

The Company continues to develop the required reports and to improve and develop the process of preparing the data of liabilities and assets for insurance contracts and financial instrument data, including the control and risk map.

Officers' Statements on the Effectiveness of Internal Control over Financial Reporting and Disclosure, in relation to the relevant processes, in accordance with regulatory requirements are attached to the report.

7.3.4. Management's Responsibility for Internal Control over Financial Reporting (SOX Act 404)

The Banking Supervision Department's directives impose the requirements of Sections 302 and 404 of the SOX Act on credit card companies.

These sections, set by the SEC and Public Company Accounting Oversight Board, have established provisions with regard to the abovementioned sections, on management's responsibility for instating and maintaining disclosure controls and procedures and for exercising internal control over financial reporting and the opinion of the independent auditors on the audit of internal control over financial reporting.

Among other things, the Banking Supervision Department's directives prescribe that banking corporations shall apply the provisions of Sections 302 and 404 and the SEC directives issued thereunder. In addition, adequate internal control requires an auditing function that follows a predefined, recognized framework, and the model of COSO (Committee of Sponsoring Organizations of the Treadway Commission) meets these requirements and can be used to evaluate the internal controls.

Max It Finance Ltd. (hereinafter - "**Max**") implements the provision in accordance with the Banking Supervision Department's directives as stated above.

7.3.5. Evaluation of disclosure controls and procedures

Max's management, with the cooperation of its CEO and Chief Accountant, have evaluated the effectiveness of Max's disclosure controls and procedures as of the end of the reporting period. Based on this evaluation, the CEO and the Chief Accountant have concluded that, as of the end of the Reporting Period, Max's disclosure controls and procedures are effective for the purpose of recording, processing, summarizing and reporting the information that the Company is required to disclose in its quarterly financial statements pursuant to the Banking Supervision Department's Reporting to the Public Directives and as of the date prescribed by the Directives.

Internal controls over financial reporting:

During the third quarter ended September 30, 2025, no changes took place in Max's internal control over financial reporting that had a material effect, or is expected to have a material effect, on the Company's internal control over financial reporting.

Officers' Statements on the Effectiveness of Internal Control over Financial Reporting and Disclosure, with respect to the relevant processes, in accordance with the Commissioner's Circulars are attached to the report.

The Board of Directors wishes to thank the employees, managers and agents of Group companies for their contribution to the Group's achievements.

Haim Samet	**Yoram Naveh**
Chairman of the Board	CEO

Tel Aviv, November 25, 2025

Clal Insurance Enterprises Holdings Ltd.

Condensed Consolidated Interim Financial Statements

as of September 30, 2025

(Unaudited)

Table of Contents

	Page
Review Report of the Independent Auditors	2-2
Consolidated Interim Statements of Financial Position	2-3
Consolidated Interim Statements of Profit and Loss	2-5
Consolidated Interim Statements of Comprehensive Income	2-6
Consolidated Interim Statements of Changes in Equity	2-7
Consolidated Interim Statements of Cash Flow	2-12

Notes to the Consolidated Interim Financial Statements:

Note 1 -	General	2-15
Note 2 -	Basis of preparation of the interim financial statements	2-18
Note 3 -	Significant accounting policies	2-21
Note 4 -	Segment reporting	2-38
Note 5 -	Financial investments and derivative instruments	2-51
Note 6 -	Capital management and requirements	2-72
Note 7 -	Income (loss) from insurance services and reinsurance	2-78
Note 8 -	Income (loss) from investments and financing, net	2-83
Note 9 -	Contingent liabilities and claims	2-88
Note 10 -	Credit risk, receivables for credit card transactions and credit loss provision	2-121
Note 11 -	Payables for credit card transactions	2-137
Note 12 -	Revenues from credit card transactions	2-137
Note 13 -	Additional events in and subsequent to the reporting period	2-138
Note 14 -	Application of IFRS 17 and IFRS 9 in subsidiaries which meet the definition of an insurer in accordance with securities regulations (preparation of annual financial statements), 2010	2-143

Appendices to the Consolidated Interim Financial Statements

Appendix -	Interest revenue and expense rates and analysis of the changes in Max's interest revenues and expenses	2-155

Somekh Chaikin
Millennium Tower KPMG
17 HaArba'a Street, POB 609
Tel Aviv 6100601
+972-3-684-8000

Shape the future with confidence
Kost Forer Gabbay & Kasierer
144 Menachem Begin St.,
Tel Aviv 6492102
Tel. +972 3 623 2525
Fax +972 3 562 2555
ey.com

Review Report of the Independent Auditors for the Shareholders of Clal Insurance Enterprises Holdings Ltd.

Introduction

We have reviewed the accompanying financial information of Clal Insurance Enterprises Holdings Ltd. and its subsidiaries (hereinafter - the "**Group**"), including the condensed consolidated statement of financial position as of September 30, 2025 and the condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine- and three-month periods then ended. The Board of Directors and management are responsible for the preparation and presentation of financial information for these interim periods in accordance with the Israel Securities Regulations (Periodic and Immediate Reports), 1970, which pertain to holding companies of insurers and credit card companies, as described in Note 2(a) to the financial information. Our responsibility is to express a conclusion regarding the financial information for this interim period based on our review.

We did not review the condensed interim financial information of an equity-accounted investee, the investment in which is approx. NIS 102 million as of September 30, 2025, and the Group's share in the profits of which amounted to approx. NIS 10 and approx. NIS 3 million for the nine- and three-month periods then ended. The condensed interim financial information of the company was audited by other independent auditors, whose review report was furnished to us, and our conclusion, insofar as it relates to financial information in respect of the company, is based on the review report 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 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 report 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 the Israel Securities Regulations (Periodic and Immediate Reports), 1970, which pertain to holding companies of insurers and credit card companies, as described in Note 2(a) to the financial information.

Emphasis of matter

Without qualifying the above conclusion, we draw attention to that which is stated in Note 9 to the consolidated interim financial statements regarding exposure to contingent liabilities.

Tel Aviv,	Somekh Chaikin	Kost Forer Gabbay & Kasierer
November 25, 2025	Certified Public Accountants	Certified Public Accountants

Joint Independent Auditors

Consolidated Interim Statements of Financial Position

In NIS million	Note	As of September 30 2025	As of September 30 2024	As of December 31 2024
		Unaudited	Unaudited	
Assets				
Cash and cash equivalents in respect of yield-dependent contracts		**3,680**	5,011	4,451
Other cash and cash equivalents		**2,664**	2,014	2,617
Financial investments in respect of yield-dependent contracts measured at fair value	5	**96,472**	86,542	88,802
Other financial investments measured at fair value	5	**43,304**	40,641	41,179
Other financial investments measured at depreciated cost	5	**2,305**	2,402	2,340
Receivables for credit card transactions, net	10	**18,729**	17,352	17,855
Receivables and debit balances		**863**	1,347	642
Current tax assets		**104**	125	60
Insurance contract assets		**3,158**	1,822	2,653
Reinsurance contract assets		**2,722**	2,679	2,664
Investments in equity-accounted investees		**204**	190	190
Investment property in respect of yield-dependent contracts		**3,909**	3,892	3,924
Investment property - other		**1,506**	1,521	1,517
Property, plant and equipment		**277**	320	310
Intangible assets and goodwill		**2,216**	2,221	2,212
Costs of obtaining investment management service contracts		**786**	723	764
Deferred tax assets		**114**	154	159
Right-of-use assets		**660**	681	669
Total assets		**183,673**	169,637	173,008
Total assets for yield-dependent contracts		**104,427**	96,208	97,329

The attached notes to the consolidated interim financial statements are an integral part thereof. See Note 14 regarding application of IFRS 1, First-time Adoption of International Financial Reporting Standards, first-time application of IFRS 17, Insurance Contracts and first-time application of IFRS 9, Financial Instruments. Relevant comparative figures have been restated.

Consolidated Interim Statements of Financial Position (cont.)

		As of September 30		As of December 31
		2025	2024	2024
In NIS million	Note	Unaudited		
Liabilities				
Loans and credit	5	**14,986**	13,732	14,138
Liabilities for derivative instruments	5	**678**	824	528
Payables and credit balances		**3,334**	1,784	1,739
Payables for credit card transactions	11	**10,225**	9,616	9,707
Current tax liability		**149**	10	18
Liabilities for yield-dependent investment contracts		**13,026**	12,514	12,537
Liabilities for non-yield-dependent investment contracts		**2,491**	2,542	2,522
Total liabilities in respect of insurance contracts		**127,148**	118,533	121,718
Liabilities for reinsurance contracts		**62**	60	62
Liability for employee benefits, net		**93**	91	89
Deferred tax liabilities		**553**	430	355
Lease liabilities		**762**	788	775
Total liabilities		**173,506**	160,924	164,189
Equity				
Share capital		**168**	167	167
Share premium		**2,433**	2,397	2,423
Capital reserves		**127**	142	138
Surplus		**7,356**	5,933	6,014
Total equity attributable to the Company's shareholders		**10,084**	8,639	8,742
Non-controlling interests		**83**	75	76
Total equity		**10,167**	8,714	8,818
Total liabilities and equity		**183,673**	169,637	173,008

The attached notes to the consolidated interim financial statements are an integral part thereof. See Note 14 regarding application of IFRS 1, First-time Adoption of International Financial Reporting Standards, first-time application of IFRS 17, Insurance Contracts and first-time application of IFRS 9, Financial Instruments. Relevant comparative figures have been restated.

November 25, 2025			
Approval date of the financial statements	**Haim Samet** Chairman of the Board of Directors	**Yoram Naveh** CEO	**Eran Czerninski** Executive VP Finance Division Director

Consolidated Interim Statements of Profit and Loss

In NIS million	Note	For the nine month period ended September 30 2025	2024	For the three-month period ended September 30 2025	2024	For the year ended December 31 2024
		Unaudited				
Revenues from insurance services		**6,585**	6,196	**2,218**	2,085	8,391
Expenses from insurance services		**(5,243)**	(4,952)	**(1,809)**	(1,849)	(6,566)
Income from insurance services before reinsurance contracts held		**1,342**	1,244	**409**	237	1,825
Reinsurance expenses		**(996)**	(1,132)	**(324)**	(375)	(1,441)
Reinsurance revenues		**526**	632	**207**	299	683
Revenues (expenses), net from reinsurance contracts held		**(470)**	(500)	**(117)**	(76)	(758)
Income from insurance services	7	**871**	744	**292**	161	1,067
Investment gains (losses), net from assets held against insurance contracts and yield-dependent investment contracts		**10,174**	7,689	**3,856**	3,670	10,635
Gains (losses) from other investments, net:						
Interest revenues calculated using the effective interest method		**163**	180	**60**	69	210
Other investment income, net		**2,510**	1,430	**701**	1,295	2,787
Share in earnings (losses) of equity-accounted subsidiaries closely related to the investing activity		**1**	(3)	**-**	1	(2)
Total income from other investments, net		**2,674**	1,607	**762**	1,365	2,995
Total investment income, net		**12,848**	9,296	**4,618**	5,035	13,630
Finance expenses (income), net arising from insurance contracts		**10,179**	6,929	**3,566**	4,115	11,041
Finance income (expenses), net arising from reinsurance contracts		**130**	104	**57**	65	149
Decrease (increase) in liabilities for investment contracts due to the yield component		**(1,365)**	(1,307)	**(562)**	(539)	(1,656)
Net investment and finance income	8	**1,433**	1,163	**546**	446	1,082
Income (loss), net from insurance and investment		**2,304**	1,907	**838**	606	2,149
Investment gains (losses), net and finance income which are not from a consolidated insurance company		**1,130**	1,023	**397**	345	1,370
Revenues from credit card transactions		**1,299**	1,151	**467**	416	1,554
Revenues from management fees		**628**	600	**215**	202	805
Revenues from fees and commissions of insurance agencies		**141**	131	**47**	48	180
Credit loss expenses		**(130)**	(159)	**(41)**	(62)	(216)
Credit card processing		**(994)**	(718)	**(293)**	(258)	(986)
Payments to banks		**(190)**	(173)	**(68)**	(61)	(233)
Other operating expenses		**(1,204)**	(1,108)	**(418)**	(391)	(1,514)
Other revenues (expenses), net		**(5)**	(34)	**(12)**	(12)	(47)
Other finance expenses		**(670)**	(602)	**(250)**	(207)	(794)
Share in earnings (losses) of equity-accounted subsidiaries not closely related to the investing activity		**12**	14	**4**	6	16
Profit before income tax		**2,320**	2,031	**886**	632	2,286
Income tax		**777**	688	**294**	212	739
Income for the period		**1,543**	1,343	**592**	420	1,546
Attributable to:						
Company's shareholders		**1,539**	1,338	**592**	417	1,540
Non-controlling interests		**5**	5	**-**	3	6
Income for the period		**1,543**	1,343	**592**	420	1,546
Earnings per share attributable to the Company's shareholders:						
Basic earnings per share (in NIS)		19.32	16.93	7.41	5.28	19.47
Diluted earnings per share (in NIS)		18.60	16.90	7.12	5.28	19.38
No. of shares used to calculate earnings per share (in thousand):						
Basic		79,646	79,062	79,877	79,076	79,099
Diluted		82,737	79,176	83,183	79,138	79,475

The attached notes to the consolidated interim financial statements are an integral part thereof. See Note 14 regarding application of IFRS 1, First-time Adoption of International Financial Reporting Standards, first-time application of IFRS 17, Insurance Contracts and first-time application of IFRS 9, Financial Instruments. Relevant comparative figures have been restated.

Consolidated Interim Statements of Comprehensive Income

In NIS million	For the nine month period ended September 30 2025	For the nine month period ended September 30 2024	For the three-month period ended September 30 2025	For the three-month period ended September 30 2024	For the year ended December 31 2024
	Unaudited				
Income for the period	**1,543**	1,343	**592**	420	1,546
Other comprehensive income:					
Other comprehensive income items that, subsequent to initial recognition in comprehensive income, were or will be carried to profit and loss:					
Foreign currency translation differences in respect of foreign operations carried to capital reserve	**(8)**	4	**(2)**	-	(1)
Tax (tax benefit) for items of other comprehensive income carried or to be carried to profit and loss	**(2)**	1	**-**	-	-
Other comprehensive income (loss) items that, subsequent to initial recognition in comprehensive income, were or will be carried to profit and loss, net of tax	**(6)**	3	**(2)**	-	(1)
Items of other comprehensive income not transferred to profit and loss:					
Actuarial gains (losses) from a defined benefit plan	**(2)**	2	**-**	-	1
Tax (tax benefit) for items of other comprehensive income not transferred to profit and loss	**(1)**	1	**-**	-	-
Other comprehensive income (loss) not transferred to profit and loss, net of tax	**(1)**	1	**-**	-	1
Other comprehensive income (loss) for the period	**(7)**	4	**(2)**	-	-
Total comprehensive income for the period	**1,536**	1,347	**590**	420	1,546
Attributable to:					
Company's shareholders	**1,531**	1,342	**590**	417	1,540
Non-controlling interests	**5**	5	**-**	3	6
Total comprehensive income for the period	**1,536**	1,347	**590**	420	1,546

The attached notes to the consolidated interim financial statements are an integral part thereof. See Note 14 regarding application of IFRS 1, First-time Adoption of International Financial Reporting Standards, first-time application of IFRS 17, Insurance Contracts and first-time application of IFRS 9, Financial Instruments. Relevant comparative figures have been restated.

Consolidated Interim Statements of Changes in Equity

In NIS million	Attributable to Company's shareholders: Share capital	Share premium	Translation reserve	Other capital reserves	Capital reserve from transactions with non-controlling interests	Retained earnings	Total	Non-controlling interests	Total equity
For the nine-month period ended September 30, 2025 (unaudited)									
Balance as of January 1, 2025	167	2,423	(2)	180	(40)	6,014	8,742	76	8,818
Income for the period	-	-	-	-	-	1,539	1,539	5	1,543
Other comprehensive income (loss) items:									
Foreign currency translation differences in respect of foreign operations carried to capital reserve	-	-	(8)	-	-	-	(8)	-	(8)
Actuarial gains from a defined benefit plan	-	-	-	-	-	(2)	(2)	-	(2)
Tax benefit (tax) for comprehensive income (loss) items	-	-	2	-	-	1	3	-	3
Other comprehensive income (loss) for the period, net of tax	-	-	(6)	-	-	(1)	(7)	-	(7)
Total comprehensive income for the period	-	-	(6)	-	-	1,538	1,531	5	1,536
Transactions with shareholders carried directly to equity:									
Exercise and expiry of options for senior employees	1	10	-	-	-	(11)	-	-	-
Share-based payments	-	-	-	-	-	15	15	-	15
Dividend to non-controlling interests	-	-	-	-	-	-	-	(3)	(3)
Dividends to Company shareholders	-	-	-	-	-	(200)	(200)	-	(200)
Acquisition of non-controlling interests	-	-	-	-	(5)	-	(5)	5	-
Balance as of September 30, 2025	168	2,433	(9)	180	(45)	7,356	10,084	83	10,167

The attached notes to the consolidated interim financial statements are an integral part thereof.

Consolidated Interim Statements of Changes in Equity (cont.)

In NIS million	Attributable to Company's shareholders								
	Share capital	Share premium	Translation reserve	Other capital reserves	Capital reserve from transactions with non-controlling interests	Retained earnings	Total	Non-controlling interests	Total equity
For the nine-month period ended September 30, 2024 (unaudited)									
Balance as of January 1, 2024	167	2,390	(2)	180	(39)	4,593	7,289	73	7,362
Income for the period	-	-	-	-	-	1,338	1,338	5	1,343
Other comprehensive income (loss) items:									
Foreign currency translation differences in respect of foreign operations carried to capital reserve	-	-	4	-	-	-	4	-	4
Actuarial losses from a defined benefit plan	-	-	-	-	-	2	2	-	2
Tax benefit (tax) for comprehensive income (loss) items	-	-	(1)	-	-	(1)	(2)	-	(2)
Other comprehensive income (loss) for the period, net of tax	-	-	3	-	-	1	4	-	4
Total comprehensive income for the period	-	-	3	-	-	1,339	1,342	5	1,347
Transactions with shareholders carried directly to equity:									
Exercise and expiry of options for senior employees	-	7	-	-	-	(7)	-	-	-
Share-based payments	-	-	-	-	-	8	8	-	8
Dividend to non-controlling interests	-	-	-	-	-	-	-	(2)	(2)
Balance as of September 30, 2024	167	2,397	1	180	(39)	5,933	8,639	75	8,714

The attached notes to the consolidated interim financial statements are an integral part thereof. See Note 14 regarding application of IFRS 1, First-time Adoption of International Financial Reporting Standards, first-time application of IFRS 17, Insurance Contracts and first-time application of IFRS 9, Financial Instruments. Relevant comparative figures have been restated.

Consolidated Interim Statements of Changes in Equity (cont.)

In NIS million	Attributable to Company's shareholders: Share capital	Share premium	Translation reserve	Other capital reserves	Capital reserve from transactions with non-controlling interests	Retained earnings	Total	Non-controlling interests	Total equity
For the three-month period ended September 30, 2025 (unaudited)									
Balance as of July 1, 2025	167	2,432	(7)	180	(40)	6,758	9,490	81	9,571
Income for the period	-	-	-	-	-	592	592	-	592
Other comprehensive income (loss) items:									
Foreign currency translation differences in respect of foreign operations carried to capital reserve	-	-	(2)	-	-	-	(2)	-	(2)
Actuarial gains (losses) from a defined benefit plan	-	-	-	-	-	-	-	-	-
Tax benefit (tax) for comprehensive income (loss) items	-	-	-	-	-	-	-	-	-
Other comprehensive income (loss) for the period, net of tax	-	-	(2)	-	-	-	(2)	-	(2)
Total comprehensive income (loss) for the period	-	-	(2)	-	-	592	590	-	590
Transactions with shareholders carried directly to equity:									
Exercise and expiry of options for senior employees	-	2	-	-	-	(2)	-	-	-
Share-based payments	-	-	-	-	-	8	8	-	8
Dividend to non-controlling interests	-	-	-	-	-	-	-	(3)	(3)
Acquisition of non-controlling interests	-	-	-	-	(5)	-	(5)	5	-
Balance as of September 30, 2025	168	2,433	(9)	180	(45)	7,356	10,084	83	10,167

The attached notes to the consolidated interim financial statements are an integral part thereof.

Consolidated Interim Statements of Changes in Equity (cont.)

	Attributable to Company's shareholders								
In NIS million	Share capital	Share premium	Translation reserve	Other capital reserves	Capital reserve from transactions with non-controlling interests	Retained earnings	Total	Non-controlling interests	Total equity
For the three-month period ended September 30, 2024 (unaudited)									
Balance as of July 1, 2024	167	2,396	1	180	(39)	5,511	8,216	75	8,291
Income for the period	-	-	-	-	-	417	417	3	420
Other comprehensive income (loss) items:									
Foreign currency translation differences in respect of foreign operations carried to capital reserve	-	-	-	-	-	-	-	-	-
Actuarial losses from a defined benefit plan	-	-	-	-	-	-	-	-	-
Tax benefit (tax) for comprehensive income (loss) items	-	-	-	-	-	-	-	-	-
Other comprehensive income (loss) for the period, net of tax	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	417	417	3	420
Transactions with shareholders carried directly to equity:									
Exercise and expiry of options for senior employees	-	1	-	-	-	(1)	-	-	-
Share-based payments	-	-	-	-	-	6	6	-	6
Dividend to non-controlling interests	-	-	-	-	-	-	-	(2)	(2)
Balance as of September 30, 2024	167	2,397	1	180	(39)	5,933	8,639	75	8,714

The attached notes to the consolidated interim financial statements are an integral part thereof. See Note 14 regarding application of IFRS 1, First-time Adoption of International Financial Reporting Standards, first-time application of IFRS 17, Insurance Contracts and first-time application of IFRS 9, Financial Instruments. Relevant comparative figures have been restated.

Consolidated Interim Statements of Changes in Equity (cont.)

In NIS million	Share capital	Share premium	Translation reserve	Other capital reserves	Capital reserve from transactions with non-controlling interests	Retained earnings	Total	Non-controlling interests	Total equity
	Attributable to Company's shareholders								
For the year ended December 31, 2024 (unaudited)									
Balance as of January 1, 2024	167	2,390	(2)	180	(39)	4,593	7,289	73	7,362
Income for the period	-	-	-	-	-	1,540	1,540	6	1,546
Other comprehensive income (loss) items:									
Foreign currency translation differences in respect of foreign operations carried to capital reserve	-	-	(1)	-	-	-	(1)	-	(1)
Actuarial gains from a defined benefit plan	-	-	-	-	-	1	1	-	1
Tax benefit (tax) for comprehensive income (loss) items	-	-	-	-	-	-	-	-	-
Other comprehensive income (loss) for the period, net of tax	-	-	(1)	-	-	1	-	-	-
Total comprehensive income for the period	-	-	(1)	-	-	1,541	1,540	6	1,546
Transactions with shareholders carried directly to equity:									
Exercise and expiry of options for senior employees	-	34	-	-	-	(34)	-	-	-
Share-based payments	-	-	-	-	-	14	14	(1)	13
Dividends to Company shareholders	-	-	-	-	-	(100)	(100)	-	(100)
Dividend to non-controlling interests	-	-	-	-	-	-	-	(2)	(2)
Acquisition of non-controlling interests	-	-	-	-	(1)	-	(1)	1	-
Balance as of December 31, 2024	167	2,423	(2)	180	(40)	6,014	8,742	76	8,818

The attached notes to the consolidated interim financial statements are an integral part thereof. See Note 14 regarding application of IFRS 1, First-time Adoption of International Financial Reporting Standards, first-time application of IFRS 17, Insurance Contracts and first-time application of IFRS 9, Financial Instruments. Relevant comparative figures have been restated.

Consolidated Interim Statements of Cash Flow

		For the nine month period ended September 30		For the three-month period ended September 30		For the year ended December 31
		2025	2024	2025	2024	2024
In NIS million	Appendix	Unaudited				
Cash flows from operating activities						
Before income tax	(a)	**1,451**	1,272	**398**	630	1,716
Income tax received (paid)		**(445)**	(60)	**(215)**	(75)	(115)
Net cash provided by operating activities		**1,006**	1,212	**183**	554	1,601
Cash flows provided by investing activities						
Credit provided to card holders and merchants, net		**(1,500)**	(1,103)	**(650)**	(535)	(1,545)
Proceeds from the disposal of an investment in financial assets by companies other than insurance and finance companies		**56**	976	**-**	-	990
Investment in financial assets by companies other than insurance and finance companies		**(83)**	(95)	**(1)**	(62)	(97)
Dividend received from equity-accounted investees		**1**	1	**-**	1	1
Investments in shares and loans in investees		**(1)**	-	**-**	-	(3)
Investment in fixed assets		**(35)**	(61)	**(17)**	(35)	(65)
Investment in intangible assets		**(251)**	(267)	**(79)**	(96)	(358)
Net cash used for investing activities		**(1,813)**	(548)	**(746)**	(727)	(1,078)
Cash flows provided by financing activities						
Credit from banking corporations, net		**(84)**	(466)	**30**	421	(81)
Proceeds from the issue of subordinated notes and bonds (see Note 5)		**1,669**	1,017	**808**	-	1,017
Costs of issuing and exchanging subordinated notes and bonds		**(7)**	(7)	**(1)**	-	(7)
Repayment of subordinated notes (See Note 5)		**(854)**	(817)	**(854)**	(456)	(817)
Repayment of lease liability		**(72)**	(55)	**(25)**	(22)	(88)
Interest paid on bonds, subordinated notes, and credit from banking corporations		**(248)**	(231)	**(99)**	(96)	(244)
Dividend paid		**(203)**	(2)	**(3)**	(2)	(102)
Net cash provided by (used for) financing activities		**202**	(562)	**(144)**	(155)	(323)
Effect of exchange rate fluctuations on balance of cash and cash equivalents		**(120)**	(43)	**(13)**	(58)	(98)
Net increase (decrease) in cash and cash equivalents		**(725)**	59	**(721)**	(386)	103
Cash and cash equivalents at the beginning of the period	(b)	**7,069**	6,966	**7,065**	7,411	6,966
Cash and cash equivalents at the end of the period	(c)	**6,344**	7,025	**6,344**	7,025	7,069

The Consolidated Interim Financial Statements are an integral part thereof.

Consolidated Interim Statements of Cash Flow (cont.)

In NIS million	For the nine month period ended September 30		For the three-month period ended September 30		For the year ended December 31
	2025	**2024**	**2025**	**2024**	**2024**
	Unaudited				
(a) Cash flows from operating activities before income tax [1] [2]					
Income for the period	**1,543**	1,343	**592**	420	1,546
Items not involving cash flows					
The Company's share in losses (profits) of equity-accounted investees	**(13)**	(10)	**(5)**	(7)	(14)
Change in liabilities in respect of non-yield-dependent investment contracts	**(31)**	72	**15**	35	52
Change in liabilities in respect of yield-dependent investment contracts	**488**	(637)	**355**	(74)	(614)
Change in costs of obtaining investment management service contracts	**(22)**	(19)	**(19)**	(12)	(60)
Depreciation of property, plant, and equipment and right-of-use asset	**96**	91	**34**	29	131
Amortization of intangible assets	**276**	265	**101**	96	362
Credit loss expenses	**130**	159	**41**	62	216
Amortization of excess cost for credit card receivables	**(23)**	(50)	**(7)**	(10)	(63)
Impairment of intangible assets	**1**	-	**1**	-	2
Loss (income) from a right-of-use asset	**-**	1	**-**	-	1
Interest and linkage differences accrued for subordinated notes and a lease liability	**269**	252	**96**	83	314
Accrued interest and revaluation of liabilities to banking and other corporations	**491**	382	**150**	185	549
Interest paid in Max	**(370)**	(344)	**(138)**	(127)	(456)
Change in fair value of investment property in respect of yield-dependent contracts	**39**	-	**15**	(2)	(6)
Changes in fair value of other investment property	**6**	(2)	**2**	(3)	8
Share-based payment transactions	**15**	8	**8**	6	13
Losses (gains), net on financial investments and derivatives for yield-dependent contracts measured at fair value	**(8,883)**	(6,354)	**(3,404)**	(3,129)	(9,064)
Losses (gains), net on other financial investments and derivatives measured at fair value	**(1,588)**	(533)	**(535)**	(1,140)	(1,290)
Losses (gains), net on other financial investments measured at amortized cost	**(66)**	(84)	**(64)**	(60)	(76)
Tax income (tax benefit)	**777**	688	**294**	212	739
Financial investments, derivatives and investment property in respect of insurance contracts and yield-dependent investment contracts:					
Acquisition of investment property	**(55)**	(54)	**(15)**	(13)	(79)
Proceeds from sale of investment property	**32**	-	**27**	-	-
Acquisitions of financial investments and derivatives, net	**1,459**	3,807	**31**	1,417	4,070
Financial investments, derivatives and other investment property:					
Acquisition of investment property	**(23)**	(22)	**(7)**	(5)	(31)
Proceeds from sale of investment property	**19**	-	**16**	-	-
Proceeds from sales (acquisitions), net of financial investments and derivatives	**(374)**	(646)	**170**	174	(459)

1) Cash flows from operating activities include cash flows in respect of acquisition and sale of financial investments and investment property arising from insurance contracts and investment contracts activities.
2) Cash flows from operating activities include cash flows in respect of dividend and interest received, as described in Appendix D.

The attached notes to the consolidated interim financial statements are an integral part thereof.

Consolidated Interim Statements of Cash Flow (cont.)

In NIS million	For the nine month period ended September 30 2025	For the nine month period ended September 30 2024	For the three-month period ended September 30 2025	For the three-month period ended September 30 2024	For the year ended December 31 2024
			Unaudited		
(a) Cash flows from operating activities before income tax (cont.)					
Changes in other items in the statement of financial position, net					
Securities held for trading by consolidated companies which are not insurance companies	**(41)**	(12)	**(11)**	(1)	(25)
Receivables for credit card transactions, net	**518**	(1,266)	**(793)**	(632)	(1,371)
Receivables and debit balances	**(222)**	484	**155**	40	1,190
Reinsurance contract assets, net	**(58)**	(154)	**(137)**	(234)	(137)
Payables and credit balances	**1,616**	92	**51**	212	10
Payables for credit card transactions	**518**	1,525	**1,511**	732	1,616
Liabilities for insurance contracts, net	**4,925**	2,291	**1,863**	2,374	4,645
Liabilities for employee benefits, net	**3**	(1)	**2**	2	(3)
Total cash Flows from operating activities before income tax	**1,451**	1,272	**398**	630	1,716
(b) Cash and cash equivalents at the beginning of the period:					
Cash and cash equivalents in respect of yield-dependent contracts	**4,451**	4,418	**4,602**	4,584	4,418
Other cash and cash equivalents	**2,617**	2,548	**2,462**	2,827	2,548
Balance of cash and cash equivalents at the beginning of the period	**7,069**	6,966	**7,065**	7,411	6,966
(c) Cash and cash equivalents at end of the period:					
Cash and cash equivalents in respect of yield-dependent contracts	**3,680**	5,011	**3,680**	5,011	4,451
Other cash and cash equivalents	**2,664**	2,014	**2,664**	2,014	2,617
Balance of cash and cash equivalents as of the end of the period	**6,344**	7,025	**6,344**	7,025	7,069
(d) Cash flows for interest and dividend received, included in operating activity:					
Interest received	**1,524**	1,581	**296**	559	2,096
Dividend received	**588**	516	**250**	140	720
Included in investing activity by Max:					
Interest received	**1,004**	932	**345**	315	1,252
(e) Transactions not involving cash flows:					
Payables - purchase of insurance portfolios	**4**	15	4	5	14
Replacement of notes	-	187	-	-	187

The attached notes to the consolidated interim financial statements are an integral part thereof.

Notes to financial statements

NOTE 1 - GENERAL

A. The reporting entity

Clal Insurance Enterprises Holdings Ltd. (hereinafter - the “**Company**”) is an Israeli resident company incorporated in Israel, whose official address is 36 Raoul Wallenberg Street, Tel Aviv. The securities of the Company are listed for trading on the Tel Aviv Stock Exchange Ltd.

Clal Insurance Enterprises Holdings Ltd. (hereinafter - the "**Company**") is a holding company. Its main holdings are mainly in the insurance, pension, provident and finance domains, as well as in the credit card domain.

The consolidated financial statements as of September 30, 2025 (hereinafter - the “**Financial Statements**”) include those of the Company and its subsidiaries (hereinafter, jointly - the “**Group**"), as well as the Group's interests in joint ventures and associates.

The Group operates mainly in the insurance and finance industries, including pension, provident and holding insurance agencies, as well as credit card transactions, which include issuance, acquiring and processing of payment cards, providing payments solutions and financial products, including credit to private and business customers.

For further details, see Note 1 to the Consolidated Financial Statements for 2024.

B. Below is a description of developments in the reporting period for the control of and holdings in the Company and in Clal Insurance

As of the report publication date, the Company does not have a control core.

Further to Note 1 to the Financial Statements for 2024, Alrov Properties & Lodgings Ltd. (hereinafter - “**Alrov**”) (which holds approx. 14.34% of the Company’s shares as of the report publication date) reported that, on May 27, 2025, the Commissioner had notified it of his intention to reject the application for a control permit over Clal Insurance filed on December 24, 2023, subject to allowing Alrov's to make its claims on the subject before the Commissioner. Alrov reported that it was studying the Commissioner’s position, which it deems erroneous, and that it will consider its reaction in accordance with the law. On June 18, 2025, Alrov reported that it had withdrawn the application for a control permit over Clal Insurance, filed on December 24, 2023.

For further details, see Note 1 to the Financial Statements for 2024.

In In April 2025, the Knesset’s Constitution, Law and Justice Committee approved, in the second and third readings of the Companies Law Bill (Amendment No. 38), 2025, which includes, among other things, the bill includes the following proposed amendments regarding a company without a controlling shareholder: Adding a rebuttable presumption whereby in a company, none of the shareholders of which has a stake of more than 50% of its means of control, a stake of 25% or more of the means of control will be deemed as control therein; the requirement to appoint external directors was replaced by the requirement to appoint a majority of independent directors in the Board and its committees; allowing companies to pay a Chairperson of the Board, who is an independent director, a compensation, which is higher than the compensation cap paid to an external director; regulating a procedure for nomination of candidates for service as directors by an independent Appointment Committee; regulating a procedure for approval of transactions with directors and a procedure for approval of extraordinary transactions with substantial shareholders, who hold 10% or more of a certain type of means of control. It is noted that several changes have been made to the original bill, such as revoking the prohibition on an independent director’s affinity to any director.

The law will not come into force before July 2026, and its coming into force is conditional upon the regulations, which will be brought for approval by the Committee, and in any case, transitional provisions will apply to serving directors.

To date, Clal Holdings is unable to assess the implications of the bill and the regulations which will be promulgated, to the extent that they are promulgated, and their effect, due to, among other things, the fact that strict provisions apply to Clal Holdings by virtue of its status as the controlling shareholder in an insurance company.

C. Implications

As of the reporting date, the Company is unable to assess the full effect of the outcomes of the events detailed above and in Note 1 to the Consolidated Financial Statements for 2024, among other things, due to the fact that the Company is the controlling shareholder of Clal Insurance and in view of the restrictions imposed under the Outline for Exercising Means Of Control in Clal Insurance, which significantly limit the extent of the Company's influence over the conduct of Clal Insurance and the appointment of officers in Clal, and the Company is still evaluating its implications and applicability over time. This uncertainty also applies in view of additional changes that are taking place in the Company and that may occur in the future, due to its holdings structure, the fact that it is a company without a control core with a substantial shareholder, and due to the fact that the provisions of the Supervision Law for insurers without a controlling shareholder do not apply to it, and due to the different corporate structure of the large insurance companies in Israel compared with the standard structure in banks, according to which the insurance companies, including Clal Insurance, are private companies which are controlled by a holding company, including the Company, which is a publicly-traded company without a control core, and due to the effective impact of the holders of non-controlling interests on the conduct of the Company under the above circumstances.

Furthermore, the set of changes and events described above and Note 1 to the Consolidated Financial Statements for 2024, if they continue, may and will affect, among other things, the reputation of the Company and the Group companies. It is noted that a future transfer of control of the Company to a third party may affect clauses in certain agreements of Group companies with third parties (including reinsurers) and may require, once circumstances involving such change of control exist, negotiations with such third parties for the agreements to remain in effect.

D. Definitions - In these financial statements:

The Group	- The Company and its consolidated companies.
Consolidated companies/ subsidiaries	- Companies, including a partnership, whose financial statements are fully consolidated, directly or indirectly, with the financial statements of the Company.
Investees	- Consolidated companies and companies, including a partnership or joint venture, the Company's investment in which is included, directly or indirectly, in the financial statements based on the equity method.
Joint arrangements	- Arrangements in which the Group has joint control which was achieved by a contractual agreement, which requires unanimous consent with regard to the activities that have a significant effect on the arrangement's returns. Investment in joint arrangements is classified as joint operations or joint ventures, based on the rights and obligations of the parties to the arrangement. Joint ventures are all joint arrangements, which are incorporated as a separate entity, where the Group has rights to the net assets of the joint arrangement.
Associates	- Associates are entities in which the Group has significant influence over the financial and operating policies, but is not a controlling shareholder therein, and the Company's investment in which is presented in the Company's consolidated financial statements based on the equity method.
Interested parties	- As defined in Section (1) of the definition of an "interested party" in a company in Section 1 of the Securities Law, 1968.
Related party	- As defined in IAS 24 (2009), Related Party Disclosures.
The Commissioner	- The Commissioner of the Capital Market, Insurance and Savings.
The Supervision Law	- Financial Services Supervision Law (Insurance), 1981 and amendments thereto.
Investment Rules Regulations	- Supervision of Financial Services Regulations (Provident Funds) (Investment Rules Applicable to Institutional Entities), 2012, and the Commissioner's guidance thereunder.
Economic Solvency Regime	- As defined in Insurance Circular 2020-1-15 and its amendments.
Yield-dependent contracts	- Insurance contracts and investment contracts in life and long-term care health insurance, in which the insurer's liabilities for the savings or risk component are mostly linked to the yields on the investment portfolio (participating policies), in assets for yield-dependent contracts.
Assets for yield-dependent contracts	- Assets held against liabilities arising from yield-dependent contracts.
Designated/Hetz bonds	- CPI-linked government bonds, which the government issued to the insurance companies, and which back guaranteed return policies.
Gross premiums	- Premiums including fees and credit fees.

NOTE 2 - BASIS OF PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

A. Financial reporting framework

The consolidated interim financial statements of the Group as of September 30, 2025, and for the nine- and three-month periods then ended, were prepared in accordance with the Securities Regulations (Periodic and Immediate Reports), 1970, which refer to holding companies of insurers and credit-card companies.

Through December 31, 2022, the Group's consolidated financial statements were drawn up in accordance with International Financial Reporting Standards (IFRS) (hereinafter - "**IFRS**" or "International **Financial Reporting Standards**"), including in connection with the data relating to insurer consolidated subsidiaries, which meet the definition of insurer, as defined in the Securities Regulations (Preparation of Annual Financial Statements), 2010.

As detailed in Note 3 below, in accordance with requirements set by the Commissioner, the first-time application date of IFRS 17, Insurance Contracts and IFRS 9, Financial Instruments was postponed to January 1, 2025 (instead of the first-time application date which was set by the standard - January 1, 2023). Consequently, during the periods between January 1, 2023 and December 31, 2024, the Company continued to apply IFRS 4, Insurance Contracts, and IAS 39, Financial Instruments (issued in 2017), to the data in the Group's consolidated financial statements with respect to Clal Insurance, as aforesaid. In other matters, the Consolidated Financial Statements have been prepared in accordance with IFRSs.

Furthermore, on March 27, 2023, the Company completed the acquisition of CIMax Holdings Ltd. (hereinafter - "**CIMax**"), which consolidates in its financial statements the credit card company Max It Finance Ltd. (hereinafter - "**Max**"). In accordance with the Preparation of Financial Statements Regulations, the information in the Group's consolidated financial statements pertaining to Max from the completion date of the acquisition of CIMax was prepared in accordance with the guidelines and directives of the Banking Supervision Department, which adopted US GAAP. For further details, see Note 3 below.

In light of the above, as of January 1, 2023, the consolidated interim financial statements of the Company have been drawn up in accordance with the provisions of the Securities Regulations (Periodic and Immediate Reports), 1970. In accordance with these provisions, those financial statements data that relate to Clal Insurance, which meets the definition of insurer, as defined in the Securities Regulations (Preparation of Annual Financial Statements), 2010, are drawn up in accordance with the requirements set by the Commissioner in accordance with the Financial Services Supervision Law (Insurance), 1981.

As of January 1, 2025, the Group applies IFRS 17 and IFRS 9 for the first time to data in the financial statements which relate to the subsidiary as stated above; since the Group does adjust for data which relate to the subsidiary which meets the definition of insurer, the effects of the first-time application at the group level are in accordance with the effects of the first-time application to Clal Insurance. The effect of the transition to reporting in accordance with IFRS 17 and IFRS 9 on the Group's financial position and its operating results and cash flows with respect to the financial data relating to Clal Insurance is specified in Note 14 below.

The comparative figures for the year ended December 31, 2024 and for the nine- and three-month periods ended September 30, 2024 were taken from the Company's Annual Financial Statements as of December 31, 2024 and for the year then ended and notes attached thereto (hereinafter - the "**Consolidated Interim Financial Statements**") and from the Interim Consolidated Financial Statements as of September 30, 2024, respectively, except for the adjustments following the application of IFRS 17, Insurance Contracts, and IFRS 9, Financial Instruments, for Clal Insurance, which have been reviewed but as of December 31, 2024 - have yet to be audited.

As stated, in light of the postponement of the application of IFRS 17 and IFRS 9, on January 1, 2025, the Group adopted the IFRSs for the first time with respect to a subsidiary which meets the definition of an insurer, with the transition date to reporting according to the IFRSs being January 1, 2024.

The accounting policies applied to the financial statements have been applied consistently across all the periods presented, unless stated otherwise.

The Condensed Consolidated Interim Financial Statements do not include all the information required in the full annual financial statements. They should be read together with the consolidated financial statements as of and for the year ended December 31, 2024 (hereinafter - the "**Annual Financial Statements**"). In addition, these reports have been prepared in accordance with the provisions of Chapter D of the Israel Securities Regulations (Periodic and Immediate Reports), 1970, insofar as these regulations apply to a corporation consolidating insurance companies and a credit card company.

The condensed consolidated interim financial statements were approved for publication by the Company's Board of Directors on November 25, 2025.

B. *Use of estimates and judgments*

The preparation of the Group's said Condensed Interim Financial Statements requires that the Group's management use judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. It is clarified that the actual results may differ from those estimates.

Except for that which is detailed below and stated in Note 3A, the judgment of management, when applying the Group's accounting policies and the principal assumptions used in assessments that involve uncertainty, are consistent with those used in the annual financial statements. The estimates and their underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognized in the period in which the estimates were adjusted and for any future affected period,

Changes in significant estimates and judgments made following the application of IFRS 17 and IFRS 9 in the subsidiary include the following:

- Exercising judgment in analyzing the classification of insurance and reinsurance contracts for the purpose of determining whether they are insurance contracts, investment contracts or contracts that fall within the scope of other financial reporting standards, in accordance with the definitions of IFRS 17.
- Use of estimates and significant judgment to determine actuarial assumptions, including: cancellations, mortality, longevity, morbidity and expenses, in order to measure certain insurance contract and investment contract liabilities.
- The number of coverage units in a group is determined by estimating the scope of coverage provided by the group of contracts, taking into account the quantity of the benefits provided under a contract and its expected coverage duration.
- In determining the discount rates and return assumptions for the fulfilment cash flows of insurance contracts, the Company uses the bottom-up approach, which combines the risk-free interest rate curve and the illiquidity premium, using a methodology determined by the Commissioner. In assuming the yield for a policy portfolio which includes a yield-dependent savings component and variable management fees, the Company uses a stochastic model to assess the asymmetry value inherent in the management fee mechanism, using a large number of possible economic scenarios for market variables. This model is market consistent, calibrated on average to the regular risk-free interest rate curve. Volatility assumptions are determined taking into the accounts inputs of implied volatility in listed market instruments, if available, or are otherwise based on best estimates.
- In determining the risk adjustment for non-financial risk, the Company is required to exercise significant judgment, including in assessing the diversification benefit, determining the appropriate confidence level and how to carry out the allocation between the portfolios and groups of insurance contracts.
- The assessment of whether a contract or a group of contracts is onerous is based on expectations at initial recognition, while calculating expected cash flows based on probabilities and/or based on indicators determined by the Company indicating the existence of an onerous contract. The Company exercises judgment in determining the level of detail at which reasonable and supportable information is available for making such a decision.
- With respect to contracts in the Life and Health Segments, excluding travel, issued in the periods prior to the IFRS 17 transition date, the Company has determined that the full retrospective application approach was impractical, due to information limitations and unreasonable costs – and has applied the alternative transitional approaches permitted under IFRS 17 – for more information, see Note 14 below.

C. Details of rates of change in the consumer price index and in the representative exchange rates of the EUR, USD, and GBP:

	In lieu CPI	Known CPI	EUR representative exchange rate	USD representative exchange rate	GBP representative exchange rate
			%		
For the nine month period ended					
September 30, 2025	**2.6**	**3.0**	**2.2**	**(9.4)**	**(2.9)**
September 30, 2024	3.4	3.5	3.5	2.3	7.7
For the three-month period ended					
September 30, 2025	**0.5**	**1.4**	**(1.9)**	**(2.0)**	**(4.0)**
September 30, 2024	1.3	1.6	3.3	(1.3)	4.7
For the year ended December 31, 2024	3.2	3.4	(5.4)	0.6	(1.0)

	EUR representative exchange rate	USD representative exchange rate	GBP representative exchange rate
As of September 30, 2025	**3.881**	**3.306**	**4.441**
As of September 30, 2024	4.152	3.710	4.975
As of December 31, 2024	3.796	3.647	4.574

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

Except as specified in Section A below, the Group's accounting policies in these Condensed Consolidated Interim Financial Statements are the same as the accounting policies applied to the Annual Financial Statements. Following is a description of the main changes to the accounting policy in these Condensed Consolidated Interim Financial Statements and their effect:

A. Initial application of new IFRSs and amendments to existing accounting standards by the Group companies, which implement IFRS and the directives of the Capital Market, Insurance and Savings Authority (see Note 2.A above)

(1) IFRS 17 - Insurance Contracts

As from January 1, 2025, the Group's first-time application date of IFRS 17 (hereinafter - "**IFRS 17**" or the "**Standard**"), Insurance Contracts, which superseded IFRS 4 - Insurance Contracts.

As stated in Note 2.A above, in light of the postponement of the application of IFRS 17 and IFRS 9, the Group adopted the IFRSs for the first time on January 1, 2025, and the transition date to reporting in accordance with the IFRSs is January 1, 2024. The effect of the transition to IFRS reporting, including the effect of the application of IFRS 17 on the Group's financial position, operating results and cash flows is detailed in Note 14 below.

For the purpose of the preparations made by insurance companies in Israel for the adoption of IFRS 17, the Commissioner published an insurance circular entitled Professional Issues Pertaining to the Application of IFRS 17 in Israel (hereinafter - the "**Professional Issues Circular**"). The accounting policy chosen by the Company, which is described below, is based, among other things, on this circular.

Following are the main changes in the accounting policy chosen by the Company, following the application of the Standard as from January 1, 2024:

Classification of contracts

<u>Insurance contracts</u>

The Company identifies insurance contracts as contracts in which the Company accepts a significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder (or the beneficiary to the contract) for a specified uncertain future event (the insured event) which adversely affects the policyholder and the amount or timing of which is uncertain.

The Company determines whether an insurance contract contains a significant insurance risk if the insured event could cause the Company to pay the policyholder additional amounts that are significant in any single scenario with any commercial substance even if the occurrence of the insured event is highly unlikely, or even if the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract. In making this assessment, the Company takes into account all of its actual substantive rights and obligations, whether arising from a contract, law or regulation. In addition to the significant insurance risk, some insurance contracts also transfer financial risk to the Company, such as a guaranteed rate of return.

Similarly to the accounting policy applied to the Financial Statements as of December 31, 2024, the Company chose to continue to account for Sale Law guarantee contracts as an insurance contract and "reverse mortgage" loans as financial instruments.

The Company does not issue reinsurance contracts nor does it issue investment contracts with discretionary participation features. Some of the contracts entered into by the Company have the legal form of an insurance contract but do not transfer a significant insurance risk (savings policies without insurance coverage). These contracts are classified as financial liabilities and referred to as 'investment contracts'.

<u>Reinsurance contracts held</u>

In addition, the Company enters into insurance risk transfer agreements, with the appropriate premiums, with one or more reinsurers. In the event that the reinsurers are unable to fulfill their obligations, the Company remains liable to its policyholders for the reinsured portion. These types of contracts are defined as reinsurance contracts held. The purpose of the reinsurance contracts held is to mitigate the Company's significant insurance risk in respect of the underlying insurance contracts.

Separating components from insurance contracts and reinsurance contracts

An insurance contract may contain one or more components, which would be within the scope of another standard if they were separate contracts. The Company has not identified components (such as: investment components, service components and embedded derivatives), which it is required to separate from its insurance contracts.

Level of aggregation of insurance contracts

At initial recognition, the Company determines the level of the aggregation of insurance contracts issued by it by dividing the businesses into portfolios of insurance contracts and will not change the composition of the groups thereafter. A portfolio of insurance contracts includes groups of contracts with similar risks that are managed together. The Company has defined the portfolios of the insurance contracts issued based on its main product lines and subject to the Commissioner's guidance, as set out in the Professional Issues Circular. Following is the list of insurance contracts portfolios defined by the Company, by operating segment:

A. P&C Insurance

1. Business insurance: Property loss and comprehensive business insurance including liability and other riders, including employer liability insurance, product liability insurance and third-party insurance sold as a separate policy;
2. Comprehensive home insurance, including liability and other riders, including home insurance sold with respect to mortgage;
3. Compulsory motor, including policies sold through the Pool;
4. Motor property, including third party coverage only and other riders;
5. Professional liability insurance, including for board members and officers;
6. Aircraft, vessels and freight, including liability riders;
7. Engineering insurance, including liability riders;
8. Credit insurance measured using the Premium Allocation Approach;
9. Guarantees including a Sale Law guarantees.

B. Health Insurance

1. Individual long-term care;
2. Collective Long-Term Care;
3. Medical expenses and disabilities - individual;
4. Medical expenses and disabilities - collective, including dental;
5. Critical illness;
6. Travel abroad;
7. Personal accidents.

C. Life Insurance

1. Policies with a non-yield-dependent savings component;
2. Policies that include a yield-dependent savings component and include variable management fees;
3. Policies that include a yield-dependent savings component only include fixed management fees;
4. Annuity policies, including:
   a) Immediate annuity policies issued after January 1, 2025;
   b) Policies that include a savings component with a guaranteed annuity conversion factor issued to policyholders over the early retirement age (aged 60 and older), which were issued after January 1, 2025; and
   c) Policies that include a yield-dependent savings component which do not include a guaranteed annuity conversion factor as of January 1, 2025, in the period following the annuity takeup date, if applicable after January 1, 2025.
5. Policies without a savings component - life insurance coverage;
6. Policies without a savings component - Permanent health insurance coverage.

The insurance contract portfolios are then split into groups of contracts issued within an annual period (by calendar year) and profitability groups, as follows:

- A group of contracts, which are onerous at initial recognition;
- a group of the remaining contracts in the portfolio.

In addition, insurance contracts measured according to IFRS 17 using various measurement models, as explained below, (the General Measurement Model (**the GMM Model**), the Variable Fee Approach (**the VFA Model**) and the Premium Allocation Approach (**the PAA Model**) will not be included in the same group of insurance contracts.

An insurance contract is onerous at initial recognition if the fulfilment cash flows allocated to the contract determined on a probability-weighted basis are a net outflow. The Company's assessment of whether contracts are onerous is based on reasonable and supportable information.

In determining the groups of contracts, the Company chose to include in that group contracts where the practical ability of the Company to set prices or levels of benefits for a policy with different features is specifically limited by law or regulation. Accordingly, the Company opted to include the Company's relative share in compulsory motor insurance policies issued through the Pool in the same group as the ordinary compulsory motor insurance policies issued by the Company.

The Company determines the level of aggregation of reinsurance contracts held by dividing them into portfolios based on its main product lines, as similar as possible to the level of aggregation of insurance contracts issued by it. Some of the reinsurance contracts acquired provide coverage for underlying insurance contracts that are included in various insurance contract groups. However, the legal form of these contracts, as a single contract, reflects the nature of the Company's contractual rights and obligations, given that the various coverages of the contract expire at the same time and are not sold separately. As a result, the acquired reinsurance contract is not separated into separate insurance components relating to different basic groups. Reinsurance contract portfolios are then split into groups of contracts issued within an annual period (by calendar year).

Initial recognition

The Company recognizes a group of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts;
- The date when the first payment from a policyholder in the group becomes due or, if there is no repayment date, when the first payment is received from the policyholder; or
- For a group of onerous contracts, when the group becomes onerous if facts and circumstances indicate the existence of such a group.

A group of reinsurance contracts held will be recognized on the following dates:

- Reinsurance contracts entered into by the Company which provide proportionate coverage: the later of the beginning of the coverage period of the group of reinsurance contracts held and the initial recognition date of any underlying insurance contract;
- Other reinsurance contracts entered into by the Company: The beginning of the coverage period of the group of reinsurance contracts held. However, if the Company recognizes a group of onerous contracts of underlying insurance contracts at an earlier date, and the inception date of the relevant reinsurance contract is made prior to that earlier date, the group of reinsurance contracts is recognized at that earlier date; and
- Reinsurance contracts acquired by the Company: The acquisition date.

Contract boundary

In measuring a group of insurance contracts and reinsurance contracts, the Company includes all future cash flows included within the contract boundary. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations (disregarding terms and conditions with no commercial substance) that exist during the reporting period in which the Company can compel the policyholder to pay the premiums (or in which it has an obligation to pay the reinsurer) or in which the Company as a substantive obligation to provide the policyholder with services (or to receive services from the reinsurer). A substantive obligation to provide insurance services ends when:

- The Company has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks, or
- Both of the following criteria are satisfied:
  - The Company has the practical ability to reassess the risks of the portfolio of insurance contracts, which contains the contract and, as a result, can set a price or level of benefits that fully reflects the portfolio's risk; and
  - The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

For reinsurance contracts held, a substantive obligation to receive services ends when the reinsurer has a practical ability to reassess the risk transferred to it, and as a result can set a price or level of benefits that fully reflect those risks, or when the reinsurer has a substantive right to terminate the contract. Reinsurance contract boundaries include both cash flows in respect of underlying insurance contracts which have already been issued and cash flows for underlying contracts which the Company expects to issue (and deliver to the reinsurer) in the contract period, if the Company and the reinsurer do not have the right to cancel or reprice the obligation to deliver these expected futures.

For insurance contracts with renewal periods, the Company assesses whether the premiums and related cash flows that arise from the renewed contract are within the boundary of the original contract. The pricing of renewals is determined by the Company after it has examined the risks of a policyholder’s coverages and, based on the pricing of new contracts with equivalent risks, terms and conditions as of the renewal date. The Company reassesses the contract boundary of each group of insurance contracts at the end of each reporting period.

Liabilities or assets relating to expected premiums or expected claims outside the boundary of the insurance contract are not recognized - such amounts relate to future insurance contracts.

Measurement on initial recognition

IFRS 17 provides three measurement methods for insurance contracts:

- The General Measurement Model (hereinafter - the "**GMM Model**");
- The Variable Fee Approach (hereinafter - the "**VFA Model**");
- The Premium Allocation Approach (hereinafter - the “**PAA Model**").

1. The General Measurement Model (GMM)

The Company applies the GMM Model to all life and health insurance portfolios, except for life insurance policy portfolios that include a yield-dependent savings component, which are measured in accordance with the VFA Model and a travel policy portfolio measured in accordance with the PAA model.

Measurement at initial recognition

At initial recognition, the Company measures an insurance contract group as the total amount of fulfilment cash flows of a contract plus the contractual service margin (hereinafter - “**CSM**”) (if any).

Fulfillment cash flows (hereinafter - “**FCF**”)

Fulfilment cash flows include a probability-weighted estimate - the probabilities of future cash flows, discounted to reflect the time value of money and financial risks, plus risk adjustment for non-financial risk (hereinafter - "**RA**" or "**risk adjustment**").

The Company estimates future cash flows within the contract boundary by taking into account evidence of past events, current conditions and forecasts of future conditions in order to reflect market variables and non-market variables which affect the cash flow estimate. The estimated cash flows is based on the expected, probability-weighted value, which reflects the average of the full range of possible outcomes except for the estimate of asymmetrical insurance liability flows (including imputation of future variable management fees) based on a stochastic model and includes explicit risk adjustment for non-financial risk. The risk adjustment for non-financial risk represents the compensation which the Company requires for bearing the uncertainty about the amount and timing of the cash flows that arise from non-financial risk when fulfilling the insurance contracts.

The assumptions and estimates are reviewed in each reporting period to ensure they adequately reflect past conditions and reflect current and future conditions.

When estimating the fulfilment cash flows for a contract, the Company includes all cash flows directly relating to the fulfillment of insurance contracts within the contract boundary, including:

- Premiums, including premium adjustments and instalment premiums, from a policyholder;
- Claim payments and benefits to or on behalf of a policyholder, including claims incurred but not enough reported (IBNER), claims incurred but not reported (IBNR), and any future claims relating to periods within the scope of the contract;
- Payments to (or on behalf of) a policyholder resulting from derivatives, for example - options and guarantees embedded in the contract, to the extent that those options and guarantees are not separated from the insurance contract (for example, the effect of the “deficit” in policies which include a yield dependent savings component and variable management fees, calculated by using the a stochastic model);
- An allocation of insurance acquisition cash flows attributable to the portfolio to which the insurance contract belongs, using a methodical and logical allocation basis.
- Transaction-based taxes (such as payments to the National Insurance Institute and Karnit) that arise directly from existing insurance contracts, or that can be attributed to them on a reasonable and consistent basis (if any).
- Potential cash inflows from recoveries (such as salvage and subrogation) on future claims covered by existing

insurance contracts and, to the extent that they do not qualify for recognition as separate assets, potential cash inflows from recoveries on past claims;

- Other fixed and variable expenses, including an allocation of fixed and variable overheads (such as the costs of accounting, human resources, IT, building depreciation, rent, and maintenance and utilities) directly attributable to fulfilling insurance contracts, using a reasonable and consistent basis;
- Costs the Company will incur in making investment transactions and providing investment-related services to holders of life insurance policyholders which include savings components, yield-dependent permanent health insurance and long-term care policies with a fixed premium.
- In accordance with the provisions of the Professional Issues Circular, the Company recognizes policy loans as a separate financial asset, rather than as part of the fulfilment cash flows of a contract within the boundary of the insurance contracts.

Contractual service margin (CSM)

The contractual service margin (CSM) for a group of insurance contracts represents the unearned profit the entity will recognize as it provides insurance contract services for these contracts in the future.

At initial recognition, the measurement of the contractual service margin or loss component is comprised on the following components:

- Fulfilment cash flows of a contract at initial recognition, including adjustment to reflect the time value of money and risk adjustment (RA) component for non-financial risk;
- Any cash flows received or paid on the same date (such as, immediately received premium);
- Derecognition of an asset for insurance acquisition cash flows; and,
- Derecognition of any other asset or liability previously recognized, in respect of cash flows relating to the group of insurance contracts.

If at initial recognition, the total amount of these components is a net inflow, the group of insurance contracts does not constitute an onerous group, and a contractual service margin measured as an amount equal to and inverse to the sum of those components is recognized, such that no profit is generated at initial recognition.

On the other hand, the total amount of these components is a net outflow, the group of insurance contracts constitutes an onerous group, and an immediate loss measured as a sum equal to and inverse to the sum of those components is recognized.

Discount and return rates

Estimates of future fulfilment cash flows of insurance contracts are adjusted to reflect the time value of money and the financial risks related to those cash flows (if the financial risks are not included in the cash flow estimates).

The Company measures the time value of money using discount rates that are consistent with observable current market prices and which reflect the liquidity features of the insurance contracts. These discount rates exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts (for example, credit risk).

The Company applies the bottom-up approach for determining discount rates and return assumptions (if any), which is the default approach in accordance with the Professional Issues Circular published by the Commissioner. In this approach, the discount rate is obtained by adding the illiquidity premium (which reflects the liability's illiquidity) to the risk-free interest rate curve. The risk-free interest rate curve is based on yields to maturity of liquid bonds of the Israeli government. The last liquid point is the 25th year. Beyond this point, the Company sets the risk-free interest rate curves by way of extrapolation - in accordance with the Smith-Wilson method - up to the ultimate forward rate, which is set at 60 years. The full illiquidity premium is set based on the average spread of the bonds included in the Tel-Bond 60 Index. This premium is added in full or in part to the risk-free interest rate curve in accordance with the illiquidity characteristics of the relevant cash flows, according to their weights with respect to the full illiquidity premium. The Company opted to use the default weights set by the Commissioner in the Professional Issues Circular.

Following are the interest rates, including the illiquidity premium with the appropriate weights, divided into main time bands, used by the Company to determine the discount rates and the return in measuring the insurance contracts and reinsurance contracts (the aggregation of portfolios is done in accordance with the illiquidity premium weights applied):

	As of September 30, 2025							
	Unaudited							
	1 year	3 years	5 years	10 years	15 years	25 years	40 years	60 years
	(%)							
Policies with a non-yield-dependent savings component and annuity policies (weighted at 100%)	**2.38**	**2.34**	**2.30**	**2.30**	**2.35**	**2.50**	**2.62**	**2.73**
Policies that include a yield-dependent savings component which include variable management fees, individual long-term care, compulsory motor and liability (weighted at 80%)	**2.31**	**2.27**	**2.23**	**2.23**	**2.28**	**2.43**	**2.55**	**2.65**
Policies that include a yield-dependent savings component which only include fixed management fees (weighted at 60%)	**2.24**	**2.20**	**2.16**	**2.16**	**2.20**	**2.35**	**2.48**	**2.58**
Remaining insurance portfolios (weighted at 50%)	**2.20**	**2.16**	**2.12**	**2.12**	**2.17**	**2.32**	**2.44**	**2.55**

	As of September 30, 2024							
	Unaudited							
	1 year	3 years	5 years	10 years	15 years	25 years	40 years	60 years
	(%)							
Policies with a non-yield-dependent savings component and annuity policies (weighted at 100%)	1.95	2.32	2.51	2.80	2.91	2.96	3.04	3.10
Policies that include a yield-dependent savings component which include variable management fees, individual long-term care, compulsory motor and liability (weighted at 80%)	1.83	2.19	2.38	2.68	2.78	2.83	2.91	2.97
Policies that include a yield-dependent savings component which only include fixed management fees (weighted at 60%)	1.70	2.06	2.25	2.55	2.65	2.70	2.79	2.84
Remaining insurance portfolios (weighted at 50%)	1.63	2.00	2.19	2.48	2.59	2.64	2.72	2.78

	As of December 31, 2024							
	Unaudited							
	1 year	3 years	5 years	10 years	15 years	25 years	40 years	60 years
	(%)							
Policies with a non-yield-dependent savings component and annuity policies (weighted at 100%)	2.12	2.18	2.25	2.38	2.42	2.47	2.60	2.73
Policies that include a yield-dependent savings component which include variable management fees, individual long-term care, compulsory motor and liability (weighted at 80%)	2.03	2.10	2.16	2.29	2.34	2.38	2.52	2.65
Policies that include a yield-dependent savings component which only include fixed management fees (weighted at 60%)	1.95	2.01	2.07	2.21	2.25	2.30	2.43	2.56
Remaining insurance portfolios (weighted at 50%)	1.90	1.97	2.03	2.17	2.21	2.25	2.39	2.52

	September 30, 2025	September 30, 2024	December 31, 2024
In %		Unaudited	
Illiquidity premium rate	**0.36**	0.64	0.43

Risk adjustment (RA) for non-financial risk

Risk adjustment - The RA reflects the compensation which the Company demands for bearing the uncertainty regarding the amount and timing of the cash flows arising from non-financial risks for fulfilling the insurance contracts. The assumptions regarding non-financial risks mainly include mortality, longevity, morbidity, lapse risk, and expense risk.

The purpose of the risk adjustment is to reflect the level of diversification benefit that the Company includes in setting the compensation it claims for bearing that risk as well as the Company's risk aversion level.

The non-financial risk margin is determined using the Value at Risk (VaR) technique, which reflects the expected loss due to the materialization of risks relevant to the risk features of the various coverages given a one-year horizon (similarly to the economic solvency regime) and a confidence interval (statistical confidence level) in accordance with the Commissioner's guidance. It is expected that the confidence interval, which was determined at the Company level, after the effect of the diversification benefits, is 75% except for a long-term care portfolio, for which a 90% rate was set due to its inherent risk features, in accordance with the Commissioner's guidance in the Professional Issues Circular.

For property and casualty insurance, the Company applies the "best practice" principles (with certain adjustments) to determine the non-financial risk margin before the effect of segment diversification.

In determining the non-financial risk margin at the portfolio level, the Company takes into account the diversification benefit between the Company's various portfolios and segments.

For reinsurance contracts held, the Company calculates the non-financial risk margin in the manner detailed above, on a gross (without the effect of reinsurance) and retention (after the effect of reinsurance) basis, and sets the non-financial risk margin transferred to the reinsurer as the amount of the difference between gross and retention as detailed above.

Insurance acquisition cash flows

Insurance acquisition cash flows are cash flows arising from the costs of selling, underwriting and starting a group of insurance contracts which were issued or are expected to be issued (including future insurance contracts or renewals of existing insurance contracts which are outside the contract boundary) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

The Company methodically attributes the insurance acquisition cash flows that are directly attributable to groups of insurance contracts within the portfolio.

Subsequent measurement

The carrying amount of a group of insurance contracts at each reporting period is the sum total of the liability for remaining coverage and liability for incurred claims.

- The liability for remaining coverage (LRC) comprises the fulfilment cash flows related to future service allocated to the group at that date and the remaining contractual service margin of the group at that date.
- The liability for incurred claims (LIC), comprising the fulfilment cash flows related to past service, including cash flows related to known claims which have yet to be paid (payable claims), claims incurred but not enough reported (IBNER) and claims incurred but not reported (IBNR).

Fulfilment cash flows for insurance contracts groups are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk.

Subsequent measurement of CSM under the GMM model

For a group of insurance contracts, the carrying amount of the contractual service margin (CSM) of a group of contracts at the end of the reporting period equals the carrying amount at the start of the reporting year, adjusted for:

- Effect of any new contracts added to the group during the Reporting Period;
- Interest accreted on the carrying amount of the contractual service margin during the reporting period, measured at nominal discount rates which were locked at initial recognition;
- The changes in fulfilment cash flows relating to future service (as detailed below), measured using real discount rates locked in at initial recognition, excluding cases in which:
    - The increase in the fulfilment cash flows (paid, net) exceeds the carrying amount of the contractual service margin, giving rise to a loss, which is immediately recognized in profit or loss against a loss component; or
    - The decrease in the fulfilment cash flows was allocated to the loss component of the liability for remaining coverage applying against recognition of an immediate profit (reversal of a loss previously recognized) in profit or loss.
- The amount recognized as insurance revenues during the Reporting Period due to the transfer of insurance contract services in the period (current amortization), determined by the allocation of the contractual service margin remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period.

The changes in the fulfilment cash flows relating to future service that adjust the contractual service margin include the following:

- Experience adjustments arising from premiums received in the period and that relate to future service, and related cash flows relating to future service;
- Changes in estimates of the present value of the future cash flows in the liability for remaining coverage that do not arise from a financial risk or changes in financial risk;
- Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period. This adjustment is calculated by comparing the actual investment component paid to the expected payment plus insurance finance income or expenses relating to this expected payment before it became payable;
- Changes in the risk adjustment for non-financial risk that relate to future service.
- Changes in fulfilment cash flows relating to current services or recognized past service in the income statement as part of the insurance services expenses. Changes relating to the effects of the time value of money and financial risks are recognized as 'net finance expenses (income) arising from insurance contracts'.

When measuring the fulfillment cash flows, changes relating to future services are measured using current discount rates, but the CSM is adjusted to reflect these changes using the discount rates set in the initial recognition. The implementation of the two different interest rates generates a profit or loss, which is recognized under insurance finance income or expenses.

2. Variable fee approach - the VFA model

This model is a modification of the GMM model and applies to contracts with direct participation features. Insurance contracts with direct participation features are insurance contracts under which the Company promises an investment return to the policyholder based on underlying items. That is to say, the contract includes a significant service associated with investments.

The Company applies the VFA Model to all life insurance policy portfolios that include a yield-dependent savings component in that they have direct participation features that provide the policyholder with a substantial share of the fair value returns on a clearly identified asset portfolio (underlying items).

Reinsurance contracts held by the Company do not qualify for measurement using the VFA model, in accordance with the standard’s provisions.

<u>Initial recognition</u>

The Company recognizes an insurance contract according to the Variable Fee Approach (VFA) if at initial recognition, it meets all of the following conditions (cumulatively):

- The contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- The Company expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- The Company expects a substantial proportion of any change in the amounts paid to the policyholder to vary with the change in fair value of the underlying items.

The conditions for classifying insurance contracts to the VFA model is carried out at initial recognition, and no reassessment is carried out thereafter (except in cases of a material contract modification that results in the derecognition of the original contract).

<u>Measurement on initial recognition</u>

At initial recognition, the liability for insurance contracts in the VFA model is measured according to the principles of the GMM Model.

<u>Subsequent measurement</u>

For a group of insurance contracts measured according to the VFA Model, the carrying amount of the contractual service margin (CSM) of a group of contracts at the end of the reporting period equals the carrying amount at the start of the reporting year, adjusted for:

- Effect of any new contracts added to the group during the Reporting Period;

- The change in the amount of the Company's share in the fair value of the underlying items, unless the decrease in the amount of the Company's share in the fair value of the underlying items exceeds the carrying value of the contractual service margin resulting in a loss, or, where applicable, the amount is first charged to the reversal of the loss component, excluding the effect of the application of the ‘mitigating risk' alternative;
- Changes in the fulfilment cash flows relating to future service, unless such increases make the contract onerous or, where applicable, the amount is first credited to the reversal of the loss component, excluding the effect of the application of the 'mitigating risk' alternative;
- The amount recognized as insurance revenues during the Reporting Period due to the transfer of insurance contract services in the period (current amortization), determined by the allocation of the contractual service margin remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period.

Risk mitigation

Under the management of its business and the Commissioner’s guidance, the Company is required to manage investment portfolios of assets held for yield-dependent insurance policies. Under such portfolios, the Company may actually hold financial assets, whose total amount exceeds the nominal aggregate value of the yield-dependent policies accounted for by the VFA approach, in order to hedge the effects of additional financial exposures arising from those policies, including with regard to the effect of guaranteed annuity conversion factors and effects of the stochastic model for assessing variable management fees since its approval in 2025, all in accordance with the Company's objective and risk mitigation strategy.

The Company opted to apply the risk mitigation alternative to changes in the fulfilment cash flows of a contract arising from changes in the time value of money and financial risks in the relevant insurance liabilities, which are hedged through those assets. Therefore, the aforementioned changes will be recognized in profit or loss under the “Net finance expenses (income) from insurance contracts' concurrently with revenues or expenses, which will arise in respect of the abovementioned assets. It is noted that the Company assesses and may periodically assess the amount of excess assets under management be held in practice under the participating portfolio in order to hedge the yield-dependent liabilities, if any.

3. Premium allocation approach - the PAA model

The Company applies the PAA Model to all P&C insurance contracts and travel insurance contracts. The Premium Allocation Approach constitutes an optional approach for measuring the liability for the remaining coverage (LRC) in relation to the general model, insofar as the contracts have a coverage period of one year or less or the Company expects that such simplification will not lead to a measurement of the liability for remaining coverage that is materially different than the general model.

The conditions for classifying insurance contracts to the PAA model is carried out at initial recognition, and no reassessment is carried out thereafter (except in cases of a material contract modification that results in the derecognition of the original contract).

Measurement on initial recognition

At initial recognition, the liability for the remaining coverage (LRC) is measured as the sum of the premiums received at initial recognition, less cash flows for any insurance acquisition cash flows (unless recognized as an immediate expense), plus or net of any amount resulting from the derecognition at that date of an insurance acquisition cash flows asset plus or minus any other asset or liability previously recognized in respect of cash flows relating to a group of contracts.

The Company chose to recognize the insurance acquisition cash flows incurred as an adjustment for the liability for the remaining coverage rather than as an immediate expense, except in respect of the portfolios included in Clal Credit Insurance.

The Company chose not to adjust the carrying amount of the liability for the remaining coverage in order to reflect the time value of money and the effect of the financial risk if, upon initial recognition, the Company expects that the period between the provision of any part of the services and the repayment date of the related premium does not exceed one year or if the period exceeds one year, but the insurance contracts do not have a significant financing component.

Subsequent measurement

At the end of each reporting period, the Company measures the liability for the remaining coverage for contracts measured in accordance with the Premium Allocation Approach as the carrying value of the liability for the remaining coverage at the beginning of the period, adjusted for the following:

- Plus premiums received during the period;
- Net of insurance acquisition cash flows incurred during the period which were not recognized as an immediate expense;
- Plus any amounts relating to the derecognition of insurance acquisition cash flows recognized as an expense in the reporting period;
- Minus the amount recognized as insurance revenues in respect of services provided during the period; and
- Minus any investment component which was paid or carried to a liability for incurred claims.

If at any time during the coverage period, facts and circumstances indicate that a group of insurance contracts accounted for under the Premium Allocation Approach is onerous, the Company recognizes an immediate loss in the statement of income against an increase in the liability for the remaining coverage as the amount of the difference between the carrying amount of the liability for the remaining coverage in accordance with the principles of the PAA Model and the fulfilment cash flows relating to the remaining coverage of the group, in applying the principles of the GMM model.

The liability for incurred claims is calculated in accordance with the same principles as those used in the GMM model. With regard to future cash flows in the framework of incurred claims that are expected to be paid or received within a year or less from the date on which the claims were incurred, the Company chose to adjust these cash flows for the time value of money and for the effect of the financial risk.

Reinsurance contracts held

General Measurement Model (GMM)

The accounting policy used to measure a group of insurance contracts under the General Measurement Model (GMM) applies to the measurement of a group of reinsurance contracts held measured according to the GMM model, using the following adjustments:

At each reporting date, the carrying amount of a group of reinsurance contracts held is the amount of the remaining coverage component and incurred claims component. The remaining coverage component includes the remaining fulfilment cash flows relating to services received under the reinsurance contracts held in future periods as well as the remaining contractual service margin.

In measuring the estimates of the present value of the future cash flows for a group of reinsurance contracts held, the Company makes use of assumptions consistent with those used to measure the present value of the future cash flows for the group (or groups) of the underlying insurance contracts.

The risk adjustment for non-financial risk represents the amount of risk that the Company transfers to the reinsurer.

At initial recognition, the contractual service margin of a group of reinsurance contracts held reflects a net cost (asset) or net income (liability) in reinsurance acquisition. The contractual service margin is recognized at initial recognition in an amount equal and inverse to the total fulfilment cash flows, net of the amount derecognized on that date of any asset or any liability previously recognized in respect of cash flows relating to a group of reinsurance contracts held, plus or minus any cash flows arising on that date as well as any revenue recognized in profit or loss due to a loss recognized with respect to onerous underlying insurance contracts recognized on that date.

The Company adjusts the carrying value of the contractual service margin of a group of reinsurance contracts held to reflect changes in the fulfilment cash flows, in accordance with the same principles as issued insurance contracts, except when the underlying insurance contracts are onerous and the changes in the fulfilment cash flows for the underlying insurance contracts are recognized in profit or loss by adjusting the loss component. In this case, the corresponding changes in the reinsurance contracts held are also recognized in the profit or loss (by adjusting the loss recovery component).

Deposits held by the Company under the reinsurance contracts held, constitute part of the carrying value of the assets for reinsurance contracts held.

Premium Allocation Access

Subject to the conditions for applying the PAA Model (as detailed above), the Company applies the PAA Model for all reinsurance contracts held for which the relating underlying insurance contracts are also measured according to the PAA Model, as well as for catastrophe reinsurance contracts in the Life and Health Segments.

Onerous underlying insurance contracts

The Company adjusts the contractual service margin of a group of reinsurance contracts held measured in accordance with the GMM Model or the carrying value of the asset for the remaining coverage of a group of reinsurance contracts held measured in accordance with the PAA Model, and as a result - recognizes revenue, with the entity recognizing a loss on initial recognition of an onerous group of underlying insurance contracts or when adding onerous underlying insurance contracts to the group, if the Company has entered into the relating reinsurance contract held before or at the same time as the onerous underlying insurance contracts are recognized.

The amount of the adjustment to the contractual service margin or carrying value of the asset for the remaining coverage is determined by multiplying the loss recognized in respect of the underlying insurance contracts by the rate of recovery in respect of the underlying insurance contracts that the Company expects to recover from the group of reinsurance contracts held. The amount of the adjustment shall not exceed the portion of the carrying value of the loss component of the onerous group of underlying insurance contracts that the Company expects to recover from the group of reinsurance contracts held.

The loss recovery component is created or adjusted for a group of reinsurance contracts held to reflect the adjustment to the contractual service margin or the carrying value of the asset for the remaining coverage, as applicable. The loss recovery component determines the amounts presented in subsequent periods in the statement of income as the reversal of losses from reinsurance contracts held and as a result - they are excluded from the allocation of premiums paid to the reinsurer under reinsurance expenses.

The coverage units and the manner of releasing the contractual service margin (CSM)

The contractual service margin (CSM) is a component of a group of insurance contracts measured under the GMM Model and the VFA Model representing the expected unearned profit that the Company will recognize when it provides insurance contract services under these contracts. Insurance contract services provided by the Company include insurance coverages, return on investment services for certain GMM contracts, and an investment-related service in VFA contracts.

An amount from the contractual service margin of a group of insurance contracts is recognized in the statement of income as revenues from insurance services over the coverage period by allocating the remaining contractual service margin at the end of the reporting period (prior to the release to profit or loss) in a format that reflects the insurance contract services provided by the Company in connection with those contracts. This pattern is determined based on the coverage units which were provided during the period compared to the coverage units, which are expected to be provided in the future. The number of coverage units in a group is the quantity of insurance contract services provided by the contracts in the group, determined by considering for each contract the quantity of the benefits provided under a contract and its expected coverage period.

The following are the coverage units used to release the contractual service margin of the main portfolios:

Type of coverage		Coverage units
Non-yield-dependent savings component (guaranteed)	-	Accrual and annuities
Yield-dependent savings component (participating)	-	Accrual and annuities
Life insurance	-	Insurance amount (amount at risk)
Permanent health insurance	-	Insurance amount (monthly compensation amount multiplied by duration)
Individual and collective long-term care	-	Insurance amount (monthly compensation amount multiplied by duration)
Medical expenses - private individual	-	No. of coverages
Medical expenses - collective		No. of coverages
Critical illnesses	-	Insurance amount (amount at risk)
Personal accidents	-	Insurance amount (amount at risk)

Coverage units are adjusted for survivability effect.

When a group of insurance contracts includes several types of insurance coverages and/or investment services, the Company weighs the different insurance units on the basis of the expected amount of benefits for the policyholder from each type of coverage or service.

The coverage units for reinsurance contracts held are consistent with the coverage units for the underlying contracts, according to the proportion transferred to the reinsurer, with adjustments in respect of the differences in the services provided.

For the purpose of allocating the contractual service margin to the coverage units, the Company opted to discount the coverage units.

Presentation

The Company presents separately in the statement of financial position the balances of insurance contract portfolios which constitute assets, and the balances of insurance contract portfolios which constitute liabilities, portfolios of reinsurance contracts which constitute assets and portfolios of reinsurance contracts held which constitute liabilities. In addition, the Company presents separately in the income statement revenues from insurance services, expenses from insurance services, reinsurance expenses, reinsurance revenues, finance income or finance expenses arising from insurance contracts and finance expenses or finance income arising from reinsurance contracts.

<u>Insurance service results</u>

The Company's revenues from insurance services describe the provision of insurance services in a period that reflects the consideration that the Company expects to be entitled to in exchange for those services. The consideration recognized as revenues from insurance services constitutes the amount of premiums paid to the Company, adjusted for the effect of financing and net of any non-distinct investment components.

Non-distinct investment components which were not separated from existing insurance contracts - mainly in life insurance policies which include a savings component - represent the amounts that the Company will reimburse the policyholder under any scenario, regardless of whether an insured event had occurred, rather than amounts received in return for the provision of the insurance services, and therefore these amounts are not included either in the revenues from insurance services for the consideration received for the services provided nor in the expenses from the insurance services for the claims and expenses paid.

Revenues from insurance services from contracts measured in accordance with the GMM and VFA Model are calculated on the basis of the amount of all changes in the liability for the remaining coverage relating to the services provided during the period for which the Company expects to receive consideration, plus an allocation of the premium amount relating to the recovery of insurance acquisition cash flows for the reporting period. The Company has chosen to carry out the allocation in accordance with the same coverage units used to release the contractual service margin.

Revenues from insurance services from contracts measured in accordance with the PAA Model, including allocation of the amount of premiums relating to the recovery of insurance acquisition cash flows, are recognized based on the passage of time.

Insurance service expenses arising from insurance contracts are generally recognized in profit or loss as incurred and do not include repayments of investment components. Expenses from insurance services include:
(a) Claims and other insurance service expenses incurred;
(b) Losses and reversal of losses for groups of onerous insurance contracts
(c) Adjustment for liabilities for incurred claims (LIC);
(d) Amortization of insurance acquisition cash flows;

<u>Finance income or finance expenses from insurance contracts</u>

Finance income or expenses from insurance consist of the change in the carrying value of the group of insurance contracts arising from:

- The effect of the time value of money and changes therein;
- The effect of financial risk and changes therein.

These effects also include the changes in the fair value of underlying items (FVUIs) relating to insurance contracts measured in accordance with the VFA Model as well as the effects of applying the 'risk mitigation' alternative.

The Company has chosen to recognize all financing revenues or expenses from insurance contracts in profit or loss.

The Company has chosen to split the change in risk adjustment for non-financial risk (RA) between the results of insurance services and finance income or finance expenses from insurance.

<u>Net revenue or expense from reinsurance contracts held</u>

The Company presents separately in the consolidated statements of income the amounts that are expected to be recovered from the reinsurers, and the allocation of reinsurance premiums paid. The Company considers reinsurance cash flows dependent on claims for the underlying contracts as part of the claims expected to be recovered under a reinsurance contract held, excluding investment components and fees and commissions from the allocation of reinsurance premiums presented in the consolidated income statements. Amounts relating to recovery of losses related to reinsurance for onerous underlying contracts are included as amounts recoverable from the reinsurer.

Amendment and derecognition of insurance contracts

Modification of an insurance contract

When the terms and conditions of the insurance contracts are amended, the Company examines whether the amendment is substantial enough to lead to the derecognition of the original contract and recognition of the modified contract as a new contract. Exercising a right included in the terms and conditions of the original contract does not constitute a modification. If the contract modification does not lead to derecognition and recognition of a new contract, the effect of the amendment is treated as a change in the estimated fulfilment cash flows, recognized as an experience adjustment of the original contract.

Derecognition of an insurance contract

The Company derecognizes an insurance contract when it is settled, i.e. when the obligations specified in the insurance contract expire, are repaid or terminated, or when a material contract modification is made.

When an insurance contract, which is not measured in accordance with the Premium Allocation Approach is derecognized from a group of insurance contracts:

- The fulfilment cash flows allocated to the Group are adjusted in order to cancel those relating to the rights and obligations derecognized from the Group.
- The Group's contractual service margin is adjusted for the change in fulfilment cash flows, unless the change is allocated to a loss component; and
- The number of coverage units for the expected remaining insurance contract services is adjusted to reflect the coverage units which were derecognized from the group.

If a contract is derecognized because it has been transferred to a third party, the contractual service margin of the group from which the contract is derecognized is adjusted for the difference between the change in fulfilment cash flows of the insurance contract group as a result of the contract being derecognized and the premium charged by a third party. If the said difference amount is greater than the remaining contractual service margin, it will be recognized as an immediate loss in the Statement of Income.

If a contract is derecognized due to a material contract modification, the contractual service margin of the group from which the contract is derecognized is adjusted for the difference between the change in the fulfilment cash flows of the contract of the insurance contract group as a result of the contract being derecognized and a theoretical premium that the Company would have charged if it had entered into a contract with terms equivalent to the new contract at the contract modification date, less any additional premium charged for the amendment. If the said difference amount is greater than the remaining contractual service margin, it will be recognized as an immediate loss in the Statement of Income.

When an insurance contract measured according to the Premium Allocation Approach is derecognized, adjustments to the fulfilment cash flows in order to cancel those relating to the rights and obligations derecognized from the group and the treatment of the effect of the derecognition results in the following amounts being immediately recognized in the income statement:

- If the contract is settled, the entire net difference between the portion derecognized from the liability for the remaining coverage relating to the original contract and any additional cash flows arising from the settlement of the contract; and
- If the contract is transferred to a third party, the entire difference between the portion derecognized from the obligation for the remaining coverage relating to the original contract and the premium charged by a third party.

(2) IFRS 9, Financial Instruments (2014)

As from the first quarter of 2025, the Group applies IFRS 9, Financial Instruments (2014) (hereinafter - the "**Standard**" or "**IFRS 9**"), which supersedes IFRS 39, Financial Instruments: Recognition and Measurement (hereinafter - "**IAS 39**").

As stated in Note 2.A above, in light of the postponement of the application of IFRS 17 and IFRS 9, the Group adopted the IFRSs for the first time on January 1, 2025, and the transition date to reporting in accordance with the IFRSs is January 1, 2024. The effect of the transition to IFRS reporting, including the effect of the application of IFRS 9 on the Group's financial position, operating results and cash flows is detailed in Note 14 below.

Following are the main changes in the accounting policy following the application of the Standard as from January 1, 2024:

Financial assets - Classification and measurement of financial assets and financial liabilities

Initial recognition and measurement of financial assets

The Group initially recognizes debt instruments as they are incurred. All other financial assets are initially recognized on the date when the Group becomes party to the contractual terms of the instrument.

A financial asset is initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue are not attributed to the financial asset and recognized in profit and loss.

Derecognition of financial assets

Financial assets are derecognized when the contractual rights of the Group to the cash flows from the asset expire, or the Group transfers the rights to receive the contractual cash flows arising from the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset have been substantively transferred.

If the Group is essentially left with the risks and rewards of ownership of the financial asset, the Group continues to recognize the financial asset.

Financial assets - Classification of financial assets into groups and the accounting treatment of each group

At initial recognition, financial assets are classified to one of the following measurement categories: amortized cost; or fair value through profit and loss;

Financial assets are not reclassified in subsequent periods unless, and only if, the Group changes its business model for management of financial debt assets, in which case the affected financial debt assets are reclassified at the beginning of the reporting period subsequent to the business model change.

A financial asset is measured at amortized cost if it meets both of the following two conditions cumulatively and is not designated for measurement at fair value through profit and loss:

a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
b) The contractual terms and conditions of the financial asset provide entitlement, at specified dates, to cash flows that are only principal and interest payments in respect of the outstanding principal amount (hereinafter - the "**Principal and Interest Test**").

Classification and measurement

All financial assets that are not classified for measurement at amortized cost as described above, as well as financial assets designated at fair value through profit and loss, are measured at fair value through profit and loss. At initial recognition, the Group designates financial assets at fair value through profit and loss when such designation reverses or significantly reduces the accounting mismatch.

The Group designated to a category of fair value through profit or loss all financial assets except for non-yield-dependent investment contracts. In this context, credit facilities provided by the Group (which constitute the Group's obligations to provide loans) relating to the aforementioned financial asset portfolios are also measured at fair value through profit or loss.

The Group has other accounts receivable balances (which essentially do not constitute investment assets) held within a business model aimed at collecting contractual cash flows. The contractual cash flows in respect of such financial assets include only principal and interest payments that reflect consideration for the time value of money and the credit risk. Accordingly, such financial assets are measured at amortized cost.

Financial assets - Subsequent measurement and gains and losses

Financial assets at fair value through profit and loss

In subsequent periods, such assets are measured at fair value. Net gains and losses, including interest revenues or dividends, are recognized in profit and loss (excluding certain derivative instruments designated as hedging instruments).

Financial assets at amortized cost

These assets are measured in subsequent periods at amortized cost using the effective interest method net of impairment losses. Interest revenues, profits or losses on exchange rate differences and impairment are recognized in profit and loss. Any profit or loss from derecognition is also recognized in profit and loss.

Non-derivative financial liabilities - classification, subsequent measurement, and gains and losses

Non-derivative financial liabilities include: Overdrafts from banks, loans and credit from banking corporations and other lenders, bonds and subordinated notes, lease liabilities, trade payables and other payables.

Non-derivative financial liabilities - initial recognition

The Group initially recognizes debt instruments as they are incurred. Other financial liabilities are initially recognized at the trade date when the Group becomes party to the contractual provisions of the instrument.

Non-derivative financial liabilities - subsequent measurement

Financial liabilities (excluding financial liabilities designated at fair value through profit and loss) are initially recognized at fair value net of any attributable transaction costs. Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest method. Financial liabilities are designated at fair value through profit and loss, if the Group manages these liabilities and their performance is assessed based on their fair value, depending on how the Group has documented their risk management, if the designation is designed to prevent an accounting mismatch or if it is a hybrid financial instrument that includes an embedded derivative.

Transaction costs that are directly attributed to an expected issuance of an instrument which will be classified as a financial liability are recognized as an asset under the deferred expenses line item in the statement of financial position. These transaction costs are deducted from the financial liability upon initial recognition thereof or amortized as finance expenses in the statement of income, when it is no longer expected that the issuance will take place.

Derecognition of financial liabilities

Financial liabilities are derecognized when the contractual obligation of the Group expires or when it is discharged or canceled.

Material modification of terms of a debt instrument

An exchange of debt instruments having substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. In addition, a significant amendment of the terms of an existing financial liability, or an exchange of debt instruments having substantially different terms between an existing borrower and lender, are accounted for as an extinguishment of the original financial liability and a recognition of a new financial liability at fair value.

In such a case, the entire difference between the amortized cost of the original financial liability and the fair value of the new financial liability is recognized in profit and loss in the finance income or expenses line item.

The terms and conditions are substantively different if the discounted present value of the cash flows according to the new terms and conditions, including any fees and commissions paid, less any fees and commissions received and discounted using the original effective interest rate, is different by at least ten percent from the discounted present value of the remaining cash flows of the original financial liability.

In addition to the quantitative test described above, the Group assesses, among other things, whether changes took place in connection with various economic parameters embodied in the exchanged debt instruments. Therefore, as a rule, exchanges of linked debt instruments with non-linked instruments are considered as exchanges with substantially different terms even if they do not meet the quantitative test performed above.

When exchanging debt instruments with capital instruments, equity instruments issued when extinguishing and derecognizing the liability, in whole or in part, are considered part of the "consideration paid" for the purpose of calculating profit or loss from the derecognition of the financial liability.

The equity instruments are initially measured at fair value, unless the value cannot be reliably measured - in the latter case, the issued instruments are measured according to the fair value of the derecognized liability. Any difference between the amortized cost of the financial liability and the initial measurement of the equity instruments is recognized in the income statement under the finance income or expenses.

Non-substantial modification in terms of a debt instrument

In an immaterial modification of terms (or exchange) of a debt instrument, the new cash flows are discounted using the original effective interest rate, and the difference between the present value of the new financial liability and the present value of the original financial liability is recognized in profit and loss.

Impairment of financial assets

At each reporting date, the Company shall test the provision for loss in respect of financial debt instruments that are not measured at fair value through profit or loss should be estimated.

The Company shall differentiate between two situations of recognition of a provision for loss:

a) Debt instruments with no significant impairment in credit quality since the initial recognition date or with a low credit risk - the provision for loss recognized for this debt instrument will take into account current expected credit losses in the 12 months period after the reporting date; or

b) debt instruments with significant deterioration in credit quality since the initial recognition date and their credit risk is not low, the provision for loss recognized will take into account the expected credit losses - over the balance of the useful life of the instrument. The will apply Company the expedient, according to which it shall assume that the credit risk of a debt instrument has not increased significantly since its initial recognition date, if it is determined, at the reporting date, that the instrument has low credit risk, for example - if the instrument has an external "investment grade" rating.

Impairment in respect of debt instruments measured at amortized cost is recognized in profit or loss against a provision for impairment.

As stated above, due to the fact that in the transition to IFRS 9 most of the Company's financial assets will be classified to fair value through profit or loss, the amount of the provision for credit losses is expected to be immaterial.

B. *First-time application of new financial reporting standards and amendments to existing accounting standards in the credit card company - Max*

As of the reporting periods commencing on January 1, 2025, Max applies the following ASUs and Banking Supervision Department directives:

(1) Circular No. H 06-2798 of the Banking Supervision Department, “Disclosure of Interest Rate Risk and Disclosure of Liquidity and Financing Risk”

On October 8, 2024, the Banking Supervision Department published a circular regarding disclosure of interest rate risk and disclosure of liquidity and financing risk.

Under the circular, revisions were made to the Reporting to the Public Directives with the aim of establishing an expanded and adapted disclosure framework for achieving effective and comprehensive disclosure regarding management of interest rate, liquidity and financing risks. Among other things, Note 23 was regarding "Assets and Liabilities by Currency and Term to Maturity” was revised as detailed below:

- The note’s name was changed to “Cash Flows in Accordance with the Contractual Repayment Date”.
- The disclosure regarding the composition of financial assets and liabilities was expanded.
- Details of longer repayment periods were reduced.
- A requirement of providing quarterly disclosure of this Note, on a consolidated basis, had been added.

The Circular's provisions were applied as from the Annual Financial Statements as of December 31, 2024 and the Interim Financial Statements as of March 31, 2025. Comparison figures were presented in accordance with the data detailed in the disclosure format in the Reporting to the Public Directives.

C. New accounting standards and new directives of the Banking Supervision Department in the period prior to their application in the credit card company – Max

ASU	Publication requirement	Effective date and Transitional Provisions	Implications
ASU 2025-06 - Internal-Use Software	On September 18, 2025, the Financial Accounting Standards Board (FASB) published ASU 2025-06 - Accounting for Internal-Use Software which fall within the scope of ASC 350-40 (hereinafter - the "**ASU**"). The ASU removes references to software development stages currently in place in ASC 350-40, so as to make the ASU guidance neutral to different development methods. The ASU stipulates that incurred Internal-Use Software costs should be capitalized when the following two conditions are fulfilled: • Management authorized and committed to funding the computer software project; and • It is probable that the project will be completed and the software will be used to perform the function intended (the recognition threshold clarified in the ASU is the "probable-to-complete" recognition threshold). Furthermore, it was emphasized that the disclosure requirements of ASC 360-10 will apply to capitalized Internal-Use Software costs.	The provisions of the ASU will apply to all entities as from annual and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. Under the ASU, the new guidance may be applied using one of three transition methods: prospectively, retrospectively, or via a modified prospective transition method.	Max is examining the effect of the new provisions on its financial statements.

NOTE 4 - SEGMENT REPORTING

A. General

The Group operates in the following operating segments:

1. Life Insurance and Long-Term Savings

The Long-Term Savings Segment comprises life insurance, related coverages (riders), investment contracts, and management of pension funds and provident funds. The segment comprises long-term savings (under various types of insurance policies, pension funds and provident funds, including advanced education funds), and insurance coverages for various risks, such as: death, disability, permanent health, and health insurance sold as riders to life insurance policies, etc. According to the Commissioner's Directives, the Long-Term Savings Segment is described in accordance with the following subsegments: Provident, Pension and Life Insurance and Insurance Contracts.

2. Health Insurance

The Health Insurance Segment comprises the Group's activity in the Health Insurance Subsegments. The segment comprises insurance for long-term care, insurance for medical expenses, medications, surgery, transplants, personal accidents (Long-Term Health Subsegment), travel, etc.

3. P&C Insurance

The P&C Insurance Segment comprises the Liability and Property Subsegments, Credit Insurance, Personal Accidents Insurance and Other.

4. Credit Cards Segment

Includes the credit card company's operating results, divided into two main subsegments: Issuing and Acquiring.

Issuing Subsegment

The Issuing Subsegment focuses on 2 main activities:

1. Solutions for financial institutions - joint credit card issuing and processing with banks, for their customers (B2B2C); hereinafter - "**bank payment cards**".
2. Private customers - sale and marketing of non-bank credit cards, consumer credit and other products directly to private customers, i.e., consumers (B2C), including through joint loyalty programs.

As part of the Issuing Subsegment, Max issues payment cards to its customers, which are used as a means of payment for transactions and cash withdrawal by merchants in Israel and worldwide that accept the brands issued by the Company. Max's revenues from card holders is from fees and commissions collected from the card holders and issuer fees collected from the credit card companies (as acquiring companies) as well as from Global Organizations (acquirers outside Israel). In addition, interest is collected from Max customers for transactions and credit products provided by Max.

Acquiring Subsegment

This subsegment includes mainly the following activities:

1. Acquiring services - Payment guarantees against vouchers of transactions carried out using credit cards in exchange for a fee collected from the merchant.
2. Related services and complementary products to the acquiring services.
3. Financial solutions - Products and services offered to merchants, such as loans, voucher factoring, early payments and guarantees, in respect of which interest, fees and commissions are collected from the merchants.

In addition, the Credit Card Segment will include the operating results of Hyp Payment Solutions Ltd. (hereinafter - "**Hyp**"), which provides payment solutions to e-commerce websites and merchants, used for payment by credit cards and other means of payment, and provides credit card reconciliation services through a system that enables monitoring merchants' business activity with credit card companies and factoring companies. Hyp also provides a bookkeeping management and digital invoice generation system;

5. **Other**

Includes operating segments that do not meet the quantitative thresholds for reporting, mainly in respect of the insurance agencies.

6. **Activity not allocated to segments**

This activity includes the Group's headquarters, which is mainly the capital, the liabilities not in the insurance business and the assets held against them by Clal Insurance rather than by the credit card company's business, as well as the Company's separate balances and results.

B. Seasonality

1. **Life Insurance and Long-Term Savings Segment**

As a rule, revenues from life insurance premiums and revenues from management fees from an investment contract, pension funds and provident funds are not characterized by seasonality; therefore, claims are not subject to seasonality either.

However, since the tax year ends in December, there is a certain effect of seasonality in that month in terms of payment of premiums/contributions towards benefits for pension saving products, since significant amounts are deposited in this month by salaried employees and self-employed persons, who make contributions independently outside their payroll in order to fully utilize the tax benefits, and also by employers that pay outstanding debts in respect of the relevant tax year or make one-off contributions, normally in respect of severance pay-related debts. Furthermore, the amounts of premiums/contributions towards benefits may be higher in certain months, which vary from one year to another, mainly due to one-off payments made by employers to employees, and in respect of which contributions towards benefits are made.

2. **Property and Casualty Insurance Segment**

As a general rule, revenues earned from insurance services in the Property and Casualty Insurance Segment are not affected by significant seasonality. However, the premium income in the first quarter of the year are higher than premium income in the other quarters, mainly due to renewal of insurance agreements of business policyholders and large car fleets at the beginning of the calendar year, which reflects a certain degree of seasonality. The effect of this seasonality on the reported income is adjusted through the liability for remaining coverage.

There is no significant seasonality in other components of expenses, such as claims and in other revenue components, such as investment revenue. However, it should be noted that during the winter season - in the first quarter or fourth quarter of the year, or both - there is sometimes an increase in claims, mainly in the Property Insurance Subsegment, and consequently the reported profit for the period decreases.

C. Operating segment reporting

	Long-Term Savings														
	Provident			Pension			Investment contracts			Life Insurance			Total		
	For the nine month period ended September 30		For the year ended December 31	For the nine month period ended September 30		For the year ended December 31	For the nine month period ended September 30		For the year ended December 31	For the nine month period ended September 30		For the year ended December 31	For the nine month period ended September 30		For the year ended December 31
	2025	2024	2024	2025	2024	2024	2025	2024	2024	2025	2024	2024	2025	2024	2024
In NIS million	Unaudited														
Revenues from insurance services	-	-	-	-	-	-	-	-	-	2,125	1,966	2,656	2,125	1,966	2,656
Expenses from insurance services	-	-	-	-	-	-	-	-	-	(1,900)	(1,778)	(2,409)	(1,900)	(1,778)	(2,409)
Income from insurance services before reinsurance contracts held	-	-	-	-	-	-	-	-	-	226	188	246	226	188	246
Reinsurance expenses	-	-	-	-	-	-	-	-	-	(135)	(211)	(230)	(135)	(211)	(230)
Reinsurance revenues	-	-	-	-	-	-	-	-	-	132	155	183	132	155	183
Revenues/expenses, net from reinsurance contracts held	-	-	-	-	-	-	-	-	-	(3)	(57)	(47)	(3)	(57)	(47)
Income (loss) from insurance services	-	-	-	-	-	-	-	-	-	223	132	199	223	132	199
Investment gains (losses), net from assets held against insurance contracts and yield-dependent investment contracts	-	-	-	-	-	-	1,193	1,122	1,438	8,825	6,466	9,054	10,018	7,588	10,492
Gains (losses) from other investments, net:															
Interest revenues calculated using the effective interest method	163	180	210	-	-	-	-	-	-	-	-	-	163	180	210
Other investment income (losses), net	15	7	13	9	3	5	-	-	-	1,408	831	1,592	1,432	841	1,610
Share in earnings (losses) of equity-accounted subsidiaries closely related to the investing activity	-	-	-	2	-	1	-	-	-	(1)	(1)	(1)	1	(1)	(1)
Total gains (losses) from other investments, net	178	187	223	11	4	5	-	-	-	1,407	829	1,591	1,595	1,020	1,820
Total investment gains (losses), net	178	187	223	11	4	5	1,193	1,122	1,438	10,232	7,295	10,645	11,614	8,608	12,312
Finance expenses (revenues), net arising from insurance contracts	-	-	-	-	-	-	-	-	-	9,708	6,575	10,289	9,708	6,575	10,289
Finance income (expenses), net arising from reinsurance contracts	-	-	-	-	-	-	-	-	-	(1)	(7)	-	(1)	(7)	-
Decrease (increase) in liabilities for investment contracts due to the yield component	(172)	(185)	(218)	-	-	-	(1,193)	(1,122)	(1,438)	-	-	-	(1,365)	(1,307)	(1,656)
Income (loss) from investments and financing, net	6	2	5	11	4	5	-	-	-	523	714	356	539	719	367
Income (loss), net from insurance and investment, net	6	2	5	11	4	5	-	-	-	745	845	556	762	851	566
Revenues from credit card transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenues from management fees	227	224	299	325	297	402	75	78	103	-	-	-	627	599	804
Revenues from fees and commissions of insurance agencies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit loss expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit card processing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments to banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating expenses	(223)	(216)	(294)	(280)	(261)	(356)	(77)	(77)	(104)	-	(3)	(3)	(580)	(556)	(758)
Other revenues (expenses), net	(5)	(5)	(6)	(3)	(4)	(5)	-	-	-	-	-	-	(8)	(8)	(11)
Other finance expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share in earnings (losses) of equity-accounted subsidiaries not closely related to the investing activity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income (loss) before tax	5	6	4	53	37	46	(2)	1	(1)	745	842	552	801	885	602
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	-	(6)	2	-	(6)	2	-
Comprehensive income (loss) before taxes	5	6	4	53	37	46	(2)	1	(1)	739	843	552	796	886	602
Total segment assets	-	-	-	-	-	-	-	-	-	-	-	-	136,406	125,613	127,607
Total segment assets for yield-dependent contracts	-	-	-	-	-	-	-	-	-	-	-	-	102,917	94,978	96,062
Total segment liabilities	-	-	-	-	-	-	-	-	-	-	-	-	132,976	123,573	125,864

In NIS million	Health Insurance			P&C Insurance			Credit cards			Other Operating Segments		
	For the nine month period ended September 30		For the year ended December 31	For the nine month period ended September 30		For the year ended December 31	For the nine month period ended September 30		For the year ended December 31	For the nine month period ended September 30		For the year ended December 31
	2025	2024	2024	2025	2024	2024	2025	2024	2024	2025	2024	2024
	Unaudited											
Revenues from insurance services	**1,560**	1,424	1,959	**2,899**	2,808	3,777	**-**	-	-	**-**	-	-
Expenses from insurance services	**(1,207)**	(1,122)	(1,510)	**(2,137)**	(2,052)	(2,645)	**-**	-	-	**-**	-	-
Income from insurance services before reinsurance contracts held	**353**	302	450	**763**	756	1,132	**-**	-	-	**-**	-	-
Reinsurance expenses	**(48)**	(46)	(62)	**(814)**	(875)	(1,148)	**-**	-	-	**-**	-	-
Reinsurance revenues	**22**	19	37	**372**	458	463	**-**	-	-	**-**	-	-
Revenues/expenses, net from reinsurance contracts held	**(25)**	(27)	(26)	**(442)**	(417)	(685)	**-**	-	-	**-**	-	-
Income (loss) from insurance services	**328**	275	424	**321**	340	447	**-**	-	-	**-**	-	-
Investment gains (losses), net from assets held against insurance contracts and yield-dependent investment contracts	**156**	101	142	**-**	-	-	**-**	-	-	**-**	-	-
Gains (losses) from other investments, net:												
Interest revenues calculated using the effective interest method	**-**	-	-	**-**	-	-	**-**	-	-	**-**	-	-
Other investment income (losses), net	**214**	42	314	**191**	212	270	**-**	-	-	**-**	-	-
Share in earnings (losses) of equity-accounted subsidiaries closely related to the investing activity	**-**	-	-	**(1)**	(2)	(2)	**-**	-	-	**-**	-	-
Total gains (losses) from other investments, net	**213**	42	314	**190**	211	269	**-**	-	-	**-**	-	-
Total investment gains (losses), net	**369**	142	456	**190**	211	269	**-**	-	-	**-**	-	-
Finance expenses (income), net arising from insurance contracts	**223**	138	480	**248**	217	272	**-**	-	-	**-**	-	-
Finance income (expenses), net arising from reinsurance contracts	**27**	18	33	**104**	93	116	**-**	-	-	**-**	-	-
Decrease (increase) in liabilities for investment contracts due to the yield component	**-**	-	-	**-**	-	-	**-**	-	-	**-**	**-**	**-**
Income (loss) from investments and financing, net	**173**	22	8	**46**	87	113	**-**	-	-	**-**	-	-
Income (loss), net from insurance and investment	**500**	297	432	**367**	426	560	**-**	-	-	**-**	-	-

	Health Insurance			P&C Insurance			Credit cards			Other Operating Segments		
	For the nine month period ended September 30		For the year ended December 31	For the nine month period ended September 30		For the year ended December 31	For the nine month period ended September 30		For the year ended December 31	For the nine month period ended September 30		For the year ended December 31
	2025	2024	2024	2025	2024	2024	2025	2024	2024	2025	2024	2024
In NIS million	Unaudited											
Investment income, net and finance income which are not from a consolidated insurance company	**-**	-	-	**-**	-	-	**1,063**	958	1,278	**1**	1	1
Revenues from credit card transactions				**-**			**1,299**	1,151	1,554	**-**	-	-
Revenues from management fees	**-**	-	-	**-**	-	-	**-**	-	-	**-**	-	-
Revenues from fees and commissions of insurance agencies	**-**	-	-	**-**	-	-	**21**	14	21	**180**	182	245
Credit loss expenses	**-**	-	-	**-**	-	-	**(130)**	(159)	(216)	**-**	-	-
Credit card processing	**-**	-	-	**-**	-	-	**(994)**	(718)	(986)	**-**	-	-
Payments to banks	**-**	-	-	**-**	-	-	**(190)**	(173)	(233)	**-**	-	-
Other operating expenses	**(1)**	-	-	**(9)**	(6)	(10)	**(457)**	(405)	(547)	**(143)**	(148)	(193)
Other revenues (expenses), net	**-**	-	-	**-**	-	-	**30**	-	-	**(7)**	(7)	(9)
Other finance expenses	**-**	-	-	**(1)**	-	-	**(441)**	(363)	(485)	**(1)**	(2)	(2)
Share in earnings (losses) of equity-accounted subsidiaries not closely related to the investing activity	**-**	-	-	**-**	-	-	**2**	4	4	**10**	10	12
Income (loss) before tax	**500**	297	432	**357**	419	550	**203**	309	390	**40**	36	53
Other comprehensive income (loss)	**-**	-	-	**(2)**	1	-	**-**	-	-	**-**	-	-
Comprehensive income (loss) before taxes	**499**	297	432	**354**	421	550	**203**	309	390	**40**	36	53
Total segment assets	**7,505**	6,346	7,176	**7,565**	8,135	7,465	**20,600**	18,907	19,409	**451**	424	433
Total segment assets for yield-dependent contracts	**1,510**	1,230	1,267	**-**	-	-	**-**	-	-	**-**	-	-
Total segment liabilities	**6,867**	6,035	6,582	**7,311**	6,893	6,953	**18,750**	17,231	17,309	**189**	206	207

	Not attributed to operating segments			Adjustments and offsets			Total		
	For the nine month period ended September 30		For the year ended December 31	For the nine month period ended September 30		For the year ended December 31	For the nine month period ended September 30		For the year ended December 31
	2025	2024	2024	2025	2024	2024	2025	2024	2024
In NIS million				Unaudited					
Revenues from insurance services	**-**	-	-	**-**	(2)	(1)	**6,585**	6,196	8,391
Expenses from insurance services	**-**	-	-	**-**	**-**	-	**(5,243)**	(4,952)	(6,566)
Income from insurance services before reinsurance contracts held	**-**	-	-	**-**	(2)	(1)	**1,342**	1,244	1,825
Reinsurance expenses	**-**	-	-	**-**	-	-	**(996)**	(1,132)	(1,441)
Reinsurance revenues	**-**	-	-	**-**	-	-	**526**	632	683
Revenues/expenses, net from reinsurance contracts held	**-**	-	-	**-**	-	-	**(470)**	(500)	(758)
Income (loss) from insurance services	**-**	-	-	**-**	(2)	(1)	**871**	744	1,067
Investment gains (losses), net from assets held against insurance contracts and yield-dependent investment contracts	**-**	-	-	**-**	-	-	**10,174**	7,689	10,635
Gains (losses) from other investments, net:									
Interest revenues calculated using the effective interest method	**-**	-	-	**-**	-	-	**163**	180	210
Other investment income (losses), net	**673**	335	593	**-**	-	-	**2,510**	1,430	2,787
Share in earnings (losses) of equity-accounted subsidiaries closely related to the investing activity	**2**	(1)	-	**-**	-	-	**1**	(3)	(2)
Total gains (losses) from other investments, net	**674**	334	593	**-**	-	-	**2,674**	1,607	2,995
Total investment gains (losses), net	**674**	334	593	**-**	-	-	**12,848**	9,296	13,630
Finance expenses (income), net arising from insurance contracts	**-**	-	-	**(1)**	(1)	(1)	**10,179**	6,929	11,041
Finance income (expenses), net arising from reinsurance contracts	**-**	-	-	**-**	-	-	**130**	104	149
Decrease (increase) in liabilities for investment contracts due to the yield component	**-**	-	-	**-**	**-**	**-**	**(1,365)**	(1,307)	(1,656)
Income (loss) from investments and financing, net	**674**	334	593	**1**	1	1	**1,433**	1,163	1,082
Income (loss), net from insurance and investment	**674**	334	593	**1**	(1)	(1)	**2,304**	1,907	2,149

In NIS million	Not attributed to operating segments			Adjustments and offsets			Total		
	For the nine month period ended September 30		For the year ended December 31	For the nine month period ended September 30		For the year ended December 31	For the nine month period ended September 30		For the year ended December 31
	2025	2024	2024	2025	2024	2024	2025	2024	2024
	Unaudited								
Investment income, net and finance income which are not from a consolidated insurance company	**42**	13	27	**24**	51	64	**1,130**	1,023	1,370
Revenues from credit card transactions							**1,299**	1,151	1,554
Revenues from management fees	**-**	-	-	**1**	1	-	**628**	600	805
Revenues from fees and commissions of insurance agencies	**-**	-	-	**(61)**	(65)	(86)	**141**	131	180
Credit loss expenses	**-**	-	-	**-**	-	-	**(130)**	(159)	(216)
Credit card processing	**-**	-	-	**-**	-	-	**(994)**	(718)	(986)
Payments to banks	**-**	-	-	**-**	-	-	**(190)**	(173)	(233)
Other operating expenses	**(72)**	(58)	(92)	**57**	65	86	**(1,204)**	(1,108)	(1,514)
Other revenues (expenses), net	**-**	(1)	(1)	**(20)**	(18)	(24)	**(5)**	(34)	(47)
Other finance expenses	**(227)**	(242)	(311)	**-**	5	5	**(670)**	(602)	(794)
Share in earnings (losses) of equity-accounted subsidiaries not closely related to the investing activity	**-**	-	-	**-**	-	-	**12**	14	16
Income (loss) before tax	**417**	48	216	**2**	38	44	**2,320**	2,031	2,286
Other comprehensive income	**(1)**	2	-	**-**	-	-	**(10)**	5	-
Comprehensive income (loss) before taxes	**416**	49	216	**2**	38	44	**2,310**	2,036	2,286
Total segment assets	**11,129**	10,187	10,423	**18**	24	495	**183,673**	169,637	173,008
Total segment assets for yield-dependent contracts	**-**	-	-	**-**	-	-	**104,427**	96,208	97,329
Total segment liabilities	**8,028**	7,580	7,516	**(614)**	(594)	(242)	**173,506**	160,924	164,189

In NIS million	Long-Term Savings									
	Provident		Pension		Investment contracts		Life Insurance		Total	
	For the three-month period ended September 30		For the three-month period ended September 30		For the three-month period ended September 30		For the three-month period ended September 30		For the three-month period ended September 30	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
	Unaudited									
Revenues from insurance services	**-**	-	**-**	-	**-**	-	**726**	639	**726**	639
Expenses from insurance services	**-**	-	**-**	-	**-**	-	**(649)**	(624)	**(649)**	(624)
Income from insurance services before reinsurance contracts held	**-**	-	**-**	-	**-**	-	**77**	15	**77**	15
Reinsurance expenses	**-**	-	**-**	-	**-**	-	**(45)**	(70)	**(45)**	(70)
Reinsurance revenues	**-**	-	**-**	-	**-**	-	**53**	66	**53**	66
Revenues/expenses, net from reinsurance contracts held	**-**	-	**-**	-	**-**	-	**8**	(5)	**8**	(5)
Income (loss) from insurance services	**-**	-	**-**	-	**-**	-	**85**	11	**85**	11
Investment gains (losses), net from assets held against insurance contracts and yield-dependent investment contracts	**-**	-	**-**	-	**495**	468	**3,304**	3,154	**3,800**	3,621
Gains (losses) from other investments, net:									**-**	-
Interest revenues calculated using the effective interest method	**60**	69	**-**	-	**-**	-	**-**	-	**60**	69
Other investment income (losses), net	**8**	2	**3**	1	**-**	-	**358**	795	**368**	797
Share in earnings (losses) of equity-accounted subsidiaries closely related to the investing activity	**-**	-	**1**	-	**-**	-	**-**	-	**-**	-
Total gains (losses) from other investments, net	**68**	71	**3**	1	**-**	-	**358**	795	**429**	867
Total investment gains (losses), net	**68**	71	**3**	1	**495**	468	**3,662**	3,948	**4,228**	4,488
Finance expenses (income), net arising from insurance contracts	**-**	-	**-**	-	**-**	-	**3,433**	3,887	**3,433**	3,887
Finance income (expenses), net arising from reinsurance contracts	**-**	-	**-**	-	**-**	-	**1**	-	**1**	-
Decrease (increase) in liabilities for investment contracts due to the yield component	**(67)**	(71)	**-**	-	**(495)**	(468)	**-**	-	**(562)**	(539)
Income (loss) from investments and financing, net	**1**	-	**3**	1	**-**	-	**230**	61	**234**	62
Income (loss), net from insurance and investment	**1**	-	**3**	1	**-**	-	**314**	72	**319**	73
Investment income, net and finance income which are not from a consolidated insurance company										
Revenues from credit card transactions	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Revenues from management fees	**77**	74	**113**	102	**25**	25	**-**	-	**215**	202
Revenues from fees and commissions of insurance agencies	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Credit loss expenses	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Credit card processing	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Payments to banks	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Other operating expenses	**(78)**	(73)	**(100)**	(90)	**(30)**	(30)	**-**	-	**(208)**	(193)
Other revenues (expenses), net	**(2)**	(1)	**(1)**	(1)	**-**	-	**-**	-	**(3)**	(3)
Other finance expenses	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Share in earnings (losses) of equity-accounted subsidiaries not closely related to the investing activity	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Income (loss) before tax	**(2)**	-	**16**	12	**(5)**	(4)	**315**	72	**323**	79
Other comprehensive income (loss)	**-**	-	**-**	-	**-**	-	**(1)**	(1)	**(1)**	(1)
Comprehensive income (loss) before taxes	**(2)**	-	**16**	12	**(5)**	(4)	**314**	71	**322**	78

	Health Insurance		P&C Insurance		Credit cards		Other Operating Segments		Not attributed to operating segments		Adjustments and offsets		Total	
	For the three-month period ended September 30		For the three-month period ended September 30		For the three-month period ended September 30		For the three-month period ended September 30		For the three-month period ended September 30		For the three-month period ended September 30		For the three-month period ended September 30	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
In NIS million							Unaudited							
Revenues from insurance services	**526**	490	**967**	957	**-**	-	**-**	-	**-**	-	**-**	(1)	**2,218**	2,085
Expenses from insurance services	**(391)**	(392)	**(768)**	(832)	**-**	-	**-**	-	**-**	-	**-**	-	**(1,809)**	(1,849)
Income from insurance services before reinsurance contracts held	**134**	97	**198**	125	**-**	-	**-**	-	**-**	-	**-**	(1)	**409**	237
Reinsurance expenses	**(8)**	(19)	**(270)**	(287)	**-**	-	**-**	-	**-**	-	**-**	-	**(324)**	(375)
Reinsurance revenues	**14**	8	**139**	226	**-**	-	**-**	-	**-**	-	**-**	-	**207**	299
Revenues/expenses, net from reinsurance contracts held	**6**	(11)	**(131)**	(61)	**-**	-	**-**	-	**-**	-	**-**	-	**(117)**	(76)
Income (loss) from insurance services	**140**	86	**68**	64	**-**	-	**-**	-	**-**	-	**-**	(1)	**292**	161
Investment gains (losses), net from assets held against insurance contracts and yield-dependent investment contracts	**56**	48	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**3,856**	3,670
Gains (losses) from other investments, net:														
Interest revenues calculated using the effective interest method	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**60**	69
Other investment income (losses), net	**53**	108	**82**	84	**-**	-	**-**	-	**198**	305	**-**	-	**701**	1,295
Share in earnings (losses) of equity-accounted subsidiaries closely related to the investing activity	**-**	-	**-**	-	**-**	-	**-**	-	**-**	1	**-**	-	**-**	1
Total gains (losses) from other investments, net	**53**	108	**82**	84	**-**	-	**-**	-	**198**	306	**-**	-	**762**	1,365
Total investment gains (losses), net	**110**	157	**82**	84	**-**	-	**-**	-	**198**	306	**-**	-	**4,618**	5,035
Finance expenses (income), net arising from insurance contracts	**23**	100	**110**	128	**-**	-	**-**	-	**-**	-	**-**	-	**3,566**	4,115
Finance income (expenses), net arising from reinsurance contracts	**7**	10	**48**	55	**-**	-	**-**	-	**-**	-	**-**	-	**57**	65
Decrease (increase) in liabilities for investment contracts due to the yield component	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(562)**	(539)
Income (loss) from investments and financing, net	**94**	67	**20**	10	**-**	-	**-**	-	**198**	306	**-**	-	**546**	446

	Health Insurance		P&C Insurance		Credit cards		Other Operating Segments		Not attributed to operating segments		Adjustments and offsets		Total	
	For the three-month period ended September 30		For the three-month period ended September 30		For the three-month period ended September 30		For the three-month period ended September 30		For the three-month period ended September 30		For the three-month period ended September 30		For the three-month period ended September 30	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
In NIS million	Unaudited													
Income (loss), net from insurance and investment	**233**	153	**88**	75	**-**	-	**-**	-	**198**	306	**-**	(1)	**838**	606
Investment income, net and finance income which are not from a consolidated insurance company	**-**	-	**-**	-	**377**	333	**-**	-	**12**	2	**7**	10	**397**	345
Revenues from credit card transactions	**-**	-	**-**	-	**467**	416	**-**	-	**-**	-	**-**	-	**467**	416
Revenues from management fees	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**215**	202
Revenues from fees and commissions of insurance agencies	**-**	-	**-**	-	**8**	5	**60**	63	**-**	-	**(21)**	(20)	**47**	48
Credit loss expenses	**-**	-	**-**	-	**(41)**	(62)	**-**	-	**-**	-	**-**	-	**(41)**	(62)
Credit card processing	**-**	-	**-**	-	**(293)**	(258)	**-**	-	**-**	-	**-**	-	**(293)**	(258)
Payments to banks	**-**	-	**-**	-	**(68)**	(61)	**-**	-	**-**	-	**-**	-	**(68)**	(61)
Other operating expenses	**-**	-	**(4)**	(2)	**(158)**	(144)	**(47)**	(49)	**(21)**	(22)	**20**	19	**(418)**	(391)
Other revenues (expenses), net	**-**	-	**-**	-	**-**	-	**(2)**	(2)	**-**	-	**(7)**	(7)	**(12)**	(12)
Other finance expenses	**-**	-	**(2)**	1	**(168)**	(129)	**-**	(1)	**(79)**	(78)	**-**	-	**(250)**	(207)
Share in earnings (losses) of equity-accounted subsidiaries not closely related to the investing activity	**-**	-	**-**	-	**1**	3	**3**	3	**-**	-	**-**	-	**4**	6
Income (loss) before tax	**233**	153	**81**	73	**125**	103	**14**	14	**111**	207	**-**	2	**886**	632
Other comprehensive income (loss)	**-**	-	**(1)**	1	**-**	-	**-**	-	**-**	(1)	**-**	-	**(2)**	-
Comprehensive income (loss) before taxes	**233**	153	**81**	75	**125**	103	**14**	14	**111**	207	**-**	2	**884**	632

D. Additional information regarding the Company's activities by main portfolios groups

Additional data regarding the Life Insurance and Long-Term Savings operating segment

In NIS million	For the nine month period ended September 30 2025	For the nine month period ended September 30 2024	For the three-month period ended September 30 2025	For the three-month period ended September 30 2024	For the year ended December 31 2024
	Unaudited				
Proceeds from investment contracts	1,196	939	457	371	1,331
Annualized receipts for investment contracts - new business	25	30	10	9	38
One-off proceeds for investment contracts	949	652	378	277	955

In NIS million	Policies with a savings component: Non yield-dependent	Policies with a savings component: Yield-dependent	Policies without a savings component	Total
Gross data for the nine-month period ended September 30, 2025				
Gross premiums for insurance contracts net of reimbursement of premiums (*)	78	2,226	858	3,162
(*) Of which: Savings component	68	1,999		2,068
Variable management fees		414		414
Fixed management fees		374		374

In NIS million	Policies with a savings component: Non yield-dependent	Policies with a savings component: Yield-dependent	Policies without a savings component	Total
Gross data for the nine-month period ended September 30, 2024				
Gross premiums for insurance contracts net of reimbursement of premiums (*)	92	2,524	806	3,422
(*) Of which: Savings component	85	2,315		2,400
Variable management fees		-		-
Fixed management fees		370		370

In NIS million	Policies with a savings component: Non yield-dependent	Policies with a savings component: Yield-dependent	Policies without a savings component	Total
Gross data for the three-month period ended September 30, 2025				
Gross premiums for insurance contracts net of reimbursement of premiums (*)	26	725	293	1,044
(*) Of which: Savings component	23	651		674
Variable management fees		153		153
Fixed management fees		125		125

In NIS million	Policies with a savings component: Non yield-dependent	Policies with a savings component: Yield-dependent	Policies without a savings component	Total
Gross data for the three-month period ended September 30, 2024				
Gross premiums for insurance contracts net of reimbursement of premiums (*)	29	811	273	1,114
(*) Of which: Savings component	27	744		771
Variable management fees		-		-
Fixed management fees		125		125

In NIS million	Policies with a savings component: Non yield-dependent	Policies with a savings component: Yield-dependent	Policies without a savings component	Total
Gross data for the year ended December 31, 2024				
Gross premiums for insurance contracts net of reimbursement of premiums (*)	(** 118	(** 3,334	1,064	(** 4,516
(*) Of which: Savings component	109	3,032		3,141
Variable management fees		2		2
Fixed management fees		500		500

**) Reclassified.

E. Additional Data regarding the Health Insurance Segments

	Long-term care		Health Insurance - other			
In NIS million	Private individuals	Collective	Medical expenses and disabilities - individual	Medical expenses and disabilities - collective	Other (a)	Total
	Unaudited					
Gross premiums						
For the nine-month period ended September 30, 2025	**208**	**18**	**481**	**95**	**677**	**1,479**
For the nine-month period ended September 30, 2024	208	17	460	86	610	1,381
For the three-month period ended September 30, 2025	**69**	**6**	**164**	**32**	**236**	**508**
For the three-month period ended September 30, 2024	69	7	157	31	223	487
For the year ended December 31, 2024	279	26	561	117	873	1,856

(a) Other including critical illness, personal accidents, and travel.

Additional data regarding the Property and Casualty Insurance Segment

In NIS million	Compulsory motor insurance	Motor property	Credit Insurance	Other (a)	Total
	Unaudited				
Gross premiums					
For the nine-month period ended September 30, 2025	639	995	117	1,332	3,083
For the nine-month period ended September 30, 2024	621	1,076	105	1,361	3,163
For the three-month period ended September 30, 2025	196	335	38	397	966
For the three-month period ended September 30, 2024	226	370	36	376	1,008
For the year ended December 31, 2024	776	1,314	139	1,731	3,960

(a) The "Other" column includes the remaining Property and Casualty Insurance subsegments, other than compulsory motor insurance and credit insurance; they are mainly composed of the engineering insurance and house insurance portfolios, the premium in respect of which constitutes approx. 83% of the total premiums in these subsegments.

NOTE 5 - FINANCIAL INVESTMENTS AND DERIVATIVE INSTRUMENTS

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

In NIS million	As of September 30, 2025	As of September 30, 2024	As of December 31, 2024
	Unaudited		
Debt instruments:			
Illiquid debt instruments:			
Deposits with banks and financial institutions	-	125	124
Illiquid corporate bonds	683	714	723
Loans (including investees)	6,588	6,795	6,791
Total illiquid debt instruments	7,271	7,634	7,638
Liquid debt instruments:			
Government Bonds	12,803	10,589	10,526
Liquid corporate bonds	15,143	15,907	15,385
Total liquid debt instruments	27,946	26,496	25,911
Total debt instruments	35,217	34,130	33,549
Equity instruments:			
Illiquid debt instruments:			
Illiquid shares	2,436	2,328	2,288
Liquid equity instruments:			
Liquid shares	20,242	16,771	17,986
Total equity instruments	22,678	19,099	20,274
Other investments:			
Other investments (1)	35,550	32,479	33,935
Derivative instruments (2)	3,027	834	1,044
Total other financial investments	38,577	33,313	34,979
Total financial investments	96,472	86,542	88,802
Liabilities for derivative instruments (2)	605	630	438

1) Other investments mainly include investments in ETNs, participation certificates in mutual funds, investment funds, and structured products.
2) Derivative instruments mainly comprise futures and options.

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

1. Breakdown of financial investments by asset type

	As of September 30, 2025		
	Financial investments measured at fair value through profit or loss	Other financial investments measured at depreciated cost	Total
In NIS million	Unaudited		
Debt instruments:			
Illiquid debt instruments:			
Deposits with banks and financial institutions	372	13	385
Treasury deposits	-	2,198	2,198
Designated bonds	19,929	-	19,929
Illiquid corporate bonds	235	23	258
Loans (including investees)	8,873	71	8,944
Total illiquid debt instruments	29,409	2,305	31,714
Liquid debt instruments:			
Government Bonds	3,307	-	3,307
Liquid corporate bonds	2,370	-	2,370
Total liquid debt instruments	5,677	-	5,677
Total debt instruments	35,086	2,305	37,391
Equity instruments:			
Illiquid debt instruments:			
Illiquid shares	776	-	776
Liquid equity instruments:			
Liquid shares	1,150	-	1,150
Total equity instruments	1,926	-	1,926
Other investments:			
Other investments (1)	5,820	-	5,820
Derivative instruments (2)	472	-	472
Total other financial investments	6,292	-	6,292
Total financial investments	43,304	2,305	45,609
Liabilities for derivative instruments (2)	73	-	73

1. Other investments mainly include investments in ETNs, participation certificates in mutual funds, investment funds, and structured products.
2. Derivative instruments mainly comprise futures and options.

In NIS million	Financial investments measured at fair value through profit or loss	Other financial investments measured at depreciated cost	Total
	As of September 30, 2024		
	Unaudited		
Debt instruments:			
Illiquid debt instruments:			
Deposits with banks and financial institutions	417	20	437
Treasury deposits	-	2,289	2,289
Designated bonds	18,175	-	18,175
Illiquid corporate bonds	255	29	286
Loans (including investees)	7,705	64	7,767
Total illiquid debt instruments	26,552	2,402	28,954
Liquid debt instruments:			
Government Bonds	3,136	-	3,136
Liquid corporate bonds	2,946	-	2,946
Total liquid debt instruments	6,082	-	6,082
Total debt instruments	32,634	2,402	35,036
Equity instruments:			
Illiquid debt instruments:			
Illiquid shares	830	-	830
Liquid equity instruments:			
Liquid shares	952	-	952
Total equity instruments	1,782	-	1,782
Other investments:			
Other investments (1)	6,001	-	6,001
Derivative instruments (2)	224	-	224
Total other financial investments	6,225	-	6,225
Total financial investments	40,641	2,402	43,043
Liabilities for derivative instruments (2)	194	-	194

1. Other investments mainly include investments in ETNs, participation certificates in mutual funds, investment funds, and structured products.
2. Derivative instruments mainly comprise futures and options.

In NIS million	As of December 31, 2024		
	Financial investments measured at fair value through profit or loss	Other financial investments measured at depreciated cost	Total
		Unaudited	
Debt instruments:			
Illiquid debt instruments:			
Deposits with banks and financial institutions	402	20	442
Treasury deposits	-	2,226	2,226
Designated bonds	18,680	-	18,680
Illiquid corporate bonds	257	29	286
Loans (including investees)	7,803	65	7,868
Total illiquid debt instruments	27,142	2,340	29,482
Liquid debt instruments:			
Government Bonds	3,351	-	3,351
Liquid corporate bonds	2,855	-	2,855
Total liquid debt instruments	6,206	-	6,206
Total debt instruments	33,348	2,340	35,688
Equity instruments:			
Illiquid debt instruments:			
Illiquid shares	801	-	801
Liquid equity instruments:			
Liquid shares	975	-	975
Total equity instruments	1,776	-	1,776
Other investments:			
Other investments (1)	5,901	-	5,901
Derivative instruments (2)	154	-	154
Total other financial investments	6,055	-	6,055
Total financial investments	41,179	2,340	43,519
Liabilities for derivative instruments (2)	100	-	100

1. Other investments mainly include investments in ETFs, participation certificates in mutual funds, investment funds, and structured products.
2. Derivative instruments mainly comprise futures and options.

C. Financial instruments held against yield-dependent contracts

1. Fair value of financial instruments by level

	As of September 30, 2025			
	Level 1	Level 2	Level 3	Total
In NIS million	Unaudited			
Financial investments:				
Illiquid debt instruments	**-**	**7,250**	**21**	**7,271**
Liquid debt instruments	**24,273**	**3,673**	**-**	**27,946**
Capital instruments	**19,882**	**360**	**2,436**	**22,678**
Other financial investments	**19,349**	**4,927**	**14,301**	**38,577**
Total financial assets	**63,504**	**16,210**	**16,758**	**96,472**
Of which for investments in derivatives	**143**	**2,871**	**13**	**3,027**

During the period there were no material transfers between Level 1 and Level 2

	As of September 30, 2024			
	Level 1	Level 2	Level 3	Total
In NIS million	Unaudited			
Financial investments:				
Illiquid debt instruments	-	7,626	8	7,634
Liquid debt instruments	22,140	4,356	-	26,496
Capital instruments	16,400	371	2,328	19,099
Other financial investments	16,562	2,564	14,187	33,313
Total financial assets	55,102	14,917	16,523	86,542
Of which for investments in derivatives	191	636	7	834

During the period there were no material transfers between Level 1 and Level 2.

	As of December 31, 2024			
	Level 1	Level 2	Level 3	Total
In NIS million	Unaudited			
Financial investments:				
Illiquid debt instruments	-	7,620	18	7,638
Liquid debt instruments	21,751	4,160	-	25,911
Capital instruments	17,471	515	2,288	20,274
Other financial investments	17,646	2,850	14,483	34,979
Total financial assets	56,868	15,145	16,789	88,802
Of which for investments in derivatives	101	934	9	1,044

During the period there were no material transfers between Level 1 and Level 2

2. *Level 3 financial instruments measured at fair value held against yield-dependent contracts*

	As of September 30, 2025			
	Financial assets			
	Illiquid debt instruments	Capital instruments	Other investments	Total financial assets
In NIS million	Unaudited			
Balance as of January 1, 2025	**18**	**2,288**	**14,483**	**16,789**
Total realized gains (losses)				
In profit and loss [(1)]	**3**	**2**	**(437)**	**(432)**
Purchases	**-**	**241**	**1,663**	**1,904**
Sales	**-**	**(39)**	**(1,386)**	**(1,425)**
Interest and dividend received	**-**	**(56)**	**(22)**	**(78)**
Balance as of September 30, 2025	**21**	**2,436**	**14,301**	**16,758**
Total income (losses) for the period included in profit and loss in respect of financial assets held as of September 30, 2025	**3**	**2**	**(447)**	**(442)**

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

	As of September 30, 2024			
	Financial assets			
	Illiquid debt instruments	Capital instruments	Other investments	Total financial assets
In NIS million	Unaudited			
Balance as of January 1, 2024	29	1,968	12,539	14,536
Total realized gains (losses)				
In profit and loss [(1)]	6	(27)	812	791
Purchases	-	397	1,880	2,277
Sales	-	(6)	(1,040)	(1,046)
Redemptions	(24)	-	-	(24)
Interest and dividend received	(3)	(4)	(4)	(11)
Balance as of September 30, 2024	8	2,328	14,187	16,523
Total income (losses) for the period included in profit and loss in respect of financial assets held as of September 30, 2024	1	(27)	814	788

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

In NIS million	As of September 30, 2025 Financial assets Illiquid debt instruments	Capital instruments	Other investments	Total financial assets
	Unaudited			
Balance as of July 1, 2025	**17**	**2,446**	**14,157**	**16,620**
Total realized gains (losses)				
In profit and loss [(1)]	**4**	**4**	**24**	**32**
Purchases	**-**	**72**	**646**	**718**
Sales	**-**	**(36)**	**(525)**	**(561)**
Interest and dividend received	**-**	**(50)**	**(1)**	**(51)**
Balance as of September 30, 2025	**21**	**2,436**	**14,301**	**16,758**
Total income (losses) for the period included in profit and loss in respect of financial assets held as of September 30, 2025	**4**	**4**	**15**	**23**

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

In NIS million	As of September 30, 2024 Financial assets Illiquid debt instruments	Capital instruments	Other investments	Total financial assets
	Unaudited			
Balance as of July 1, 2024	28	2,292	13,790	16,110
Total realized gains (losses)				
In profit and loss [(1)]	6	37	138	181
Purchases	-	-	695	695
Sales	-	(1)	(434)	(435)
Redemptions	(23)	-	-	(23)
Interest and dividend received	(3)	-	(2)	(5)
Balance as of September 30, 2024	8	2,328	14,187	16,523
Total income (losses) for the period included in profit and loss in respect of financial assets held as of September 30, 2024	1	37	138	176

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

	As of December 31, 2024			
	Financial assets			
	Illiquid debt instruments	Capital instruments	Other investments	Total financial assets
In NIS million	Unaudited			
Balance as of January 1, 2024	29	1,968	12,539	14,536
Total realized gains (losses)				
In profit and loss [(1)]	6	(123)	792	675
Purchases	-	509	2,762	3,271
Sales	-	(56)	(1,591)	(1,647)
Redemptions	(24)	-	-	(24)
Interest and dividend received	(3)	(10)	(9)	(22)
Debt-to-equity swap	10	-	(10)	-
Balance as of December 31, 2024	18	2,288	14,483	16,789
Total income (losses) for the period included in profit and loss in respect of financial assets held as of December 31, 2024	-	(123)	812	689

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

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

1. Fair value of financial instruments by level

	As of September 30, 2025			
	Level 1	Level 2	Level 3	Total
In NIS million	Unaudited			
Financial assets:				
Illiquid debt instruments, excluding designated bonds	**-**	**5,485**	**3,995**	**9,480**
Designated bonds	-	**-**	**19,929**	**19,929**
Liquid debt instruments	**5,652**	**25**	**-**	**5,677**
Capital instruments	**1,121**	**29**	**776**	**1,926**
Other investments	**1,032**	**473**	**4,787**	**6,292**
Total financial assets	**7,805**	**6,012**	**29,487**	**43,304**
Of which: Investments in derivatives	**8**	**459**	**5**	**472**

During the period there were no material transfers between Level 1 and Level 2.

	As of September 30, 2024			
	Level 1	Level 2	Level 3	Total
In NIS million	Unaudited			
Financial assets:				
Illiquid debt instruments, excluding designated bonds	-	5,508	2,869	8,377
Designated bonds	-	-	18,175	18,175
Liquid debt instruments	5,934	148	-	6,082
Capital instruments	922	30	830	1,782
Other investments	945	219	5,061	6,225
Total financial assets	7,801	5,905	26,935	40,641
Of which: Investments in derivatives	2	219	3	224

During the period there were no material transfers between Level 1 and Level 2.

In NIS million	As of December 31, 2024 Level 1	Level 2	Level 3	Total
	Unaudited			
Financial assets:				
Illiquid debt instruments, excluding designated bonds	-	5,299	3,163	8,462
Designated bonds	-	-	18,680	18,680
Liquid debt instruments	6,079	127	-	6,206
Capital instruments	930	45	801	1,776
Other investments	905	146	5,004	6,055
Total financial assets	7,914	5,617	27,648	41,179
Of which: Investments in derivatives	4	146	4	154

During the period there were no material transfers between Level 1 and Level 2.

2. *Level 3 financial instruments measured at fair value held against non-yield-dependent contracts*

In NIS million	As of September 30, 2025 Illiquid debt instruments, excluding designated bonds	Designated bonds	Capital instruments	Other investments	Total
	Unaudited				
Balance as of January 1, 2025	**3,163**	**18,680**	**801**	**5,004**	**27,648**
Total income (losses) recognized					
In profit and loss	**277**	**986**	**(12)**	**(152)**	**1,099**
Purchases	**839**	**1,863**	**44**	**451**	**3,197**
Sales	**-**	**-**	**(16)**	**(510)**	**(526)**
Redemptions	**(210)**	**(1,217)**	**-**	**-**	**(1,427)**
Interest and dividend received	**(74)**	**(383)**	**(41)**	**(6)**	**(504)**
Balance as of September 30, 2025	**3,995**	**19,929**	**776**	**4,787**	**29,487**
Total income (losses) for the period included in profit and loss in respect of financial assets held as of September 30, 2025	**277**	**986**	**(12)**	**(158)**	**1,093**

In NIS million	As of September 30, 2024 Illiquid debt instruments, excluding designated bonds	Designated bonds	Capital instruments	Other investments	Total
	Unaudited				
Balance as of January 1, 2024	2,179	18,539	757	4,528	26,003
Total income (losses) recognized					
In profit and loss	199	214	18	284	715
Purchases	719	1,373	82	571	2,745
Sales	-	-	(22)	(322)	(344)
Redemptions	(175)	(1,572)	-	-	(1,747)
Interest and dividend received	(53)	(379)	(5)	-	(437)
Balance as of September 30, 2024	2,869	18,175	830	5,061	26,935
Total income (losses) for the period included in profit and loss in respect of financial assets held as of September 30, 2024	199	214	18	287	718

In NIS million	Illiquid debt instruments, excluding designated bonds	Designated bonds	Capital instruments	Other investments	Total
	As of September 30, 2025				
	Unaudited				
Balance as of July 1, 2025	**3,708**	**20,120**	**814**	**4,841**	**29,483**
Total income (losses) recognized					
In profit and loss	**80**	**240**	**(2)**	**(31)**	**287**
Purchases	**313**	**720**	**15**	**154**	**1,202**
Sales	**-**	**-**	**(16)**	**(177)**	**(193)**
Redemptions	**(78)**	**(1,149)**	**-**	**-**	**(1,227)**
Interest and dividend received	**(28)**	**(2)**	**(35)**	**-**	**(65)**
Balance as of September 30, 2025	**3,995**	**19,929**	**776**	**4,787**	**29,487**
Total income (losses) for the period included in profit and loss in respect of financial assets held as of September 30, 2025	**80**	**240**	**(2)**	**(31)**	**287**

In NIS million	Illiquid debt instruments, excluding designated bonds	Designated bonds	Capital instruments	Other investments	Total
	As of September 30, 2024				
	Unaudited				
Balance as of July 1, 2024	2,545	17,770	831	4,936	26,082
Total income (losses) recognized					
In profit and loss	147	564	-	83	794
Purchases	268	1,369	19	175	1,831
Sales	-	-	(19)	(133)	(152)
Redemptions	(70)	(1,523)	-	-	(1,593)
Interest and dividend received	(21)	(5)	(1)	-	(27)
Balance as of September 30, 2024	2,869	18,175	830	5,061	26,935
Total income (losses) for the period included in profit and loss in respect of financial assets held as of September 30, 2024	147	564	-	88	799

In NIS million	Illiquid debt instruments, excluding designated bonds	Designated bonds	Capital instruments	Other investments	Total
	As of December 31, 2024				
	Unaudited				
Balance as of January 1, 2024	2,179	18,539	757	4,528	26,003
Total income (losses) recognized					
In profit and loss	314	1,075	(8)	189	1,570
Purchases	998	1,388	85	812	3,283
Sales	-	-	(26)	(525)	(551)
Redemptions	(253)	(1,573)	-	-	(1,826)
Interest and dividend received	(75)	(749)	(7)	-	(831)
Balance as of December 31, 2024	3,163	18,680	801	5,004	27,648
Total income (losses) for the period included in profit and loss in respect of financial assets held as of December 31, 2024	314	1,075	(8)	196	1,577

3. Financial instruments measured at fair value for disclosure purposes only

In NIS million	As of September 30, 2025 Carrying amount	Fair value
Financial assets		
Other financial investments measured at depreciated cost:		
Illiquid debt instruments:		
Deposits with banks and financial institutions	13	13
Treasury deposits	2,198	2,670
Illiquid corporate bonds	22	24
Loans (including investees)	71	70
Total illiquid debt instruments	2,305	2,777
Total financial assets	2,305	2,777

In NIS million	As of September 30, 2024 Carrying amount	Fair value
Financial assets		
Other financial investments measured at depreciated cost:		
Illiquid debt instruments:		
Deposits with banks and financial institutions	20	19
Treasury deposits	2,289	2,767
Illiquid corporate bonds	29	28
Loans (including investees)	64	61
Total illiquid debt instruments	2,402	2,875
Total financial assets	2,402	2,875

In NIS million	As of December 31, 2024 Carrying amount	Fair value
Financial assets		
Other financial investments measured at depreciated cost:		
Illiquid debt instruments:		
Deposits with banks and financial institutions	20	20
Treasury deposits	2,226	2,704
Illiquid corporate bonds	29	30
Loans (including investees)	65	64
Total illiquid debt instruments	2,340	2,818
Total financial assets	2,340	2,818

E. Additional information regarding the 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.

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 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 expected cash flows from those assets.

The discount rates are based primarily on yields on government bonds and spreads of corporate bonds as measured on the Tel Aviv Stock Exchange. 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 Markets, Insurance and Savings Authority published a press release in which it announced that it selected Ness Fair Value Ltd. as a supplier for the revaluation of illiquid debt assets of the institutional entities.

Ness Fair Value (hereinafter - "**Ness**") will replace Fair Spread Ltd., which has been carrying out the revaluation since 2011, covering only non-complex illiquid debt assets issued 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 in the institutional trading system (TASE-UP platform), "Ness Fair Value Ltd." will issue specific quotation regarding investment instruments traded in this platform, provided that these investment instruments are held by institutional entities. Preparations by "Ness Fair Value Ltd." are expected to take several months, during which the Company will receive both the details of the assets, which are the subject matter of the revaluation, which are currently revalued by Fair Spread, and of those, which were not included in the existing 3-2012 tender, but are included in the 3-2022 tender. Based on the revaluation model of the New Supplier, including the data to be used in the model, the Company expects to classify most of the illiquid debt assets to be revalued by the New Supplier at Level 3 of the fair value hierarchy.

The Company is studying the implications of the decision and is preparing to implement the change in accordance with the guidelines to be received from the Capital Market Authority.

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. 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 cancellation rate, annuity takeup rate, retirement age, etc.

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.

Other investments

Composed mainly of investments in ETNs, participation certificates in mutual funds, investment funds and structured products, whose fair value is based on NAV (Net Asset Value), which is mostly provided by independent third parties (mainly investment managers).

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

Financial instruments held against yield-dependent contracts

Financial instrument	Valuation technique	Significant non-observable inputs	September 30, 2025 Fair value (in NIS million)	September 30, 2025 Range (weighted average)	December 31, 2024 Fair value (in NIS million)	December 31, 2024 Range (weighted average)	Sensitivity of fair value to change in inputs	Interactions between significant non-observable inputs and fair other non-observable inputs
Capital instruments	Discounted cash flows	Growth rate	2,436		2,228		A significant increase in the growth rate will lead to a significant increase in fair value	There were no significant interactions between the non-observable inputs
		Discount rate					A significant increase in the discount rate will lead to a significant decrease in fair value	
Other investments	Discounted cash flows	Net asset value (NAV) reports	14,072		14,474		N/A	N/A

Financial instruments held against non-yield-dependent liabilities

Financial instrument	Valuation technique	Significant non-observable inputs	September 30, 2025 Fair value (in NIS million)	September 30, 2025 Range (weighted average)	December 31, 2024 Fair value (in NIS million)	December 31, 2024 Range (weighted average)	Sensitivity of fair value to change in inputs	Interactions between significant non-observable inputs and fair other non-observable inputs
Hetz bonds	Discounted cash flows	Discount rate	19,929	2.38%-2.73%	18,860	2.12%-2.73%		There were no significant interactions between the non-observable inputs
		Actuarial assumptions		Based on an actuarial model		Based on an actuarial model		
Reverse mortgage	Discounted cash flows	Discount rate	3,995	3.56%-6.20%	3,163	2.93%-6.74%	A significant increase in the discount rate will lead to a significant decrease in fair value	There were no significant interactions between the non-observable inputs
		Early redemptions					A significant increase in redemptions will lead to a significant decrease in fair value	
Capital instruments	Discounted cash flows	Growth rate	770		795		A significant increase in the growth rate will lead to a significant increase in fair value	There were no significant interactions between the non-observable inputs
		Discount rate					A significant increase in the discount rate will lead to a significant decrease in fair value	
Other investments	Discounted cash flows	Net asset value (NAV) reports	4,693		5,102		N/A	N/A

F. Receivables for credit card transactions - for Max

In NIS million	September 30, 2025 On-balance sheet balances	Fair value Level 1	Level 2	Level 3	Total
	Unaudited				
Receivables for credit card transactions	18,591	-	-	18,502	18,502

In NIS million	September 30, 2024 On-balance sheet balances	Fair value Level 1	Level 2	Level 3	Total
	Unaudited				
Receivables for credit card transactions	17,287	-	-	17,212	17,212

In NIS million	December 31, 2024 On-balance sheet balances	Fair value Level 1	Level 2	Level 3	Total
	Unaudited				
Receivables for credit card transactions	17,751	-	-	17,675	17,675

G. Loans and credit

1. Composition of fair value

In NIS million	Comment	As of September 30 2025 Carrying value	Fair value	As of September 30 2024 Carrying value	Fair value	As of December 31 2024 Carrying value	Fair value
		Unaudited					
Financial liabilities presented at fair value through profit and loss:							
Liability for derivative financial instruments *)		**678**	**678**	824	824	528	528
Repo liability *)		**1,325**	**1,325**	1,218	1,218	1,235	1,235
Total financial liabilities presented at fair value through profit and loss		**2,003**	**2,003**	2,042	2,042	1,763	1,763
Financial liabilities presented at amortized cost:							
The Company:							
Bonds (Series A) - Liquid bonds	A	**557**	**565**	908	903	920	934
Bonds (Series B) - Liquid convertible bonds –							
Par value component	A	**145**	**288**	143	134	144	155
Bonds (Series C) - Liquid bonds	A	**869**	**894**	507	502	500	514
Subsidiaries:							
Loans in CIMax and its subsidiaries, excluding Max		**9**	**9**	13	13	12	12
Liquid subordinated notes in Clal Insurance	B	**4,637**	**4,537**	4,618	4,170	4,661	4,398
Credit from banking corporations in Max		**5,911**	**5,910**	5,607	5,607	5,993	5,995
Bonds and subordinated notes in Max	E	**1,621**	**1,629**	793	797	788	799
Total financial liabilities presented at amortized cost		**13,750**	**13,831**	12,589	12,125	13,019	12,806
Less interest payable in respect of bonds and subordinated notes presented in payables and credit balances line item		**90**	**90**	75	75	115	115
Total financial liabilities		**15,663**	**15,744**	14,556	14,091	14,666	14,453
*) Of which in respect of yield-dependent financial liabilities.		**1,706**	**1,706**	1,647	1,647	1,460	1,460

A. Bonds issued by the Company

On July 1, 2025, the Company carried out a private placement of Bonds (Series C) of the Company, by way of expanding an existing series. The Company allocated NIS 350 million in par value of Bonds (Series C), in exchange for a total of approx. NIS 358.4 million. The proceeds of the placement were used for partial early redemption of the Company's Bonds (Series A) and on July 13, 2025, the Company redeemed, by way of a partial early redemption, NIS 350 million in par value of Bonds (Series A).

The abovementioned issuance costs of the Bonds (Series C) totaled approx. NIS 1 million.

For information regarding the issuance's rating, see Section C below.

On February 28, 2025, interest was paid on Bonds (Series A) and Bonds (Series B) totaling approx. NIS 47 million, and on May 1, 2025 and November 1, 2025 interest was paid on Bonds (Series C) totaling approx. NIS 13 million and approx. NIS 22 million, respectively, in accordance with the Bonds' terms.

B. Debt raising by Clal Insurance Capital Raising Ltd. a subsidiary of Clal Insurance (hereinafter - "Clal Capital Raising")

1. Bonds (Series N)

In April 2025, Clal Capital Raising issued to the public Bonds (Series N) totaling NIS 500 million (hereinafter - the "**Bonds**"), by virtue of a shelf prospectus dated April 9, 2025. The principal will be repaid in one lump sum on September 30, 2039, unless Clal Capital Raising exercises its right to execute early redemption of the bonds. The principal and interest are not non-linked. The interest payable on the Bonds (Series N) is paid annually in two semi-annual installments starting on September 30, 2025, and on March 31 and September 30 of each calendar year between 2026 and 2039. The annual nominal interest rate is 5.51% and the annual effective interest rate is 5.72% assuming redemption on the Effective Date for Additional Interest (see Section 1 below).

The issuance costs amounted to approx. NIS 6 million.

The total consideration (gross) received by Clal Capital Raising following issuance of the new bonds under the said issuance, was deposited in Clal Insurance in a deferred deposit under the same repayment and interest terms and conditions as those of the bonds. The Bonds are recognized as Tier 2 capital in Clal Insurance and bear equal status and seniority level as subordinated bonds that have been issued and/or shall be issued by Clal Capital Raising and/or Clal Insurance as a Tier 2 capital instrument, and are subordinate to the other liabilities of Clal Insurance, other than the rights of creditors in accordance with Tier 1 capital. For information regarding the issuance's rating, see Section C below.

Additional terms and conditions of the bonds:

1. **Right to early redemption**

   Clal Capital Raising shall be entitled, without giving bondholders and/or the trustee a choice, to redeem their bonds by way of early, full or partial redemption, if the following conditions are met:

   - The first date, on which Clal Capital Raising will be allowed to execute full or partial early redemption of the bonds will be September 30, 2034 (hereinafter - the "**First Early Redemption Date**"); subsequent to this date, Clal Capital Raising will be allowed to execute full or partial early redemption of the bonds at any time. The frequency of the early redemptions shall not exceed one redemption per quarter.
   - If Clal Capital Raising will not exercise its right to execute early redemption of all the bonds - starting on the date of payment of the interest in respect of the bonds, which will be 3 years before the principal repayment date, i.e., September 30, 2036 (hereinafter - the "**Effective Date for Additional Interest**") - additional interest will be credited to the bond holders on the

   interest payable on the bonds at that time, in respect of the remaining period (from the Effective Date for Additional Interest on which the abovementioned right was not exercised through the actual repayment date), which will be at the rate of 50% of the original risk margin set in the issuance; the original risk margin is 1.34%.

   - The minimum amount for early redemption is NIS 1 million p.v. in bonds.
   - In any case, no early redemption of part of the principal of the bonds shall be made if the outstanding principal balance that remains after early redemption is lower than NIS 3.2 million.

- Early redemption will be possible if one of the following is met:
  (1) The bond will be converted into a capital instrument of equal or superior quality;
  (2) The Commissioner's advance approval was obtained on the terms they will set. In general, early redemption will be possible if Clal Insurance's shareholders' equity after the early redemption would exceed the solvency capital requirement (SCR).

2. Deferral of principal and/or interest repayment dates under suspending circumstances

Upon the occurrence of one of the suspending circumstances listed below, a principal payment and/or interest payments, as the case may be, in respect of the bonds:

<u>With regard to deferral of interest payments:</u>

In accordance with Clal Insurance's latest financial statements, which were published prior to the payment date, Clal Insurance has no distributable profits as defined in the Companies Law.

<u>With regard to the deferral of a principal and/or interest:</u>

(1) According to Clal Insurance's latest financial statements published prior to the payment date, Clal Insurance's shareholders' equity is lower than the capital required from Clal Insurance for suspending circumstances, Clal Insurance did not execute capital supplementation (as this term is defined in the Solvency Circular) as of the financial statements' publication date.

(2) Clal Insurance's Board ordered the deferral of interest payment or the deferral of principal payment, if it realized that there is a real imminent concern regarding Clal Insurance's ability to comply with the capital requirement for suspending circumstances, or to repay on time liabilities with higher priority than that of the bonds, provided that the Commissioner's advance approval was obtained.

(3) The Commissioner ordered the deferral of interest payment or the deferral of principal payment, if they realized that the solvency ratio was adversely affected or that there is a real imminent concern regarding Clal Insurance's ability to comply with the economic solvency capital requirement.

Such deferred principal and/or interest amounts, will accrue interest starting on the deferral date and through the actual payment date, at the interest rate payable on the bonds at that time.

2. Bonds (Series O)

Subsequent to the reporting date, on October 21, 2025, Clal Capital Raising issued to the public Bonds (Series O) totaling approx. NIS 594 million p.v. under the Shelf Prospectus (hereinafter - the "**Bonds**"). The principal will be repaid in one lump sum on October 31, 2075, unless Clal Capital Raising exercises its right to execute early redemption of the bonds. The principal and interest are not non-linked. The interest payable on the Bonds (Series O) is paid annually in two semi-annual installments on April 30 and on October 31 of each calendar year between 2026 and 2075. The annual nominal interest rate is 5.12% and the annual effective interest rate is 5.33% assuming redemption on the first early redemption date. The issuance costs amounted to approx. NIS 7 million.

Furthermore, subsequent to the reporting date, on October 23, 2025, Clal Capital Raising issued to the Company further Bonds (Series O) totaling approx. NIS 555 million p.v. under a private placement. The issuance proceeds were used to cancel a NIS 450 million CPI-linked capital note, which was issued to the Company by Clal Insurance on October 29, 2020, and which was recognized by Clal Insurance as an additional Tier 1 capital instrument.

The proceeds of the issuance have the same economic value as the capital note, calculated in accordance with a detailed substitution formula detailed in an economic study conducted by an independent external economic consulting firm. Accordingly, the Company recorded a gain of approx. NIS 24 million, and - on the other hand - Clal Insurance recorded a loss at the same amount under the replacement of the Tier 1 capital instruments.

Bonds (Series O), which were issued to the public under a private placement, constitute a single series for all intents and purposes.

The total consideration (gross) received by Clal Capital Raising following issuance of Bonds (Series O), which were issued to the public under a private placement, was deposited in Clal Insurance in a deferred deposit under the same repayment and interest terms and conditions as those of the bonds. The Bonds are recognized as Additional Tier 1 capital for Clal Insurance and bear equal status and seniority level as subordinated bonds that have been issued and/or shall be issued by Clal Capital Raising and/or Clal Insurance as an additional Tier 1 capital instrument and are subordinate to Clal Insurance's other liabilities. The bonds shall be senior only towards the holders of ordinary shares of Clal Capital Raising and Clal Insurance.

For information regarding the issuance's rating, see Section C below.

Additional terms and conditions of the bonds:

A. Right to early redemption

Clal Capital Raising shall be entitled, without giving bondholders and/or the trustee a choice, to redeem their bonds by way of early, full or partial redemption, if the following conditions are met:

- The first date on which Clal Capital Raising will be allowed to execute full or partial early redemption of the Bonds shall be October 31, 2036 (hereinafter - the **"First Early Redemption Date"**); subsequent to this date and subject to the Commissioner's approval, Clal Capital Raising will be allowed to execute full or partial early redemption of the Bonds on the First Interest Payment date occurring after five years have elapsed since the First Early Redemption Date, and subsequently - every five years on the next Interest Payment Date.
- If Clal Capital Raising fails to execute this right to carry out full or partial early redemption of the Bonds through October 31, 2036, the interest payable will change and its rate will be calculated in accordance with the following: As from October 31, 2036, and every five years since that date (any such date shall be referred to hereinafter - the "**Interest Change Date**"), the Bonds shall bear interest equal to the market yield of five-year government bonds on that Interest Change Date, plus an interest spread. Interest spread - is the spread on non-linked 10-year government bonds set in a tender, and its rate is 1.15607%. That is to say - the Base Interest will change in accordance with the yield of five-year government bonds on each Interest Change Date, whereas the interest spread will not change and will remain constant.
  - The minimum amount for early redemption is NIS 1 million p.v. in bonds.
  - In any case, no early redemption of part of the principal of the bonds shall be made if the outstanding principal balance that remains after early redemption is lower than NIS 3.2 million.

  Early redemption will be allowed subject to the Commissioner's advance approval and at the terms set by them.

B. Cancellation of an interest payment and/or deferral of a principal payment in respect of the Bonds

A. Clal Capital Raising may cancel an interest payment and defer a principal payment without prejudice to its right to make other payments of higher priority (hereinafter - "**Suspending Circumstances**"), under the following circumstances at the very least:

(1) Regarding interest payments, in accordance with the latest financial statements published by Clal Insurance prior to the payment date, Clal Insurance does not have distributable profits, as defined by the Companies Law, 1999 (hereinafter - the **"Companies Law"**);

(2) In accordance with the latest financial statements published prior to the payment date, Clal Insurance's equity is lower than the SCR (solvency capital requirement);

(3) Clal Insurance's Board ordered that interest not be paid or principal payments be deferred if it saw a real, imminent concern regarding Clal Insurance's ability to comply with the SCR, or to repay on time liabilities with higher priority than that of the instrument, provided that the Commissioner's advance approval thereto has been obtained;

(4) The Commissioner ordered that interest not be paid or principal payments be deferred, if it realized that the solvency ratio was adversely affected or that there is a real imminent concern regarding Clal Insurance's ability to comply with the SCR.

B. The instrument's principal which was not repaid on time due to suspending circumstances as stated above:

(1) Shall not accrue interest on arrears of any type whatsoever.

(2) Will be paid when the delaying circumstanced cease, in accordance with the resolution of Clal

Insurance's Board of Directors and after obtaining the Commissioner's advance approval.

C. The instrument's principal shall be written-off, in whole or in part, when any of the following is fulfilled:

(1) In accordance with the next most recent financial statements published, Clal Insurance's own funds are lower than the SCR, and Clal Insurance did not supplement its capital as of the publication date of the most recent financial statements.

(2) In accordance with the latest published financial statements, Clal Insurance's solvency ratio is lower than 75%, and Clal Insurance did not supplement its equity as of the publication date of the financial statements.

(3) In the auditor's opinion or review report attached to the latest published financial statements prior to the payment date, the independent auditor of Financial Report has added an emphasis of matter regarding the notes describing significant doubts as to Clal Insurance's ability to continue as a going concern.

C. Rating

On April 23, 2025, Midroog announced it was rating at Aa3.il (hyb), with a stable outlook, the subordinated notes of up to NIS 500 million p.v. raised by Clal Insurance through Clal Capital Raising by way of issuing a new series (Series N).

On April 23, 2025, S&P Maalot announced it was rating at ilAA-, with a stable outlook, the subordinated notes of up to NIS 500 million p.v. raised by Clal Insurance through Clal Capital Raising by way of issuing a new series (Series N).

On June 26, 2025, S&P Maalot announced the assignment of an ilAA- rating with a stable outlook to a private placement of Bonds (Series C) totaling up to NIS 350 million p.v., carried out by way of expanding an existing series.

On July 9, 2025, S&P Maalot reiterated Clal Insurance's ilAA+ rating with a stable outlook and also reiterated the ilAA- rating of the Company and Notes (Series A, B and C) issued by the Company, with a stable rating outlook for each of the series.

It also reiterated the ilAA- rating for the Notes (Series I, K, L, M and N) issued by Clal Capital Raising, with a stable outlook for each of the series.

On August 6, 2025, Midroog reiterated the Aa1.il Insurer Financial Strength rating of Clal Insurance with a stable outlook and ratified the Aa3.il (hyb) rating for the Notes (Series K, L, M, and N) issued by Clal Capital Raising, with a stable outlook for each of the series.

On September 18 and October 21, 2025, S&P Maalot announced the assignment of an ilA+ rating to Bonds (Series O) totaling up to NIS 1,200 million p.v. issued by Clal Capital Raising and recognized in additional Tier 1 capital.

On September 18 and October 21, 2025, Midroog announced the assignment of an A1.il rating to Bonds (Series O) totaling up to NIS 1,200 million p.v. issued by Clal Capital Raising and recognized in additional Tier 1 capital.

D. Subsequent to the reporting date, on July 31, 2025, Clal Capital Raising executed early redemption of the outstanding balance of Notes (Series I), in accordance with their terms and conditions.

E. Bonds and subordinated notes in Max

Max has subordinated notes with a contractual loss absorption mechanism, which are recognized as Tier 2 capital and commercial papers. The balance as of September 30, 2025, comprises two series of Subordinated Notes with a contractual loss absorption mechanism (Series D and Series F) totaling NIS 400 million p.v., which have been recognized as Tier 2 capital since their issuance date. Bonds (Series E), which were issued to the public for a total of NIS 300 million in p.v. by way of a private placement to institutional investors (Series 1 and Series 2), for a total of approx. NIS 700 million in par value and Commercial Papers (Series 5) issued to the public, totaling approx. NIS 207 million in par value.

The increase in the balance of Bonds and Subordinated notes arises mostly from a private placement of commercial papers to institutional entities, completed by Max on January 6, 2025, by way of expansion of a series of Commercial Papers (Series 2), totaling approx. NIS 154 million in par value.

Thus, on April 7, 2025, Max was listed as a public company on the Tel Aviv Stock Exchange, and on April 24, 2025, it completed a NIS 207 million raising of Commercial Papers (Series 5) from institutional investors and -

for the first time - also from the public par value.

From the issuance of Subordinated Notes (Series F) to institutional entities totaling NIS 150 million on July 10, 2025, and from the issuance of Bonds (Series E) totaling NIS 300 million to the public on July 13, 2025.

The Subordinated Notes (Series F) totaling NIS 150 million p.v., which were issued on July 10, 2025, include a contractual loss absorption mechanism and have been recognized as Tier 2 capital since their issuance date. The Notes (Series F) are linked to the Consumer Price Index, bear fixed annual interest of 3.98% and are repayable in one installment on June 30, 2036, with an early redemption option available to Max between June 30, 2031 and July 30, 2031, under the terms and conditions detailed in the deed of trust. If Max does not exercise the early redemption option, the interest will be revised on June 30, 2031, such that its annual rate will be equal to the benchmark interest rate on the date of the interest rate change, plus the margin above the benchmark interest rate at the issuance date, all in accordance with the definitions set out in the deed of trust. The Notes (Series F) were issued to qualified investors in a private placement and were listed on the TACT-Institutional system of the Tel Aviv Stock Exchange.

Bonds (Series E) totaling NIS 300 million in par value were issued to the public on July 13, 2025. The Bond's principal will be repayable in four equal annual installments, payable on June 30 of each of the years 2028 through 2031. The Bonds bear annual interest of 2.7%, which will be paid in twelve semi-annual installments payable on June 30 and December 31 of each year from December 31, 2025 through June 30, 2031. The principal and interest will be linked to the Consumer Price Index.

Rating

In April 2025, Midroog assigned a P-1.il rating to liquid Commercial Papers (Series 5), issued to the public on April 24, 2025.

In June and July 2025, Midroog assigned an Aa3.il rating (rating outlook: stable) to the Bonds (Series E) issued to the public on July 13, 2025, and an A1.il (hyb) rating (rating outlook: stable) to Max's Subordinated Notes (Series F) issued to qualified investors on July 10, 2025 under a private placement.

In November 2025, Midroog reiterated Max's issuer rating at Aa3.il (rating outlook: stable), the rating of Bonds issued by Max (Series E) at Aa3.il (rating outlook: stable), and the rating of Max's Subordinated Notes (Series D and F) at A1.il (hyb) (rating outlook: stable). In addition, Midroog reiterated the rating of the Commercial Papers issued by Max at P-1.il.

F. Binding credit facilities

1. Credit facility for the Company

Further to Note 26(j)(1) to the Consolidated Financial Statements as of 2024, in June 2024, an Israeli banking corporation approved a credit facility to the Company totaling up to NIS 250 million for the purpose of providing it with another liquidity buffer, for one further year through June 2025. In June 2025, the credit facility was renewed by one year until June 2026, without material modification of terms. At the date of the report and at the date of the approval thereof, the Company has not utilized the aforesaid credit facility.

2. Credit facility for Max

Further to the information regarding a credit facility to Max, as detailed in Note 26(j)(2) to the 2024 Consolidated Financial Statements. During the second quarter of 2025 and subsequent to the Reporting Period, Max extended the secured credit facilities with no material modification of terms compared to the existing credit facilities, with the various banks.

3. Fair value of financial liabilities, by level

The following table presents an analysis of financial liabilities measured at fair value from time to time, using a valuation method according to the different hierarchy levels. For details regarding the hierarchy levels, see Section E above.

	As of September 30, 2025		
	Level 1	Level 2	Total
In NIS million	Unaudited		
Derivatives	54	624	678
Repo liability	-	1,325	1,325
Total financial liabilities	**54**	**1,949**	**2,003**

In NIS million	As of September 30, 2024 Level 1	Level 2	Total
	Unaudited		
Derivatives	66	758	824
Repo liability	-	1,218	1,218
Total financial liabilities	66	1,976	2,042

In NIS million	As of December 31, 2024 Level 1	Level 2	Total
	Unaudited		
Derivatives	17	511	528
Repo liability	-	1,235	1,235
Total financial liabilities	17	1,746	1,763

G. Financial liabilities with respect to Max by level

	September 30, 2025				
	On-balance	Fair value			
	sheet balances	Level 1	Level 2	Level 3	Total
In NIS million	Unaudited				
Financial liabilities					
Credit from banking corporations	**5,911**	**-**	**5,910**	**-**	**5,910**
Payables for credit card transactions	**10,192**	**-**	**-**	**10,138**	**10,138**
Bonds and subordinated notes	**1,621**	**516**	**1,113**	**-**	**1,629**
Other financial liabilities	**283**	**-**	**1**	**282**	**283**
Total financial liabilities	**18,007**	**516**	**7,024**	**10,420**	**17,960**

	September 30, 2024				
	On-balance	Fair value			
	sheet balances	Level 1	Level 2	Level 3	Total
In NIS million	Unaudited				
Financial liabilities					
Credit from banking corporations	**5,607**	**-**	**5,607**	**-**	**5,607**
Payables for credit card transactions	**9,590**	**-**	**-**	**9,534**	**9,534**
Bonds and subordinated notes	**793**	**-**	**797**	**-**	**797**
Other financial liabilities	**361**	**-**	**-**	**361**	**361**
Total financial liabilities	**16,351**	**-**	**6,404**	**9,895**	**16,299**

	December 31, 2024				
	On-balance	Fair value			
	sheet balances	Level 1	Level 2	Level 3	Total
In NIS million	Unaudited				
Financial liabilities					
Credit from banking corporations	**5,993**	**-**	**5,995**	**-**	**5,995**
Payables for credit card transactions	**9,678**	**-**	**-**	**9,622**	**9,622**
Bonds and subordinated notes	**788**	**-**	**799**	**-**	**799**
Other financial liabilities	**296**	**-**	**-**	**296**	**296**
Total financial liabilities	**16,755**	**-**	**6,794**	**9,918**	**16,712**

NOTE 6 - CAPITAL MANAGEMENT AND REQUIREMENTS

A. Share capital

	Ordinary shares *) **)		
	September 30, 2025	September 30, 2024	December 31, 2024
	In thousands of shares of NIS 1 p.v.		
Issued and paid-up share capital as of January 1	**79,437**	79,031	79,031
Issuance of shares	**-**	-	-
Exercise of options for senior employees	**609**	51	406
Issued and paid-up share capital as of	**80,046**	79,082	79,437
Registered capital	**100,000**	100,000	100,000

*) The shares are listed on the Tel Aviv Stock Exchange (TASE). The holders of ordinary shares have the right to receive dividends as declared from time to time, voting rights at general meetings of the Company according to one vote per share, rights in the event of liquidation of the Company and the right to appoint directors for the Company.

**) For details regarding the Group's option plan and the Equity Compensation Plan for the Company's CEO, which were approved during the reporting period and thereafter, see Note 13(B)

B. Approval of the dividend distribution by the Company

Further to Note 17(c) to the Annual Financial Statements, in September 2024, the Company's Board of Directors approved a dividend distribution policy. This policy was approved, among other things, further to the approval of a dividend distribution policy in the Company’s key subsidiaries - Clal Insurance and Max (see Section c below).

In accordance with the approved policy, the Company will distribute an annual dividend at a rate which will not fall below 50% of the dividend received in that year from the Company’s subsidiaries.

This policy should not be viewed as an undertaking by the Company to distribute dividends, and that any actual distribution shall be individually subject to the Board of Directors’ approval, at its sole discretion; the Board of Directors may decide on actual distribution at different rates, or not to distribute any dividend. Furthermore, the execution of any actual distribution shall be subject to compliance with the provisions of laws applicable to any dividend distribution and to compliance with the financial covenants the Company has undertaken and/or will undertake in the future as to the condition that the distribution shall not adversely affect the Company’s cash flows and the Company’s need for cash to finance its activities, including future investments, as shall be from time to time, and/or its expected and/or planned future activities.

The Company’s Board of Director may review the dividend distribution policy from time to time and decide, at any given time, taking into account business considerations and the legal and regulatory provisions applicable to the Company, to change the dividend distribution policy, including the rate of dividend to be distributed.

Further to the above, on May 28, 2025, the Company’s Board approved a dividend distribution totaling approx. NIS 200 million, which constitutes approx. 64% of the dividends declared and/or distributed in the Company’s subsidiaries as of the approval date of the Consolidated Interim Financial Statements. The dividend was paid on June 25, 2025.

C. Dividends and capital management and requirements in the Group companies

Further to Note 17(c) and (d) of the Annual Financial Statements, the possibility of distributing dividends by the Company is affected by the ability of investees to distribute dividends, subject to their capital requirements and liquidity needs and Max’s needs to service the debt it issued (for further details regarding the bonds issued by Max, see Note 6(c) above). Below is a description of the capital requirements of Clal Insurance and Max and details of the distribution of dividends by them.

1. Dividends and management of requirements in consolidated insurance companies

A. Solvency II-based economic solvency regime applicable to the Group’s insurance companies

The Group’s insurance companies are subject to the Solvency II-based Economic Solvency Regime in accordance with the implementation provisions of the Economic Solvency Regime.

In accordance with the Consolidated 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 November 25, 2025, Clal Insurance's Board of Directors approved its Economic Solvency Ratio Report as of June 30, 2025.

The calculation carried out by Clal Insurance as of June 30, 2025 was reviewed by the Company's independent auditors in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information. This standard is relevant for the execution of the engagement to assess whether the Company's solvency calculations do not comply, in all material respects, with the Commissioner's Directives, and are not part of the auditing standards applicable to financial statements.

In accordance with the Solvency Ratio Report as of June 30, 2025, Clal Insurance has excess capital, both when calculation is made having no regard to the Transitional Provisions and when it is made taking into account the Transitional Provisions.

The calculation is sometimes based on assumptions regarding future events and steps taken by management, which 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.

For further details, see Section 2.4 to the Report of the Board of Directors and the Economic Solvency Ratio Report as of June 30, 2025 attached to this report.

B. Update of the capital target and dividend distribution policy of Clal Insurance

Further to Note 17(c)2 to the Consolidated Annual Financial Statements of 2024, in June 2023, the Board of Directors of Clal Insurance approved a policy for the distribution of a dividend at a rate of 30%-50% of Clal Insurance's comprehensive income. The distribution is subject to Clal Insurance's compliance with a minimum capital target pursuant to the economic solvency ratio regime, post-distribution, at a rate of 110%, without taking into account the Transitional Provisions, and at a rate of 135%, taking into consideration the Provisions for the Transitional Period.

On May 28, 2025, Clal Insurance revised the minimum capital target without taking into account the Transitional Provisions, such that subsequent to the dividend distribution the solvency ratio will be at least 115% compared to 110%.

This is further to setting a capital management policy whereby the target range for Clal Insurance's economic solvency ratio shall be 150%-170%, as approved in June 2021. In addition, the minimum economic solvency ratio target for prudential purposes is set at 135%. These targets relate to a solvency ratio taking into account the Deduction during the Transitional Period until the end of 2032 and thereafter.

It is noted that in February 2025, the Commissioner issued a letter regarding capital targets, which clarifies the appropriate practices for setting the capital targets. Clal Insurance intends to assess its targets bearing the letter in mind.

This policy should not be viewed as an undertaking by Clal Insurance to distribute dividends, and that any actual distribution shall be individually subject to the Board of Directors' approval, at its sole discretion; the Board of Directors may decide on actual distribution at different rates, or not to distribute any dividend. Furthermore, the execution of any actual distribution shall be subject to compliance with the provisions of laws applicable to any dividend distribution and to compliance with the financial covenants Clal Insurance has undertaken and/or will undertake in the future as to the condition that the distribution shall not adversely affect Clal Insurance's cash flows and Clal Insurance's need for cash to finance its activities, including future investments, as shall be from time to time, and/or its expected and/or planned future activities.

The Board of Directors of Clal Insurance may review the dividend distribution policy from time to time and decide, at any given time, taking into account business considerations and the legal and regulatory provisions applicable to Clal Insurance, to change the dividend distribution policy, including the rate of dividend to be distributed.

Subsequent to the above, on May 28, 2025, Clal Insurance's Board approved a dividend distribution of approx. NIS 300 million, which constitutes approx. 47% of Clal Insurance's 2024 comprehensive income in accordance with the Annual Financial Statements (approx. 25% of Clal Insurance's comprehensive income after application of IFRS 9 and IFRS 17, as detailed in Note 14 to the Interim Financial Statements), having examined all aspects, including Clal Insurance's compliance with the economic solvency ratio targets detailed above. The dividend was paid on May 29, 2025.

2. **Dividends and management of capital requirements in Max**

A. Dividend distribution policy and dividend distribution in Max

The dividend distribution by Max is subject to the directives of the Banking Supervision Department, including compliance with capital adequacy restrictions under the Basel directives. A dividend distribution is permitted subject to the provisions of the Companies Law, 1999, which stipulates, among other things, that Max may make a distribution out of its earnings, provided that there are no reasonable concerns that the distribution will prevent Max from fulfilling its existing and future undertakings, when they fall due.

During the second quarter of 2024 Max agreed the cancellation of restrictions on dividend distribution, which were included in its financing agreements, and which were detailed in Note 17C.(3) In the 2024 Consolidated Financial Statements.

On June 30, 2024, Max's Board of Directors set, for the first time, a dividend distribution policy. According to the approved policy, as from 2024 Max will be able to distribute every year dividends at a total amount of up to 30% of Max's net income for the year, which preceded the distribution year, in accordance with its consolidated financial statements. It is clarified that by setting the policy Max does not undertake to distribute a dividend on a certain date or rate, any distribution shall be subject to the full discretion of Max's Board of Directors and require the individual approval of the Board of Directors of Max, subject, among other things, to compliance with all the restrictions applicable to Max under the law and under directives of the Banking Supervision Department.

In addition, under the issuance of the Bonds (Series E) in July 2025, Max undertook, as is generally acceptable, not to distribute dividends under certain circumstances, such as non-compliance with the financial covenants it undertook to comply with, the establishment of grounds for immediate repayment, or breach of any of its material undertakings, all as detailed in the deed of trust.

B. Capital adequacy and leverage pursuant to the Banking Supervision Department directives applicable to credit card companies

1. Capital adequacy, as per the Banking Supervision Department's directives (**)

	As of September 30 2025	As of September 30 2024	As of December 31 2024
In NIS million		Unaudited	
1. Capital for capital ratio calculation purposes:			
Total CET1 capital, after regulatory capital adjustments and deductions	**2,170**	2,002	2,066
Tier 2 capital	**624**	460	466
Total overall capital	**2,794**	2,462	2,532
2. Balance of risk-weighted assets:			
Credit risk - standardized approach	**17,853**	*16,688	17,207
Market risks - standardized approach	**145**	116	55
Operational risk - standardized approach	**3,629**	3,234	3,347
Total balance of risk-weighted assets	**21,627**	20,038	20,609
		In %	
3. Ratio of capital to risk-weighted components:			
Ratio of CET1 capital to risk-weighted components	**10.0**	10.0	10.0
Ratio of total capital to risk-weighted components	**12.9**	12.3	12.3
Minimum CET 1 capital requirement by the Banking Supervision Department	**8.0**	8.0	8.0
Minimum total capital ratio set by the Banking Supervision Department	**11.5**	11.5	11.5

* Reclassified.

** Calculated in accordance with Proper Conduct of Banking Business Directives Nos. 201-211, "Capital Adequacy and Measurement", and Proper Conduct of Banking Business Directive No. 472 "Merchant Acquirers and Acquiring Payment Card Transactions", which came into effect on September 1, 2016.

Capital adequacy target in Max

As part of the process of adopting the provision of Basel III in Israel, on March 28, 2012, the Banking Supervision Department published a letter of instruction on the minimum core capital ratio in accordance with the Basel III framework, requiring banks and credit card companies to comply with a Common Equity Tier 1 capital ratio of 9% and a total capital ratio of 12.5% until January 1, 2015.

On May 2, 2016, the Banking Supervision Department issued Proper Conduct of Banking Business Directive No. 472, Merchant Acquirers and Acquiring Payment Card Transactions. The directive includes expedients to acquirers with an accounts receivable balance higher than NIS 2 billion in respect of the capital requirements under Proper Conduct of Banking Business Directives 201-211. Despite that which is stated in Section 40 to Proper Conduct of Banking Business Directive No. 201, the Common Equity Tier 1 capital ratio shall not fall below 8%, and the total capital ratio shall not fall below 11.5%. The Directive came into effect on June 1, 2016 and applies to Max as an "acquirer" ("Payment Services Provider with Prudential Importance").

In accordance with Max's risk profile, on June 30, 2024 Max's Board of Directors approved Max's CET1 capital ratio internal target at 9.25% instead of 10% as was the case through that date. The revised internal target is 125 basis points (1.25 percentage points) higher than the minimum CET 1 capital ratio set by the Banking Supervision Department. Max intends to hold a safety buffer above the revised internal target. The internal target for total capital ratio has not changed and stands at 12%.

2. Capital components for the calculation of capital ratio in Max

In NIS million	As of September 30 2025	As of September 30 2024	As of December 31 2024
	Unaudited		
1. Common Equity Tier 1 capital			
Equity	**2,168**	1,997	2,061
Net of goodwill	*	*	*
Total Common Equity Tier 1 capital	**2,167**	1,997	2,061
Regulatory adjustments:			
Adjustments for current expected credit losses - CET1 capital**	**3**	5	5
Total CET1 capital, after regulatory capital deductions	**2,170**	2,002	2,066
2. Tier 2 capital			
Tier 2 capital: Instruments	**400**	250	250
Tier 2 capital: Provisions	**224**	210	216
Total Tier 2 capital	**624**	460	466
Total overall capital	**2,794**	2,462	2,532

* An amount lower than NIS 1 million.

** These data include adjustments in respect of the effect of first-time application of accounting principles regarding current expected credit losses (hereinafter - "**adjustments for current expected credit losses**"), which are gradually amortized until January 1, 2026.

3. Effect of adjustments for current expected credit losses on the CET1 capital ratio in Max

In %	As of September 30 2025	As of September 30 2024	As of December 31 2024
	Unaudited		
Ratio of capital to risk-weighted components			
Ratio of CET1 capital to risk-weighted components, before the effect of adjustments for current expected credit losses	**10.0**	**10.0**	**10.0**
Effect of adjustments for current expected credit losses	**0.01**	**0.02**	**0.02**
Ratio of CET1 capital to risk-weighted components	**10.0**	**10.0**	**10.0**

4. Leverage ratio in Max pursuant to the Banking Supervision Department directives

As from April 1, 2015, Max has been implementing Proper Conduct of Banking Business Directive No. 218 on leverage ratio (hereinafter - the "**Directive**"). The directive sets a simple, transparent and non-risk based leverage ratio to serve as a supplementary and reliable measure for risk-based capital requirements with the purpose of limiting excess leverage in banking corporations. The leverage ratio is expressed as a percentage and is defined as the ratio between capital measurement and exposure measurement. The capital for the purpose of measuring the leverage ratio is Tier 1 capital as defined in Proper Conduct of Banking Business Directive No. 202. Max's total exposure is the sum of the on-balance sheet exposures and off-balance-sheet items. As a rule, the measurement is consistent with the accounting values, and no risk-weighting is applied. In addition, unless specifically permitted to do so under the Directive, Max may not use physical or financial collateral, guarantees or other credit risk mitigation techniques to reduce the exposure measurement. On-balance sheet assets deducted from Tier 1 capital (in accordance with Directive No. 202) are deducted from the exposure measurement. Pursuant to the Directive, Max calculates the exposures for off-balance-sheet items by converting the sum of the items by credit conversion coefficients, as stipulated in Proper Conduct of Banking Business Directive No. 203.

Pursuant to the Directive, acquirers shall have a consolidated leverage ratio of no less than 5%.

In the circulars published in recent years by the Banking Supervision Department amending the directive, it extended the term of an expedient set as a Temporary Order in November 2020, as part of adjustments to Proper Conduct of Banking Business Directives addressing the Covid-19 crisis, according to which the leverage ratio shall not fall below 4.5% on a consolidated basis. According to the last circular, dated September 14, 2025, against the background of a review conducted by the Banking Supervision Department to amend the directive and a review of the leverage ratio and its mix, the above relief was extended as a temporary order until June 30, 2027, provided that the leverage ratio does not fall below that as of December 31, 2026 or the minimum leverage ratio applicable to the banking corporation prior to the temporary order, whichever is lower.

Following is the leverage ratio calculated in accordance with Proper Conduct of Banking Business Directive No. 218:

	As of September 30	As of September 30	As of December 31
	2025	2024	2024
In NIS million	Unaudited		
Consolidated data:			
Tier 1 capital	**2,170**	2,002	2,066
Total exposures	**24,974**	23,181	23,825
	In %		
Leverage ratio	**8.7**	8.6	8.7
Minimum total leverage ratio set by the Banking Supervision Department *	**4.5**	4.5	4.5

* In accordance with the Temporary Order as stated above.

NOTE 7 - INCOME (LOSS) FROM INSURANCE SERVICES AND REINSURANCE

In NIS million	For the nine-month period ended September 30, 2025			
	Life Insurance	Health Insurance	P&C Insurance	Total
	Unaudited			
Revenues from insurance services				
Contracts to which the Premium Allocation Approach (PAA) was not applied				
Amounts relating to changes in liability for remaining coverage (LRC):				
Contractual service margin (CSM) amount recognized in profit or loss for services provided	320	351	-	671
Change in risk adjustment (RA) for non-financial risk resulting from past risks	35	36	-	71
Claims and other expected insurance service expenses incurred	1,702	996	-	2,698
Experience adjustments arising from premiums received	(19)	(4)	-	(23)
Allocation of the portion of the premiums that relate to the recovery of insurance acquisition cash flows.	88	81	-	169
Total contracts to which the Premium Allocation Approach (PAA) was not applied	2,125	1,460	-	3,585
Contracts to which the Premium Allocation Approach (PAA) was applied	-	100	2,899	3,000
Total revenues from insurance services	2,125	1,560	2,899	6,585
Expenses from insurance services				
Claims and other insurance service expenses incurred	1,750	1,051	1,881	4,682
Changes relating to past service - adjustment for liabilities for incurred claims (LIC)	44	41	(262)	(176)
Losses (reversal of losses) for groups of onerous insurance contracts	18	4	7	28
Amortization of insurance acquisition cash flows	88	111	511	709
Total expenses from insurance services	1,900	1,207	2,137	5,243
Income from insurance services before reinsurance contracts held	226	353	763	1,342
Revenues (expenses), net for reinsurance contracts held				
Reinsurance expenses:				
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	12	14	-	25
Change in risk adjustment (RA) for non-financial risk resulting from past risks	3	3	-	6
Recoveries of claims for underlying insurance contracts and other expected insurance services expenses incurred	121	36	-	157
Experience adjustments arising from premiums paid	(4)	(6)	-	(10)
Total contracts to which the Premium Allocation Approach (PAA) was not applied	132	46	-	178
Contracts to which the Premium Allocation Approach (PAA) was applied	3	1	814	818
Total reinsurance expenses	135	48	814	996
Reinsurance revenues:				
Recoveries of claims for underlying insurance contracts and other insurance services expenses incurred	116	37	407	560
Changes relating to past service - adjustment for assets for incurred claims	15	(16)	(34)	(35)
Recoveries of losses (reversal of losses) for groups of onerous underlying insurance contracts	1	1	(1)	1
Total reinsurance revenues	132	22	372	526
Total revenues (expenses) for reinsurance contracts held	(3)	(25)	(442)	(470)
Income from insurance services	223	328	321	871

In NIS million	For the nine-month period ended September 30, 2024			
	Life Insurance	Health Insurance	P&C Insurance	Total
	Unaudited			
Revenues from insurance services				
Contracts to which the Premium Allocation Approach (PAA) was not applied				
Amounts relating to changes in liability for remaining coverage (LRC):				
Contractual service margin (CSM) amount recognized in profit or loss for services provided	270	313	-	583
Change in risk adjustment (RA) for non-financial risk resulting from past risks	35	34	-	68
Claims and other expected insurance service expenses incurred	1,614	914	-	2,528
Experience adjustments arising from premiums received	(27)	7	-	(19)
Allocation of the portion of the premiums that relate to the recovery of insurance acquisition cash flows.	73	61	-	135
Total contracts to which the Premium Allocation Approach (PAA) was not applied	1,966	1,329	-	3,295
Contracts to which the Premium Allocation Approach (PAA) was applied	-	94	2,808	2,903
Total revenues from insurance services	1,966	1,424	2,808	6,196
Expenses from insurance services				
Claims and other insurance service expenses incurred	1,711	961	1,813	4,485
Changes relating to past service - adjustment for liabilities for incurred claims (LIC)	(32)	64	(257)	(224)
Losses (reversal of losses) for groups of onerous insurance contracts	25	6	(10)	22
Amortization of insurance acquisition cash flows	73	91	505	669
Total expenses from insurance services	1,778	1,122	2,052	4,952
Income from insurance services before reinsurance contracts held	188	302	756	1,244
Revenues (expenses), net for reinsurance contracts held				
Reinsurance expenses:				
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	12	-	27
Change in risk adjustment (RA) for non-financial risk resulting from past risks	10	3	-	13
Recoveries of claims for underlying insurance contracts and other expected insurance services expenses incurred	141	18	-	159
Experience adjustments arising from premiums paid	42	12	-	53
Total contracts to which the Premium Allocation Approach (PAA) was not applied	208	45	-	253
Contracts to which the Premium Allocation Approach (PAA) was applied	3	1	875	880
Total reinsurance expenses	211	46	875	1,132
Reinsurance revenues:				
Recoveries of claims for underlying insurance contracts and other insurance services expenses incurred	141	11	545	697
Changes relating to past service - adjustment for assets for incurred claims	11	8	(85)	(67)
Recoveries of losses (reversal of losses) for groups of onerous underlying insurance contracts	3	-	(1)	2
Total reinsurance revenues	155	19	458	632
Total revenues (expenses) for reinsurance contracts held	(57)	(27)	(417)	(500)
Income from insurance services	132	275	340	744

In NIS million	For the three-month period ended September 30, 2025			
	Life Insurance	Health Insurance	P&C Insurance	Total
	Unaudited			
Revenues from insurance services				
Contracts to which the Premium Allocation Approach (PAA) was not applied				
Amounts relating to changes in liability for remaining coverage (LRC):				
Contractual service margin (CSM) amount recognized in profit or loss for services provided	120	117	-	237
Change in risk adjustment (RA) for non-financial risk resulting from past risks	12	12	-	24
Claims and other expected insurance service expenses incurred	569	333	-	901
Experience adjustments arising from premiums received	(6)	(2)	-	(8)
Allocation of the portion of the premiums that relate to the recovery of insurance acquisition cash flows.	31	28	-	59
Total contracts to which the Premium Allocation Approach (PAA) was not applied	726	488	-	1,214
Contracts to which the Premium Allocation Approach (PAA) was applied	-	37	967	1,004
Total revenues from insurance services	726	526	967	2,218
Expenses from insurance services				
Claims and other insurance service expenses incurred	583	344	656	1,583
Changes relating to past service - adjustment for liabilities for incurred claims (LIC)	32	4	(69)	(32)
Losses (reversal of losses) for groups of onerous insurance contracts	3	5	2	10
Amortization of insurance acquisition cash flows	31	38	179	248
Total expenses from insurance services	649	391	768	1,809
Income from insurance services before reinsurance contracts held	77	134	198	409
Revenues (expenses), net for reinsurance contracts held				
Reinsurance expenses:				
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	4	5	-	9
Change in risk adjustment (RA) for non-financial risk resulting from past risks	2	1	-	3
Recoveries of claims for underlying insurance contracts and other expected insurance services expenses incurred	38	13	-	52
Experience adjustments arising from premiums paid	-	(12)	-	(12)
Total contracts to which the Premium Allocation Approach (PAA) was not applied	44	8	-	51
Contracts to which the Premium Allocation Approach (PAA) was applied	1	1	270	272
Total reinsurance expenses	45	8	270	324
Reinsurance revenues:				
Recoveries of claims for underlying insurance contracts and other insurance services expenses incurred	45	17	141	203
Changes relating to past service - adjustment for assets for incurred claims	9	(4)	(1)	4
Recoveries of losses (reversal of losses) for groups of onerous underlying insurance contracts	-	1	(1)	-
Total reinsurance revenues	53	14	139	207
Total revenues (expenses) for reinsurance contracts held	8	6	(131)	(117)
Income from insurance services	85	140	68	292

In NIS million	For the three-month period ended September 30, 2024			
	Life Insurance	Health Insurance	P&C Insurance	Total
	Unaudited			
Revenues from insurance services				
Contracts to which the Premium Allocation Approach (PAA) was not applied				
Amounts relating to changes in liability for remaining coverage (LRC):				
Contractual service margin (CSM) amount recognized in profit or loss for services provided	81	101	-	183
Change in risk adjustment (RA) for non-financial risk resulting from past risks	12	11	-	23
Claims and other expected insurance service expenses incurred	541	307	-	848
Experience adjustments arising from premiums received	(21)	2	-	(19)
Allocation of the portion of the premiums that relate to the recovery of insurance acquisition cash flows.	26	22	-	48
Total contracts to which the Premium Allocation Approach (PAA) was not applied	639	444	-	1,084
Contracts to which the Premium Allocation Approach (PAA) was applied	-	46	957	1,003
Total revenues from insurance services	639	490	957	2,085
Expenses from insurance services				
Claims and other insurance service expenses incurred	657	314	605	1,575
Changes relating to past service - adjustment for liabilities for incurred claims (LIC)	(68)	42	39	13
Losses (reversal of losses) for groups of onerous insurance contracts	10	2	1	13
Amortization of insurance acquisition cash flows	26	35	187	248
Total expenses from insurance services	624	392	832	1,849
Income from insurance services before reinsurance contracts held	15	97	125	237
Revenues (expenses), net for reinsurance contracts held				
Reinsurance expenses:				
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	6	4	-	10
Change in risk adjustment (RA) for non-financial risk resulting from past risks	3	1	-	4
Recoveries of claims for underlying insurance contracts and other expected insurance services expenses incurred	48	4	-	51
Other	12	7	-	19
Total contracts to which the Premium Allocation Approach (PAA) was not applied	68	17	-	86
Contracts to which the Premium Allocation Approach (PAA) was applied	2	1	287	289
Total reinsurance expenses	70	18	287	375
Reinsurance revenues:				
Recoveries of claims for underlying insurance contracts and other insurance services expenses incurred	46	2	220	269
Changes relating to past service - adjustment for assets for incurred claims	17	6	4	27
Recoveries of losses (reversal of losses) for groups of onerous underlying insurance contracts	3	-	1	4
Total reinsurance revenues	66	7	226	299
Total revenues (expenses) for reinsurance contracts held	(5)	(11)	(61)	(76)
Income (loss) from insurance services	11	86	64	161

In NIS million	For the year ended December 31, 2024			
	Life Insurance	Health Insurance	P&C Insurance	Total
	Unaudited			
Revenues from insurance services				
Contracts to which the Premium Allocation Approach (PAA) was not applied				
Amounts relating to changes in liability for remaining coverage (LRC):				
Contractual service margin (CSM) amount recognized in profit or loss for services provided	366	461	-	827
Change in risk adjustment (RA) for non-financial risk resulting from past risks	49	46	-	95
Claims and other expected insurance service expenses incurred	2,164	1,223	-	3,387
Experience adjustments arising from premiums	(21)	18	-	(3)
Allocation of the portion of the premiums that relate to the recovery of insurance acquisition cash flows.	97	86	-	183
Total contracts to which the Premium Allocation Approach (PAA) was not applied	2,656	1,835	-	4,491
Contracts to which the Premium Allocation Approach (PAA) was applied	-	124	3,777	3,901
Total revenues from insurance services	2,656	1,959	3,777	8,391
Expenses from insurance services				
Claims and other insurance service expenses incurred	(* 2,276	1,352	2,551	6,178
Changes relating to past service - adjustment for liabilities for incurred claims (LIC)	24	22	(576)	(530)
Losses (reversal of losses) for groups of onerous insurance contracts	(* 12	9	(4)	18
Amortization of insurance acquisition cash flows	97	127	674	898
Total expenses from insurance services	2,409	1,510	2,645	6,566
Income from insurance services before reinsurance contracts held	246	450	1,132	1,825
Revenues (expenses), net for reinsurance contracts held				
Reinsurance expenses:				
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	18	18	-	36
Change in risk adjustment (RA) for non-financial risk resulting from past risks	13	4	-	17
Recoveries of claims for underlying insurance contracts and other expected insurance services expenses incurred	145	25	-	170
Experience adjustments arising from premiums paid	50	14	-	64
Total contracts to which the Premium Allocation Approach (PAA) was not applied	226	61	-	287
Contracts to which the Premium Allocation Approach (PAA) was applied	4	1	1,148	1,153
Total reinsurance expenses	230	62	1,148	1,441
Reinsurance revenues:				
Recoveries of claims for underlying insurance contracts and other insurance services expenses incurred	145	30	767	942
Changes relating to past service - adjustment for assets for incurred claims	37	7	(304)	(259)
Total reinsurance revenues	183	37	463	683
Total revenues (expenses) for reinsurance contracts held	(47)	(26)	(685)	(758)
Income (loss) from insurance services	199	424	447	1,067

*) Reclassified.

NOTE 8 - INCOME (LOSS) FROM INVESTMENTS AND FINANCE, NET

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

In NIS million	For the nine-month period ended September 30, 2025				
	Life Insurance and Long-Term Savings	Health Insurance	P&C Insurance	Other	Total
	Unaudited				
Investment gains (losses), net:					
Investment gains (losses), net from assets held against insurance contracts and yield-dependent investment contracts	10,018	156	-	-	10,174
Gains (losses) from other investments, net:					
Interest revenues calculated using the effective interest method	163	-	-	-	163
Other investment income (losses), net	1,432	214	191	673	2,510
Share in gains (losses) of equity-accounted investees closely related to the investing activity	1	-	(1)	2	1
Total gains (losses) from other investments, net	1,595	213	190	674	2,674
Total investment gains (losses), net recognized in the statement of income	11,614	369	190	674	12,848
Investment gains (losses), net recognized in other comprehensive income	(6)	-	(2)	(1)	(10)
Total investment gains (losses), net	11,608	369	188	673	12,838
Finance expenses, net arising from insurance contracts:					
Change in liabilities in respect of insurance contracts arising from changes in the fair value of underlying items of VFA contacts	8,170	-	-	-	8,170
Effects of the risk mitigation option for VFA contracts	150	-	-	-	150
Interest accrued	443	152	97	-	691
Effects of changes in interest rates and other financial assumptions (including inflation assumptions)	950	72	152	-	1,174
Effect of the difference between discounting with the current rate and discounting with the original rate of the changes in FCF charged to CSM	(5)	-	-	-	(5)
Total finance expenses, net arising from insurance contracts recognized in profit or loss	9,708	223	248	-	10,179
Finance income, net arising from reinsurance contracts:					
Interest accrued	(18)	5	40	-	27
Effects of changes in interest rates and other financial assumptions (including inflation assumptions)	17	22	64	-	103
Total finance income, net arising from reinsurance contracts recognized in the Statement of Income	(1)	27	104	-	130
Decrease (increase) in liabilities for investment contracts due to the yield component	(1,365)	-	-	-	(1,365)
Total income (loss) from investments and financing, net, recognized in the Statement of Income	539	173	46	674	1,433

In NIS million	For the nine-month period ended September 30, 2024 Life Insurance and Long-Term Savings	Health Insurance	P&C Insurance	Other	Total
	Unaudited				
Investment gains (losses), net:					
Investment gains (losses), net from assets held against insurance contracts and yield-dependent investment contracts	7,588	101	-	-	7,689
Gains (losses) from other investments, net:					
Interest revenues calculated using the effective interest method	180	-	-	-	180
Other investment income (losses), net	841	42	212	335	1,430
Share in gains (losses) of equity-accounted investees closely related to the investing activity	(1)	-	(2)	(1)	(3)
Total gains (losses) from other investments, net	1,020	42	211	335	1,607
Total investment gains (losses), net recognized in the statement of income	8,608	142	211	335	9,296
Investment gains (losses), net recognized in other comprehensive income	2	-	1	2	5
Total investment gains (losses), net	8,609	142	212	336	9,300
Finance expenses, net arising from insurance contracts:					
Change in liabilities in respect of insurance contracts arising from changes in the fair value of underlying items of VFA contacts	6,111	-	-	-	6,111
Effects of the risk mitigation option for VFA contracts	147	-	-	-	147
Interest accrued	452	160	72	-	685
Effects of changes in interest rates and other financial assumptions (including inflation assumptions)	(100)	(23)	145	-	22
Effect of the difference between discounting with the current rate and discounting with the original rate of the changes in FCF charged to CSM	(36)	1	-	-	(36)
Total finance expenses, net arising from insurance contracts recognized in profit or loss	6,575	138	217	-	6,929
Finance income, net arising from reinsurance contracts:					
Interest accrued	(14)	5	29	-	20
Effects of changes in interest rates and other financial assumptions (including inflation assumptions)	7	12	64	-	84
Total finance income, net arising from reinsurance contracts recognized in the Statement of Income	(7)	18	93	-	104
Decrease (increase) in liabilities for investment contracts due to the yield component	(1,307)	-	-	-	(1,307)
Total income (loss) from investments and financing, net, recognized in the Statement of Income	719	22	87	335	1,163

In NIS million	For the three-month period ended September 30, 2025				
	Life Insurance and Long-Term Savings	Health Insurance	P&C Insurance	Other	Total
	Unaudited				
Investment gains (losses), net:					
Investment gains (losses), net from assets held against insurance contracts and yield-dependent investment contracts	3,800	56	-	-	3,856
Gains (losses) from other investments, net:					
Interest revenues calculated using the effective interest method	60	-	-	-	60
Net losses from impairment of financial assets	-	-	-	-	-
Other investment income (losses), net	368	53	82	198	701
Total gains (losses) from other investments, net	429	53	82	198	762
Total investment gains (losses), net recognized in the statement of income	4,228	110	82	198	4,618
Investment gains (losses), net recognized in other comprehensive income	(1)	-	(1)	-	(2)
Total investment gains (losses), net	4,229	109	81	198	4,615
Finance expenses, net arising from insurance contracts:					
Change in liabilities in respect of insurance contracts arising from changes in the fair value of underlying items of VFA contacts	2,968	-	-	-	2,968
Effects of the risk mitigation option for VFA contracts	122	-	-	-	122
Interest accrued	147	51	35	-	233
Effects of changes in interest rates and other financial assumptions (including inflation assumptions)	196	(29)	75	-	242
Effect of the difference between discounting with the current rate and discounting with the original rate of the changes in FCF charged to CSM	(1)	1	-	-	-
Total finance expenses, net arising from insurance contracts recognized in profit or loss	3,433	23	110	-	3,566
Finance income, net arising from reinsurance contracts:					
Interest accrued	(6)	1	16	-	12
Effects of changes in interest rates and other financial assumptions (including inflation assumptions)	7	6	32	-	45
Total finance income, net arising from reinsurance contracts recognized in the Statement of Income	1	7	48	-	57
Decrease (increase) in liabilities for investment contracts due to the yield component	(562)	-	-	-	(562)
Total income (loss) from investments and financing, net, recognized in the Statement of Income	234	94	20	198	546

In NIS million	For the three-month period ended September 30, 2024 Life Insurance and Long-Term Savings	Health Insurance	P&C Insurance	Other	Total
	Unaudited				
Investment gains (losses), net:					
Investment gains (losses), net from assets held against insurance contracts and yield-dependent investment contracts	3,621	48	-	-	3,670
Gains (losses) from other investments, net:					
Interest revenues calculated using the effective interest method	69	-	-	-	69
Other investment income (losses), net	797	108	84	305	1,295
Share in gains (losses) of equity-accounted investees closely related to the investing activity	-	-	-	1	1
Total gains (losses) from other investments, net	867	108	84	306	1,365
Total investment gains (losses), net recognized in the statement of income	4,488	157	84	306	5,035
Investment gains (losses), net recognized in other comprehensive income	(1)	-	1	(1)	(1)
Total investment gains (losses), net	4,488	157	86	305	5,034
Finance expenses, net arising from insurance contracts:					
Change in liabilities in respect of insurance contracts arising from changes in the fair value of underlying items of VFA contacts	3,023	-	-	-	3,023
Effects of the risk mitigation option for VFA contracts	73	-	-	-	73
Interest accrued	150	54	23	-	227
Effects of changes in interest rates and other financial assumptions (including inflation assumptions)	650	29	106	-	785
Effect of the difference between discounting with the current rate and discounting with the original rate of the changes in FCF charged to CSM	(8)	16	-	-	8
Total finance expenses, net arising from insurance contracts recognized in profit or loss	3,887	100	128	-	4,115
Finance income, net arising from reinsurance contracts:					
Interest accrued	(7)	2	9	-	3
Effects of changes in interest rates and other financial assumptions (including inflation assumptions)	7	9	46	-	62
Total finance income, net arising from reinsurance contracts recognized in the Statement of Income	-	10	55	-	65
Decrease (increase) in liabilities for investment contracts due to the yield component	(539)	-	-	-	(539)
Total income (loss) from investments and financing, net, recognized in the Statement of Income	62	67	10	306	446

In NIS million	For the year ended December 31, 2024 Life Insurance and Long-Term Savings	Health Insurance	P&C Insurance	Other	Total
	Unaudited				
Investment gains (losses), net:					
Investment gains (losses), net from assets held against insurance contracts and yield-dependent investment contracts	10,492	142	-	-	10,635
Gains (losses) from other investments, net:					
Interest revenues calculated using the effective interest method	210	-	-	-	210
Other investment income (losses), net	1,610	314	270	593	2,787
Share in gains (losses) of equity-accounted investees closely related to the investing activity	(1)	-	(2)	-	(2)
Total gains (losses) from other investments, net	1,820	314	269	593	2,995
Total investment gains (losses), net recognized in the statement of income	12,312	456	269	593	13,630
Investment gains (losses), net recognized in other comprehensive income	-	-	-	(1)	(1)
Total investment gains (losses), net	12,312	456	269	592	13,630
Finance expenses, net arising from insurance contracts:					
Change in liabilities in respect of insurance contracts arising from changes in the fair value of underlying items of VFA contacts	8,444	-	-	-	8,444
Effects of the risk mitigation option for VFA contracts	211	-	-	-	211
Interest accrued	601	215	101	-	918
Effects of changes in interest rates and other financial assumptions (including inflation assumptions)	1,045	216	171	-	1,432
Effect of the difference between discounting with the current rate and discounting with the original rate of the changes in FCF charged to CSM	(12)	49	-	-	36
Total finance expenses, net arising from insurance contracts recognized in profit or loss	10,289	480	272	-	11,041
Finance income, net arising from reinsurance contracts:					
Interest accrued	(17)	8	44	-	34
Effects of changes in interest rates and other financial assumptions (including inflation assumptions)	18	24	72	-	114
Effect of the difference between discounting with the current rate and discounting with the original rate of the changes in FCF charged to CSM	(1)	1	-	-	-
Total finance income, net arising from reinsurance contracts recognized in the Statement of Income	-	33	116	-	149
Decrease (increase) in liabilities for investment contracts due to the yield component	(1,656)	-	-	-	(1,656)
Total income (loss) from investments and financing, net, recognized in the Statement of Income	367	8	113	593	1,082

NOTE 9 - CONTINGENT LIABILITIES AND CLAIMS

1. Preamble - Claims not in the Ordinary Course of Business

Following are details regarding legal actions not in the ordinary course of business, as follows: material claims[1] which may be derivative actions, actions whose filing as class actions has been certified; pending motions for certification of material claims as class actions; material and immaterial class actions which were concluded during the reporting period and until its signing and other material claims against the Group companies (hereinafter - "**Claims not in the Ordinary Course of Business**" or "**Claims**").

The following claimed amounts are presented in amounts that are correct as of the date of their filing, and as detailed by the plaintiffs, unless noted otherwise.[2]

It is noted, as a general rule, that the exposure to financial demands, either specific or general, is subject to the laws of prescription. The prescription periods in respect of Claims for insurance benefits in the insurance products vary according to the type of product and the event in respect of which the claim of prescription has been raised. The exposure due to prescription is especially intense in those insurance sectors with "long-tail claims" and long-term insurance policies, in Life Insurance and Health Insurance, in which Clal Insurance operates. In legal actions not pertaining to insurance benefits, the prescription period is pursuant to what is prescribed in the Prescription Law, 1985. In February 2024, in view of the Iron Swords War, an amendment to the prescription period was approved, primarily stating that the period from October 7, 2023 to April 6, 2024 will not be taken into account in the calculation of the prescription period required by law, subject to the established exceptions. The period of time required to investigate the claim, which on occasions may be long, particularly in class actions, extends the period in respect of which refund or compensation need to be effected, as part of the prescription period.

1.1 General details regarding class actions

As part of a general trend in those markets in which the Group operates, a significant number of class action certification motions have been filed in past years against the Group companies, and as a result, there has been an increase in the number of actions filed against the Group companies that have been recognized as class actions by the courts. This trend, which is the result, among others, of the enactment of the Class Actions Law, 2006 (hereinafter - the "**Law**"), the growing number of legal actions and the approach of the courts, substantially increases the Company's potential of exposure to losses due to rulings against the Group's members in class actions filed against them. However, there was a decline in the total number of class certification motions filed against Group companies in the reporting year. The Group cannot assess whether this trend will continue in the coming years.

A class action lawsuit, as it is defined in the Law, is a lawsuit managed on behalf of an anonymous class of persons, who have not granted power of attorney in advance to the lead plaintiff for that purpose, and which raises material questions of fact or law that are common to all the class members, under which a motion to certify is first heard. Only if the class action certification motion is granted will the claim be defined as a "class action", and the plaintiff will then become a "class plaintiff".

It is noted that the scope and content of the hearing regarding a class action on its merits, is affected by the ruling approving a motion to certify. The ruling to certify a class action usually relates to both the causes of action that have been approved and those that have not; the reliefs that have been approved and those that have not; etc.

Further to the Report of the Inter-Ministerial Taskforce on Assessing the Arrangements Set in the Class Actions Law, 2006, published in May 2023, in July 2024, the Class Actions Bill (Amendment No. 16), 2024 was published, which suggests to pass into law the Taskforce's recommendations.

As part of the bill proposes, among other things, to add a mechanism requiring that an advance contact be made with a defendant prior to filing a motion to certify, regarding specific types of causes of action and claims; to authorize the court to strike out oppressive and vexatious motions at any time; to set uniform and clear rules regarding compensation and legal fees, including cancellation of the option for a compensated withdrawal; to set mechanisms pertaining to compensation between class members; to generally authorize the court to impose legal fees on applicants or their attorneys; to require a lead plaintiff to note the number of class actions they filed in a calendar year and to limit this number to 5 actions per year; and to set a requirement to take other considerations into account, when hearing a certification motion against an insurer or a management company on the grounds of breaching the long-term savings contract (as defined in the draft bill), such as the existence of a regulatory approval

1. See Footnotes 3 and 16 below.
2. See Footnote 12.

for the relevant action, the time, which has elapsed since the contract was signed; the extent of the damage to the insurer/management company if the motion is certified, and the interests of the class members in the certification of the motion; it also proposes that delaying the motion to certify for these reasons shall be subject to approval by the Attorney General.

At this preliminary stage, the Company is unable to assess the effects of the above proposed provisions, whose effect on the scope of Group companies' exposure to class actions depends on various factors.

The motions to certify claims as class actions detailed below, are currently in the various stages of procedural adjudication, some have been approved and some are undergoing appeal proceedings.

1.2 Additional exposures

It is noted that in addition to the legal proceedings, from time to time there are potential exposures which cannot currently be evaluated or quantified, in respect of commercial disputes or warnings pertaining to the intention to file suits, including class actions and derivative actions on certain matters, or legal proceedings and specific inquiries that may develop into claims in the future, including class actions or third party notices against the Group's member companies, as well as exposure resulting from the complexity of the regulation applying to the activity of the Group's member companies.

The Group's member companies are unable to predict in advance whether a customer's claim which has been brought to the companies' attention will eventually lead to the filing of a class action lawsuit, or will lead to a sector-wide ruling or will have sector-wide implications, even in those cases in which the customer threatens to do so, and furthermore the Group's member companies cannot estimate the potential exposure that may be created in respect of the aforementioned claims, insofar as these may be adjudicated and found to be justified by a competent authority. For details, see Section 2.2.2 below.

The following are details of lawsuits outside the ordinary course of business, as detailed below, that had been brought against the Company and its consolidated companies, divided into Max and the consolidated companies in Max's statements (hereinafter - the "**Max Group Companies**") and the other Group companies.

2. Exposures against the Company and the consolidated companies, not including the Max Group Companies

Following are details regarding material lawsuits[3] that have been certified as class action lawsuits (Section 2.1.1), pending motions to certify material lawsuits as class actions (Section 2.1.2), and material class actions, material claims and motions to certify material claims as class actions that had concluded during the reporting period and until the report was signed (Section 2.1.3), exposures due to immaterial class actions or class actions that have not yet been filed, and exposure due to regulatory provisions (Section 2.2), additional exposures (including claims) (Section 2.3) which were all brought against the Company and/or the consolidated companies, except the Max Group Companies.

3. It is noted that, in general, in this note, a claim is considered material and described according to a qualitative or quantitative assessment that the Company makes when receiving the claim. With respect to the quantitative assessment, insofar as the actual exposure amount, net of tax, crosses the Group's materiality threshold for the purpose of profit – assuming the claim is deemed justified and without going into the claim's odds or the amount specified therein on their merits – according to the calculated projected comprehensive loss, divided by the average annual comprehensive income or comprehensive loss in the last three years, calculated using the last 12 quarters for which reviewed or audited financial statements were published; it is clarified that the profit/loss attributable to the event and the profit/loss in each quarter are calculated according to their absolute value. The above classification is made as of the date of filing the lawsuit. However, as legal proceedings can extend and unfold, sometimes over years, a claim which was not considered material at the time of filing may subsequently become material, in which case disclosure will be made with respect to it at a later date. In addition, a claim may be considered material for the purpose of such a disclosure if the Company is unable to assess the total exposure.

2.1. Class actions against the Company and the consolidated companies, with the exception of the Max Group Companies

2.1.1 Material claims whose filing as class actions was certified, against the Company and the consolidated companies, with the exception of the Max Group Companies

Following are details of material claims which were certified as class actions and are at various stages of litigating the respective proceeding on its merits, including inquiry into the substantive claim before the court of first instance or the appellate court after the ruling to certify the claim or dismiss it has been rendered, or after a judgment that granted or dismissed the lawsuit has been rendered.

1.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	5/2013 District Court - Tel Aviv	Clal Insurance and additional insurance companies	According to the plaintiff, the defendants are in breach of their duty to add linked interest as well as the lawful linkage differences in respect of the insurance benefits they pay. According to the plaintiffs, the date from which interest and linkage differences should be calculated is the insured event's occurrence date, until the actual payment date. Alternatively, linkage differences must be paid from the insured event's occurrence date and until the actual payment date, and interest must be paid starting 30 days from the date of submitting the insurance claim until the actual payment of insurance benefits.	Charge the defendants to pay the class members linkage differences and interest due to the underpayment. In addition and/or alternatively, the court is asked to order damages to the public, as it deems suitable.	According to the ruling - all Entitled Parties who, during the period commencing three years prior to bringing the lawsuits (filed against Clal Insurance in May 2013) and ending on the day of rendering the Judgment, were paid insurance benefits from the defendants, not in accordance with a judgment in their case, without the lawful interest added to them.	In August 2015, the District Court rendered its ruling to dismiss the motion to certify against the defendants with respect to the claim of non-payment of linkage differences, but accept the motion to certify against the defendants with respect to the claim of underpaying interest on insurance benefits; it was found that the eligible class members are all policyholders, beneficiaries, or third parties, who, during a period starting three years before the lawsuit had been filed and ending on the day the lawsuit was certified as a class action, had been paid insurance benefits from the defendants (unless the above were paid not in accordance with a judgment rendered between them), without adding the lawful interest, within 30 days from the date of submitting the insurance claim with the insurer (not from the date of submitting the last document the insurer had required to clarify the liability), and until the actual payment date. In August 2016, the defendants, with the Supreme Court's approval, had stricken out a motion for leave to appeal they had brought, whose gist was an objection to the District Court's ruling, according to which a prior settlement arrangement the Company had made on a similar issue does not establish res judicata that precludes bringing the motion to certify and does not establish a defense for the defendants, while the parties reserved all their claims to the main proceeding. In February 2021, a partial judgment was rendered, in which the court determined that the class action was granted, and charged the defendants recovery of interest differentials to the class members, as detailed in the judgment (hereinafter - the "**Judgment**"). In accordance with the Judgment, it was found that the "day of filing an insurance claim," on which the 30-day race begins and after which linked interest must be added to the insurance benefits in accordance with the provisions of Section 28(a) of the Insurance Contract Law, 1981 (hereinafter - the "**Insurance Contract Law**"), is the date the insurance company or the insurance agent, whichever is earlier, first receive an inquiry indicating that the policyholder, a third party, or the beneficiary (hereinafter - "**Entitled Parties**"), wish to be paid the insurance benefits, without needing to attach any document. It was further determined that when the insurance benefits are calculated at their value on a date after the insured event's occurrence, interest will be added to them only from that date, and with respect to recovery of funds paid to service providers in a deferred payment – the interest differentials would be calculated starting from the actual payment date. It was also determined that for the purpose of implementing the Judgment and calculating the total damages to the class members in accordance with the principles set forth in the partial judgment, an expert must be appointed, and that the reward payable to the lead plaintiffs and their counsels' legal fees would be determined in the final judgment. In May 2021, the defendants filed an appeal, or, alternatively, a motion for leave to appeal the Judgment to the Supreme Court. In November 2022, the Supreme Court dismissed the motion for leave to appeal, mainly since the partial ruling constitutes a "an interim ruling", which the Court rarely intervenes in. The proceeding is at the stage of litigating the claim before the District Court, and in January 2023, within the above, the court handed down its ruling on the identity of and powers vested in the expert, and the expert has begun to conduct the tests. In December 2023, the defendants submitted a motion for clarification regarding the court's ruling. In April 2024, the Court rendered its ruling regarding the motion for clarification, in which it partially dismissed the motions. In February 2025, a further ruling was rendered by the Court following a motion filed by the expert to provide guidance on how to implement the Court's rulings. The parties are conducting a mediation proceeding regarding this lawsuit. In September 2025, the parties informed the court that they were in the midst of drafting a settlement agreement and the court ruled that the parties would submit the settlement agreement by mid-November 2025.	The plaintiff estimates the cumulative amount due to the First Class at NIS 518 million (if it is decided that the interest must be calculated from the insured event's occurrence date), or at NIS 210 million (if it is decided that the interest must be calculated starting 30 days from the date of filing the insurance claim to the insurance company). The plaintiff estimates the cumulative amount due to the Second Class (for which the motion to certify was denied) at an additional amount of NIS 490 million, due to linkage differences.

2.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	1/2008 District Court - Tel Aviv	Clal Insurance and additional insurance companies	According to the plaintiff, the defendants charge sub-annuals, a payment which is collected in life insurance policies in which the insurance rate is determined as an annual amount but the payment is made in several installments (hereinafter - "**Sub-Annuals**"), at an amount that exceeds the permitted amount, and they do so, allegedly, in several methods: collecting Sub-Annuals with respect to the "policy factor" component, collecting Sub-Annuals at a rate that exceeds the permitted rate in accordance with the Insurance Supervision circulars, collecting Sub-Annuals with respect to the savings component in life insurance policies, and collecting Sub-Annuals with respect to non-life insurance policies.	Refund of all the amounts the defendants had collected unlawfully, as well as a mandatory injunction ordering the defendants to change their modus operandi with respect to the matters specified in the lawsuit.	According to the court's decision - anyone who entered into an insurance contract with the defendants or any of them and was charged Sub-Annuals with respect to the following components: with respect to the "mixed" life insurance savings component sold by Clal Insurance in the past, with respect to the "policy factor" (which is a fixed monthly amount which is added to the premium whose aim is to cover expenses), and with respect to health policies, permanent health policies, critical illness policies, permanent health policies, and long-term care policies (hereinafter - the "**Collection Components**").	In July 2016, the court certified the lawsuit as a class action. The court rendered the ruling notwithstanding the Commissioner's position, which had been issued at the court's request, in which the Commissioner concurred with the insurance companies' position. In December 2016, the defendants filed a motion for leave to appeal against the ruling to certify the claim as a class action to the Supreme Court (hereinafter - "**MLA**"), and in May 2018, the Supreme Court accepted the MLA, heard it as an appeal, and rendered a judgment granting the appeal and dismissing the lawsuit accordingly. In June 2018, the plaintiffs moved to hold a further hearing of the judgment, with respect to some of the findings therein. In February 2020, a position was submitted to the Supreme Court on behalf of the Attorney General within the further hearing, according to which, the Attorney General believed that there was no justification to intervene with the ruling rendered in the judgment on the appeal, which was based on adopting the Capital Market Authority's interpretive position. In July 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 proceeding is currently being litigated before the District Court. The parties are conducting a mediation procedure.	The amount claimed from Clal Insurance was revised and set at approx. NIS 398.2 million.

3.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	7/2014 District Court - Central	Clal Pension and Provident Funds Ltd. as well as against four other pension fund management companies.	According to the plaintiffs, the defendants raised the management fees it charged from pensioners in the pension funds they manage at the stage of paying the pension, to the maximum lawful management fees ceiling (0.5% of the accumulated balance), while taking advantage of the pensioners' position as a "captive audience," while active planholders paid significantly lower management fees, on average. 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.	To require the defendants to return the excess management fees unlawfully charged from the class members with interest and linkage; to require the defendants 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; to prohibit the defendants from raising the planholders' management fees immediately before they retire.	According to the court's decision - anyone who is a planholder in a new comprehensive pension fund managed by one of the respondents and is entitled to be paid an old-age pension after they retire in the seven years prior to submitting the motion to certify and/or will be entitled to be paid an old-age pension in the future. It is noted that pension beneficiaries who retired in the latter half of 2018 will be given notice in accordance with the standard-conforming bylaws the regulator had published, that came into force starting in that year.	In September 2015, the plaintiffs submitted a reply to the defendants' response to the motion to certify (hereinafter - the "**Plaintiffs' Response**"), in which, among other things, a new claim was raised: that the defendants did not send the planholders prior notice of raising the management fees, as required in accordance with the provisions of the law. As per the court's request, the Commissioner submitted its position in September 2017, which held, inter alia, that management fees lower than 0.5% could be collected during the pension payment period and that the defendants had no regulatory duty to notify of a management fee increase once the planholders reached retirement age. In March 2022, the District Court decided to grant the motion to certify against the defendants, with respect to whether the defendants had had to notify the planholders of the management fees they would be charged in the pension period in advance, and if so, what damage had been caused by the failure to provide such a notice. The lawsuit is currently being litigated on its merits, and the parties are conducting a mediation proceeding at the same time. In November 2025, the parties informed the court that they reached an agreement in principle regarding a settlement agreement and the court ruled that the parties would submit the settlement agreement to the court's approval by mid-January 2026.	At the motion filing date, the plaintiffs estimated the management fees the defendants collected unlawfully from current pensioners at NIS 48 million; the management fees to be unlawfully collected from current pensioners in the future by the defendants were estimated at NIS 152 million; and the management fees to be collected unlawfully from future pensioners in the future were estimated by the defendants at NIS 2,800 million. The said amounts are claimed with respect to all the defendants.

4.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	9/2015 District Court - Central	Clal Insurance and three other insurance companies	According to the plaintiffs, when the defendants give a score for the "incontinence" function within examinations of claims for insurance benefits under long-term care policies, they apply an interpretation according to which, in order for a policyholder's claim due to "incontinence" to be recognized, it must be the result of a urological or gastroenterological illness or defect, rather than assigning the function a score even when the source of the policyholder's poor medical and functional condition due to which he or she suffers from "incontinence" may be an illness, accident, or health defect outside the domain of urology or gastroenterology.	To compel the defendants to compensate the class members in full for the damage caused to the latter due to the defendants' alleged breaches of the agreement, and to comply with the agreement from here on out, and alternatively, to award any other remedy as the court deems suitable under the circumstances.	According to the court's decision, any policyholder of long-term care insurance who suffered a loss of bowel or bladder control, due to a combination of incontinence that does not amount to an organic loss of control with a poor functional condition, and regardless of the aforesaid did not receive from the insurance companies points for incontinence when examining their claim to receive long-term care insurance benefits, such that their rights to insurance benefits were jeopardize between September 8, 2012 and the date of certifying the claim as a class action.	In April 2020, the court partially certified the lawsuit as a class action lawsuit against Clal Insurance and three other insurance companies. The plaintiffs' motion to certify the lawsuit as a class action lawsuit in respect of a class of policyholders who suffer from incontinence due to functional disabilities or mobility impairments, and experience incontinence due to this, as well as in respect of a class of policyholders who suffer from cognitive impairments and who were not recognized as "mentally frail," was denied. The causes of action for which the class action was certified were a breach of the long-term care insurance contract that resulted in non-payment of long-term care insurance benefits or underpayment of long-term care insurance benefits, due to the policyholders not being recognized as qualifying for a score on their incontinence. The proceeding is currently being litigated. The parties are in mediation.	According to the plaintiffs, the damage cannot be estimated but estimated it in the tens and even hundreds of millions of shekels.

5.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	10/2016 District Court - Central	Clal Insurance	According to the plaintiff, within an engagement with a collective policy master policyholder (a health maintenance organization) for the sale of a collective long-term care insurance policy, Clal Insurance had committed to give the collective policyholders who enroll in the private policy a 20% discount on the premium, and did not do so (hereinafter - the "**Collective Policy**").	Refund of the amounts by which the class members were overcharged.	In accordance with the court's ruling – anyone who bought an individual long-term care insurance policy from Clal Insurance in which the eligibility period is lifetime compensation, between October 30, 2009, and December 31, 2018, while they were insured under the Collective Policy, and Clal Insurance did not give them a discount of at least 20% according to Clal Insurance's lowest prevailing rate at the time of purchase in respect of individual policies that are equivalent to the plan the policyholder had chosen, for a policyholder of comparable age and health condition, provided that it does not exceed the regulator-approved rate.	In January 2021, the court partially certified the motion to approve the class action. The lead plaintiff's motion to certify the lawsuit as a class action, including with respect to any group of policyholders who hold a private long-term care policy in which the period of eligibility for compensation is not for the policyholder's entire life, was denied. The causes of action for which the claim was certified as a class action lawsuit are a breach of the provisions of the Collective Policy and unjust enrichment, and the claimed remedy is restitution of the amounts by which the class members were overcharged. The proceeding is currently being litigated on the merits. The parties are conducting a mediation proceeding, as part of which - in November 2023 - a binding procedural arrangement was signed, according to which the parties agreed on giving or supplementing a discount for the relevant policyholders at the rates agreed upon by the parties. The procedural arrangement is subject to examination by an external expert, according to the agreed outline of principles, following and according to which the settlement agreement will be formulated and submitted to the court. In May 2025, the parties submitted a settlement agreement approval motion, in which mechanisms were set for granting or completing a discount to the relevant past and present policyholders, at rates agreed between the parties. Furthermore, under the settlement agreement, it was agreed to pay a compensation to the representative plaintiff and legal fees to his attorneys. The Court ordered to obtain the position of the Attorney General and the Commissioner.	In the claim, the plaintiff estimated the alleged damage to all class members at NIS 52 million for alleged damage caused until the date of filing the motion, and NIS 126 million for the damage expected to be caused to the class members in the next 10 years.

6.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	11/2019 Regional Labor Court - Tel Aviv	Clal Insurance	According to the plaintiff, Clal Insurance charged management fees in life insurance policies with an integrated profit-sharing savings component issued before January 12, 2004 (hereinafter - the "**Relevant Policies**"), at rates that deviate from the permissible limits, without a legal and/or contractual basis.	Remedy in the form of restitution of the management fees the class members were unlawfully charged, as well as a mandatory injunction ordering Clal Insurance to change its modus operandi with respect to the collection of management fees in the Relevant Policies from here on out.	According to the Court's decision - anyone who was or is a policyholder of the respondent under a Relevant Policy in the period beginning seven years prior to the date of filing the lawsuit and ending on the day the lawsuit was certified as a class action lawsuit, and whom Clal Insurance charged Management Fees from premiums exceeding the permitted ceiling under the relevant regulations and/or in accordance with the provisions of the policy's provisions.	In June 2023, the Regional Labor Court decided to reject the claims that Clal Insurance charged management fees out of the accrued savings in violation of the law or contrary to the provisions of the policy, as well as the alternative claim that Clal Insurance charged management fees out of the accrued savings at a rate that exceeded the rate permitted by law; however, the Court decided to partially certify the lawsuit as a class action claiming that Clal Insurance collected management fees from policyholders insured under the relevant policies management fees out of premium contrary to the provisions of the policy. It is noted that these policies have been marketed since 1999. The causes of action for which the lawsuit was certified as a class action lawsuit are: a breach of agreement, unjust enrichment, and a breach of statutory duty, including a breach of Clal Insurance's duties of trust and duties of care, and deception. In April 2024, the plaintiff appealed to the National Labor Court regarding the causes of action which were dismissed in the decision to certify the lawsuit as a class action, and on the same day, Clal Insurance filed a motion for leave to appeal the decision to partially certify the lawsuit's adjudication as a class action; at the same time, the parties sought to stay the proceedings in the National Court to attempt to complete the mediation procedures. In May 2025, the parties submitted a settlement agreement approval motion; the agreement focuses mainly on setting a mechanism for partial restitution of amounts in respect of some of the allegations included in the lawsuit regarding the management fees from the premium collected in the relevant policies during the period beginning 7 years prior to the lawsuit's filing date, and provisions regarding a future discount in the management fees to be collected from the relevant policies, which are still active. Furthermore, the settlement agreement stipulated provisions concerning the issuance of a notice to class members regarding the settlement agreement and payment of compensation and the plaintiff attorneys' legal fees. In July 2025, the court ruled that the Attorney General must submit her position regarding the settlement agreement.	NIS 120 million

7.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	05/2022 District Court - Central	Clal Insurance	The lawsuit concerns the allegation that in policies that cover surgeries in Israel that stipulate compensation for surgeries performed without financing from Clal Insurance, Clal Insurance refrains from compensating the policyholders for the cost of the implants and accessories used to perform the surgery (hereinafter - the "**First Cause**"), and also refrains from indemnifying the policyholders for the deductible amounts they had paid (hereinafter - the "**Second Cause**").	A judgment requiring Clal Insurance to include the cost of the implant and/or accessory in the calculation of the benefits owed to the class members from here on out, and compelling it to indemnify the class members for the deductible amounts they paid in connection with the various surgeries and to calculate the compensation accordingly, as well as requiring Clal Insurance to compensate each member of the sub-category with respect to the monetary remedies, at the rate of 50% (or another rate) of the cost of the implant borne by Clal Insurance and/or the deductible amount paid by the class member due to a surgery they had, with added linkage differences and interest, as per the law.	According to the court's decision - all Clal Insurance policyholders under the relevant policies, who had a surgical procedure in a private hospital and are eligible to compensation out of the amount Clal Insurance saved following the funding of the surgical procedure by the health maintenance organization over a period starting 3 years prior to the filing of the motion to certify and through the issuance of a judgment in the lawsuit, where compensation was calculated without including the implants component.	In November 2024, the court decided to partially allow the motion, such that it allowed the first cause of action and dismissed the second cause of action. The cause of action for which the lawsuit has been certified as a class action is breach of contract. In August 2025, a settlement agreement was submitted to the court, which prescribed a compensation framework for the relevant policyholders in respect of past and future implant costs, at the rates agreed upon by the parties. Furthermore, under the settlement agreement, it was agreed to pay a compensation to the representative plaintiff and legal fees to his attorney. The settlement agreement is subject to the court's approval, which will not necessarily be granted.	The plaintiff estimated that the aggregate damage caused to the class members is over NIS 2.5 million.

8.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	5/2019 Regional Labor Court - Tel Aviv	Clal Insurance	According to the plaintiff, the defendant systematically reduces the permanent health insurance benefits it pays its policyholders under its participating permanent health insurance policies, by unlawfully deducting management fees and calculative interest.	Restitution in kind of the funds the class members were unlawfully denied, according to the plaintiff, and with respect to the premium release funds – crediting the policies' savings. The plaintiff also petitions to declare that certain provisions of the policies, in relation to the interest and management fees deduction from the yield to which the policyholders are entitled, are void.	In accordance with the Regional Labor Court ruling – all current or former policyholders (holding participating Clal Insurance life insurance policies stipulating a mechanism for linking permanent health insurance benefits to the return on the investment portfolio, starting from the 25th payment) to whom the respondent paid and/or pays permanent health insurance benefits for a period exceeding 24 months, and for whom the respondent deducted and/or deducts the calculative interest from the return, starting from the payment for the 25th month.	In November 2024, the Regional Labor Court partially certified the lawsuit as class action, while allowing the claim regarding the unlawful deduction of the calculative interest rate as from May 28, 2016; the court dismissed the claim regarding unlawful deduction of management fees from the insurance benefits. The causes of action in respect of which the lawsuit was certified as a class action are alleged breach of Section 3 to the Insurance Contract Law, alleged breach of the duty to draft the insurance contract in a clear manner and include therein all relevant provisions, and alleged breach of the duty to act in good faith and unjust enrichment. In January 2025, Clal Insurance brought a motion for leave to appeal before the National Labor Court, and the movant filed an appeal. In April 2025, the Company submitted a response to the motion for leave to appeal. Following a preliminary hearing during which preliminary issues pertaining to the running of the proceedings were discussed, the court scheduled a hearing in which the parties will supplement their arguments; the hearing will cover both the motion for leave to appeal and the appeal itself before a panel; the court also issued guidance regarding the filing of summations and documents.	The plaintiff estimated the total alleged damage to all class members at NIS 2.4 billion.

2.1.2 Pending motions to certify material claims as class actions against the Company and the consolidated companies, with the exception of the Max Group Companies[4]

1.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	2/2020 District Court - Central	Clal Insurance and another insurance company	According to the plaintiffs, due to "lack of knowledge" following the failure to present the personal accidents insurance policy (hereinafter - the "**Policy**") to the students, to the policyholders, and to their relatives, and the Policy's non-publication, the policyholders have not been exercising their right to benefits under the Policy, and they are incurring damages.	Issue orders against the defendants and the Insurance Commissioner for the discovery of documents and data; order the extension of the prescription period; order the appointment of a committee that will include independent members and will be authorized to discuss and decide all personal claims under the Policy for three years, in respect of all cases before October 25, 2016 (hereinafter - the "**Committee**"), and will also be authorized to discuss the issue of the Policy's delivery; order a procedure for transferring the burden of evidence; issue a mandatory injunction ordering the defendants to compensate the plaintiffs in accordance with the Committee's ruling; award special damages to the plaintiffs and the counsels' legal fees.	The motion classifies the plaintiffs into several subcategories, mainly including: Any student in a school or kindergarten in the State of Israel who had been insured under a personal accidents insurance policy by the defendants and did not receive a copy of the personal accidents insurance policy at their home, starting from the school year that started in September 2006, and/or any student whose cause of action against the insurance company has become invalid under the statute of limitations; In addition, the motion defines additional subcategories, comprising students who were born after October 25, 1995, and who, between the ages of 3 and 19 (while in the Israeli education system, from kindergarten and until their graduation from the 12th or 13th grade), suffered an accident that resulted in physical harm, and who were not paid insurance benefits in accordance with the Policy, divided into sub-categories according to the type of harm, as detailed in the motion; In addition, a subcategory comprising of people born in 1974 to 1995, whose members are people and/or their parents and/or heirs who were born and/or studied in Israel between 1974 and 1995 and who were injured or killed after 1992, and did not file insurance claims because they did not know about the Policy and its scope; and the subcategory of all policyholders – all students and all their parents, from September 1992 to September 18, 2016, divided into sub-categories according to the causes of harm, as detailed in the lawsuit.	The proceeding is at the stage of the motion to certify being reviewed. In March 2025, a settlement agreement approval motion was submitted, which focused mainly on the publication of ads regarding the scope of the policy's coverage.	The plaintiffs estimated the alleged damage against Clal Insurance at approx. NIS 1.4 billion, plus approx. NIS 1.5 billion in damage attributable to the two defendants due to breach of autonomy.

4. Including such motions which were denied and the ruling to deny them was appealed.

2.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	3/2020 Regional Labor Court - Tel Aviv	Clal Insurance	According to the plaintiff, Clal Insurance systematically violates the provisions of the law by charging unlawful insurance premiums for "temporary risk" insurance (payment for insurance coverage when the regular deposits into a savings policy with combined insurance components are discontinued), by making excessive deductions out of the accrued savings amount and thus reducing the accrued savings, without informing the policyholders in advance of making the "temporary risk" insurance and of its terms and rates, and in breach of the duty to send the policyholders up-to-date insurance information sheets on time or at all.	(1) Restitution of all funds charged out of the accrual and/or otherwise in respect of the entire period following the termination of employment (except when the policyholder has asked to purchase the insurance coverages in writing). Alternatively, restitution of all funds collected for the period after 3 or 5 months from the termination of their employment, in accordance with the relevant statutory arrangement (hereinafter - the "**Automatic Temporary Risk Period**"), and in cases of higher insurance premiums, restitution of the excess insurance premiums in respect of the Automatic Temporary Risk Period as well; (2) a prohibition on making "temporary risk" insurances for a period exceeding the Automatic Temporary Risk Period, except when the policyholders request this it in writing; (3) compelling Clal Insurance to return the excess insurance premiums paid by policyholders who were charged double insurance premiums (for the month they returned to work); (4) various provisions relating to future conduct (including a prohibition on increasing premiums, giving prior notice of the purchase of a temporary risk, etc.).	The represented class for the purpose of the non-pecuniary remedies is all policyholders under provident funds or insurance plans within which employers and/or employees make contributions for permanent health insurance and/or insurance in case of death, or any other insurance risk. The represented class for the purpose of the pecuniary remedies is: (a) all the policyholders for whom funds were collected for permanent health insurance or insurance in case of death or any other insured event, out of the accrual funds or any other source, without prior notice; (b) alternatively, policyholders who were charged insurance premiums for periods that exceed the Automatic Temporary Risk Period, unless they agreed in advance; (c) policyholders who were charged higher insurance premiums than the insurance premiums they were charged when they were active policyholders and/or who were charged for new insurance policies that they did not have prior to the termination of their work; (d) policyholders who were charged double insurance premiums. According to the plaintiff, the lawsuit ought not to be subject to any prescription. Alternatively, the claim for pecuniary remedies is made for the period starting 7 years before the lawsuit was filed, i.e., 2020, until the lawsuit is certified as a class action.	The proceeding is at the stage of the motion to certify being reviewed. Pursuant to the court's ruling, the Commissioner of the Capital Market, Insurance and Savings Authority (hereinafter - the "**Commissioner**") submitted his position, clarifying that collecting insurance premiums is permissible only in accordance with the provisions of the law and the applicable policy. In March 2025, a settlement agreement approval motion submitted; the agreement sets mechanisms for partial restitution of amounts in respect of some of the allegations included in the lawsuit regarding the duration of the collection of premiums for insurance coverage during the Temporary Risk Period and/or the rate of the insurance premium collected during the Temporary Risk Period. Furthermore, a mechanism was set for notifying policyholders who will enter the Automatic Temporary Risk Period, of the terms of the coverage in accordance with the terms detailed in the agreement. In addition, a mechanism was set for clarifying facts and reaching a decision through an expert regarding another allegation made in the statement of claim (pertaining to policyholders who were charged double insurance premiums); it was also agreed on payment of compensation and legal fees to the movant and their attorney. In September 2025, the Attorney General's position regarding the settlement agreement was filed.	The class action claimed amount was estimated conservatively, according to the plaintiff, at no less than NIS 7 million per year.

3.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	4/2020 District Court - Haifa	Clal Insurance and 12 additional insurance companies	According to the plaintiffs, the respondents must be compelled to compensate the class members and fully remedy the harm they incurred due to the excess premiums they have been paying for motor insurance, due to the dramatically reduced use of vehicles during the Covid-19 pandemic and the significantly reduced risk level.	Compensate the class members, repair all the harm they suffered, issue a mandatory injunction ordering the adjustment of the collected amounts to the risk the respondents are actually exposed to during the effective period, and/or render a declaratory judgment stating that a material reduction in the use of vehicles, as had occurred, for example, during the effective period, calls for an adjustment (reduction) to the premium.	Any policyholder of one or more of the respondents, under a compulsory motor insurance and/or comprehensive motor insurance and/or third party motor insurance policy, during the period commencing on March 8, 2020, and ending on the date of full and final removal of movement restrictions imposed on residents of Israel due to the coronavirus, or part of it.	The proceeding is at the stage of the motion to certify being reviewed. In February 2021, the court ordered the consolidation of the motion to certify this class action lawsuit, with respect to compulsory motor and property insurance policies, with a motion to certify a separate class action lawsuit that concerns similar causes, in which Clal Insurance has not been named as a respondent (hereinafter - the "**Separate Motion**") which was filed in April 2021. In August 2025, the District Court's rendered its judgment, in which the motion to certify was denied. In November 2025, an appeal against the ruling was filed with the Supreme Court.	The plaintiffs estimated the alleged damage against Clal Insurance in respect of the period from March 8, 2020, until April 30, 2020, at NIS 103 million, and jointly for all the respondents (except one), at approx. NIS 1.2 billion. Alternatively, for 8 of the defendant companies (that do not include Clal Insurance), it was claimed that the damage is approx. NIS 720,000 thousand. The movants note that the damage accrued further as the collection did not cease.

4.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	7/2020 District Court - Central	Clal Insurance and 4 additional insurance companies	According to the plaintiffs, the defendants allegedly do not reduce the insurance premiums for policyholders for whom pre-existing condition exclusions were stipulated, even though the exclusions are claimed to lower the insurance risk, relative to the risk in insurance policies held by policyholders for whom no such exclusions were stipulated.	Compensation/refund of all the amounts the policyholders in the class were overcharged by, with linkage differences and interest as per the law, as well as a mandatory injunction ordering the defendants to change their modus operandi.	Anyone who was a policyholder during the period beginning 7 years before the day of filing the claim and ending on the day of its certification as a class action, by one or more of the defendants, under an insurance policy for disability, long-term care, life, permanent health, personal accidents, health (including critical illness, surgeries in Israel or abroad, transplants in Israel or abroad, medications, ambulatory procedures or any other medical coverage) that contains an exclusion. For this purpose, an "**exclusion**" – a policy clause which stipulates that any event / injury / disease, or any risk that materializes and that stems from and/or is related to a pre-existing condition the policyholder had on the day the policy was obtained, are not covered under the policy.	The proceeding is at the stage of the motion to certify being reviewed.	The plaintiffs estimated that the total damage to all class members with respect to all the defendants totals NIS 1.9 billion, and they note that each defendants' share is in accordance with its market share of the Health and Life Insurance Subsegment, according to the Capital Market Commissioner's publications.

5.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	9/2020 District Court - Central	Clal Insurance and another insurance company	The lawsuit concerns the allegation that the defendants acted contrary to the provisions of critical illness policies, and specifically – that they did not act in accordance with the terms of the policy that stipulate that after a first insured event has occurred, if the policyholder is still covered under the insurance policy, the insurance amount and the monthly premium amount will be reduced by 50%.	The relief the plaintiffs are petitioning for is damages to the class members due to past damages, as well as a declaratory relief and a mandatory injunction ordering the defendants to change their modus operandi.	All of the respondents' clients / policyholders who were covered under critical illness insurance and/or critical illness and serious medical events insurance and/or any other similar insurance by any other name, who experienced their first insured event, after which they were charged a higher premium than the agreed premium in breach of the terms of the insurance policy, in the 7 years before the motion was brought.	In April 2024, a settlement agreement was submitted to the court for approval; under that agreement, Clal Insurance must return a certain percentage of the insurance premiums to the class members, in accordance with the mechanism set forth in the settlement agreement, as well as notify the policyholders in the policies that the lawsuit concerns of the applicable insurance premiums and insurance benefits mechanism with respect to the future. In March 2025, the State submitted to the Court an objection to the settlement agreement and Clal Insurance submitted its response to the State's position. Further to the state's objections and the court's comments, the parties are attempting to draft a proposal to revise the settlement agreement.	The plaintiffs estimated that the total damage to all class members with respect to Clal Insurance totals NIS 16.8 million.

6.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	4/2021 District Court - Tel Aviv-Jaffa	Clal Insurance and 14 additional companies	The lawsuit concerns the claim that the defendants are violating the provisions of the law by transferring their customers' personal and confidential information, without the customers' consent, to third parties (in particular, to Google and its advertising service), thus infringing on the customers' right to privacy and violating their lawful obligations.	The main remedies the plaintiffs are petitioning for are: to instruct the defendants to cease transferring information about their customers to third parties, to act in accordance with the law and guard and protect the customers' privacy, to disclose all the documents in their possession and that may aid in the investigation into the truthful, and to compensate the plaintiffs for the pecuniary and non-pecuniary damages they incurred.	All the defendants' customers who used the digital services on the websites and apps operated by the defendants in the seven years before the lawsuit was filed, and about whom private and/or personal and/or confidential information was transferred to a third party.	The proceeding is at the stage of the motion to certify being reviewed.	The plaintiffs estimated the damage to all class members in millions of shekels, in the aggregate.

7.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	7/2021 District Court - Tel Aviv-Jaffa	Clal Insurance and 6 additional companies	The lawsuit concerns the allegation that when receiving an annuity from a profit-participating policy issued between 1991 and 2004, the defendants deduct annual interest at a rate of 2.5% (or any other rate) out of the monthly return accrued due to the lower cash surrender value, unlawfully and without any contractual basis under the terms of the policy.	The main remedies claimed in the lawsuit are a declaratory order according to which the interest deduction from the monthly return is a breach of the policies, and alternatively – a declaratory relief according to which this is a depriving condition in a standard contract and a motion to order its nullity, and to order a refund of the amounts deducted from the class members' monthly annuity, plus linkage differences and interest, starting seven years prior to the date of filing the lawsuit and until the final ruling on it is rendered, and to order the defendants to cease deducting interest out of the monthly return.	The defendants' policyholders who purchased from them a life insurance policy that includes accrued savings and investment income participation, issued between 1991 and 2004, and from which interest was and/or will be deducted at a rate not specified in the policy, based on the provision in the policy, according to which the amount of the monthly pension will change "each month according to the results of the investments net of the interest according to which the amount of the monthly pension was calculated, and the appropriate provisions for this matter in the insurance plan" and/or any other similar provision.	The proceeding is at the stage of the motion to certify being reviewed. The parties are conducting a mediation procedure to conclude the proceeding.	The plaintiffs estimated the aggregate damage to all class members in an amount greatly exceeding NIS 2.5 million.

8.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	10/2021 District Court - Lod	Clal Insurance and additional company	The lawsuit concerns the allegation that the defendants unlawfully deny insurance claims by children with special needs in the framework of a long-term care insurance policy, even though, according to the plaintiffs, they meet the definition of an insured event by virtue of "mental frailty" according to the terms of the policy, without checking whether their condition falls within this definition.	The main remedies claimed in the lawsuit are full compensation to the class for all the harms they were caused and compelling the defendants to comply with the insurance agreements.	All of the defendants' policyholders aged 21 and under (or their heirs), who have special needs and who are insured under a long-term care insurance policy sold by any of the defendants and who suffer from "mental frailty," who were not recognized by the defendants as being "mentally frail" and whose rights under the policy were denied, with respect to the past period and the future.	The proceeding is at the stage of the motion to certify being reviewed.	The plaintiffs estimated the total alleged damage to the class members against the two defendants, jointly, at approx. NIS 2.97 billion.

9.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	07/2022 District Court - Tel Aviv-Jaffa	Clal Insurance	The lawsuit concerns the allegation that Clal Insurance denies policyholders' insurance claims in private health insurance policies it had marketed until February 2016, which include a basic insurance tier, on the grounds of the claim being filed due to "preventive surgery" that does not meet the definition of the term "surgery" in the policy (hereinafter - the "**Basic Tier Policies**"); as well as the allegation that Clal Insurance had marketed (for increased premiums) policies that allegedly offer wider coverage than the Basic Tier Policies and that include coverage for preventive surgeries, while this component is already covered by the Basic Tier Policies.	The main claimed remedies are a declaration that in Clal Insurance's health insurance policies that define a "surgery" as an "insured event," any medically necessary surgery is included, including a preventive surgery that is intended to prevent a disease, defect, or deformity in the policyholder and/or the harmful effect of the above; a declaration that denying policyholders' insurance claims for coverage in respect of a preventive surgery under a Basic Tier Health Insurance Policy violates the insurance contract; and an order that requires Clal Insurance to contact the policyholders under all Basic Tier Policies, and inform them that preventive surgeries are covered under the insurance coverage in the policy.	The First Class the movant seeks to represent is any person who entered into a health insurance contract with Clal, which includes insurance coverage for "surgery," and whose claim due to a surgery was denied and/or will be denied on the grounds that it is a "preventive surgery" that is not covered by the policy, until a final and irreversible ruling is made in the class action lawsuit. The Second Class the movant wishes to represent is all former or current Clal policyholders who purchased private health insurance policies that expand the insurance coverage to include preventive surgery from Clal Insurance and/or from anyone on its behalf until February 1, 2016, and for which they paid excessive premiums from the date the extended policies were marketed and until the collection stops and/or until a final and irreversible ruling is made on the class action lawsuit.	The proceeding is at the stage of the motion to certify being reviewed. In November 2024, the parties agreed to refer the proceeding to mediation.	The plaintiff estimated that the aggregate damage caused to the class members is over NIS 2.5 million.

10.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	10/2022 District Court - Lod	Clal Insurance	The lawsuit concerns the allegation that Clal Insurance's modus operandi is automatic renewal of home insurance policies while raising the insurance premiums from year to year, without obtaining the policyholder's consent.	The main remedies sought in the lawsuit are, inter alia, to issue a declaratory order according to which Clal Insurance acted unlawfully, to order Clal to refrain from automatic policy renewals and/or policy renewals at less favorable conditions, and to compensate the class members for the damage they incurred, with interest and linkage.	The class the plaintiffs seek to represent is all of the respondent's customers, whose home insurance policy the respondent had extended without their consent, and/or all of the respondent's customers who were charged insurance premiums for a home insurance policy without their consent (including Clal Insurance's customers whose insurance premiums were raised without their consent when the policy was renewed), in the period starting 7 years before the claim was filed and to date.	The proceeding is at the stage of the motion to certify being reviewed.	The plaintiffs estimated that the aggregate damage caused to the class members exceeds NIS 3 million.

11.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	11/2022 Regional Labor Court - Tel Aviv	Clal Pension and Provident Funds	The lawsuit mainly concerns the allegation that Clal Pension and Provident Funds unlawfully charges insurance premiums due to insurance grace periods (a payment for insurance coverage when regular contributions to the pension fund are suspended) by making deductions out of the accrual, thereby reducing the accrual, without informing the planholders in advance and allowing them to exercise their right to waive the coverage, as well as that it refuses to return the insurance premiums when it learns that the planholder was insured by another pension fund.	The main remedies sought within the lawsuit are a refund of the insurance premiums paid by the class members during the insurance grace periods, and compelling Clal Pension and Provident Funds to notify planholders of the insurance grace period's commencement, the insurance premium rates, and the options available to them, in advance.	The represented class is all planholders (past and present) whose pension fund, which is managed by Clal Pension and Provident Funds, became subject to an insurance grace period arrangement without them being notified in advance, and thereby denying their right to choose not to allow the said arrangement to take effect. With respect to monetary remedies, the represented class is all planholders who did not continue to make contributions to their pension funds after the insurance grace period had ended and did not seek to extend the insurance arrangement, as well as all the planholders who opened an additional pension fund and paid double insurance premiums, in the seven years prior to submitting the motion to certify and until a judgment is rendered in the lawsuit.	The proceeding is at the stage of the motion to certify being reviewed. In February 2024, the Commissioner's position was submitted, which states, inter alia, that the extension of the insurance is activated automatically upon the cessation of contributions to the fund and that the management company must notify the planholder of the cessation of the planholder's deposits.	As a conservative estimate, the class action claimed amount was estimated by the plaintiff at no less than NIS 2.5 million per year and at approx. NIS 17.5 million in total for the seven years preceding the date of filing the motion to certify.

12.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	03/2023 District Court - Tel Aviv	Clal Insurance	The lawsuit concerns the allegation that Clal Insurance has an improper and illegal practice whereby it partially repays the appraiser's fees to the injured parties, without justification, and without explaining why the fees were reduced.	The main remedies sought in the lawsuit are a monetary remedy according to the gap between the fees the class members paid the appraisers and the payment made to the class members as insurance benefits for this component (hereinafter - the "**Pecuniary Damage**"), as well as damages for non-pecuniary damage in the amount of 20% of the pecuniary damage to all class members.	The represented class is any injured party, policyholder, or third party, who is entitled to be reimbursed by Clal Insurance for appraiser's fees the injured party paid to an appraiser in order to assess the damage to the injured party's vehicle, if Clal Insurance did not transfer the full amount the injured party paid for the appraiser's fees to the injured party.	The proceeding is at the stage of the motion to certify being reviewed.	The plaintiff estimated that the aggregate damage the class members incurred exceeds NIS 2.5 million.

13.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	03/2023 District Court - Tel Aviv-Jaffa	Clal Insurance	The lawsuit concerns the allegation that the defendants refuse to finance the policyholders' medical cannabis purchase expenses, which, according to the plaintiffs, is contrary to the provisions of policies that offer coverage for pharmaceuticals that are not included in the Healthcare Services Basket, and the fact that medical cannabis has recognized medical uses in Western countries.	The main remedies sought in the lawsuit are, inter alia, a declaratory remedy stating that Clal Insurance must reimburse the policyholders for their medical cannabis purchase expenses; to order Clal Insurance to contact all their eligible policyholders in recent years and actively invite them to demand the indemnification they deserve; and also, to require Clal Insurance to reimburse all class members for the economic damage they suffered due to their improper conduct and due to a breach of the insurance contract.	The class that the plaintiffs seek to represent is any policyholder of Clal Insurance under the Policies and who did not receive reimbursement for their medical cannabis purchase expenses.	The proceeding is at the stage of the motion to certify being reviewed.[5]	The plaintiffs estimated the total claimed amount for all class members at approx. NIS 13.5 million.

14.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	05/2023 Tel Aviv-Jaffa Regional Labor Court	Clal Pension and Provident Funds	The lawsuit concerns the allegation that when receiving a planholder's request for a disability annuity, the pension fund does not check whether the planholder requires long-term care and/or if the planholder's condition has deteriorated in a way that made the planholder require long-term care, and as a result, the fund does not pay eligible planholders the additional long-term disability annuity.	The main remedies sought in the lawsuit are to pay the class members the additional long-term care disability annuity; compensation and/or restitution for not making full contributions to the fund and for yield losses class members incurred as a result of the above non-payment; obligating the fund to give the fund's physicians accurate instructions in connection with examining conditions that require long-term care when reviewing requests for a disability annuity.	The represented class includes planholders of Clal Pension and Clal Supplementary Pension funds who have disability insurance coverage, who are insured with a pension fund and are entitled to a disability annuity, and who, due to their medical condition on top of their permanent health, require long-term care, and the pension fund did not supplement monthly payments for policyholders who, in addition to having a disability pension is a patient requiring long-term care.	The proceeding is at the stage of the motion to certify being reviewed. An amended motion for class certification was submitted in November 2024, in which similar allegations were made to the allegations in the original motion to certify. In May 2025, the regulator's position regarding the case was submitted.	According to the plaintiff, the class action claimed amount cannot be estimated; however, for the purposes of the fee, it was put at no less than NIS 2.5 million per year and approx. NIS 18.75 million in total for the seven years preceding the date of filing the motion to certify.

5. In July 2022 and in September 2022, motions to certify the claims as class actions against Clal Insurance, concerning similar claims and causes of action (hereinafter - the "**Earlier Proceedings**") were submitted to the District Court in Tel Aviv-Jaffa. In January 2023, the court ruled in favor of consolidating the Earlier Proceedings, and accordingly, the proceeding was filed in March 2023.

15.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	05/2023 District Court (Economic Department) - Tel Aviv-Jaffa	Clal Holdings Clal Insurance Clal Pension and Provident Funds Clal Sal Menayot Israel "**Atudot**" - Pension Fund for Workers and Independent Workers Ltd. (a subsidiary of Clal Insurance (held at 50%) (hereinafter - "**Atudot**") Company officers and investment committee members	The lawsuit concerns the allegation of damage allegedly caused to planholders in provident funds, pension funds, life insurance, and savings policies managed by the Group companies, in light of the respondents' ruling to sell the Alrov Properties & Lodgings Ltd. ("**Alrov**") shares held by the Group companies, within the investment of the policyholders' and planholders' funds, to the Israel-Canada Company (T.R.) Ltd. (hereinafter - "**Israel Canada**"), due to a dispute between some of the respondents and Alrov's controlling shareholder, and despite the fact that at the time of signing the agreement, the Group companies allegedly had an offer from Mr. Alfred Akirov to purchase the Alrov shares at a price of at least 33% higher than the price Israel Canada paid for Alrov shares.	Compensation for pecuniary damage, which the plaintiff claims reflects the damage caused to the class members.	The class the movant seeks to represent is anyone who has been a planholder of the provident funds, pension funds, life insurance, and savings policies managed by the Group companies that held shares in Alrov on March 18, 2021.	This lawsuit was filed further to a class action lawsuit filed in December 2021 to the Regional Labor Court, and was stricken out by the Court in May 2023, due to a lack of substantive jurisdiction. In July 2024, the Court allowed the respondents' request and ordered the dismissal in limine of the motion to certify against the Company and against the officers and members of the Investment Committee, who were added as respondents to the proceeding, such that the proceeding will continue to be heard only against the other respondents. The proceeding is at the stage of the motion to certify being reviewed.	The plaintiff estimated the aggregate damage to all class members at approx. NIS 128 million.

16.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	06/2023 Regional Court - Haifa	Clal Insurance	The lawsuit concerns the allegation that following the economy-wide extension order regarding the increase in pension insurance contributions in 2016 (hereinafter - the "**Extension Order**"), which concerns an increase in the pension insurance contributions employers are required to make for their employees (hereinafter - the "**Increased Contributions**"), Clal Insurance opened new executive insurance policies (hereinafter - the "**Contribution Policies**") for its policyholders who had had old executive insurance policies that had been issued before May 31, 2001 (hereinafter - the "**Old Policies**"), while the annuity conversion factors set for the Contribution Policies were not guaranteed and were less beneficial than the guaranteed annuity conversion factors in the Old Policies, and redirected the additional funds from the Increased Contributions into the Contribution Policies, without the policyholders' consent.	The remedy the plaintiff is petitioning for is to close the Contribution Policies and transfer the contributions made thereto, as well as future contributions originating from the Increased Contributions, to the Old Policies, or, alternatively, to set beneficial factors for the Contribution Policies, at the discretion of the court; to pay the people who are already being paid a pension out of the Contribution Policies the difference between the amounts they would have received if the Increased Contributions funds had all been deposited into the Old Policies (or the amounts they would receive due to beneficial factors, at the discretion of the court) and the amounts they actually received; to compel Clal Insurance to pay each of the class members NIS 500 in damages for non-pecuniary damage due to deception.	The class the plaintiff seeks to represent is anyone for whom Clal Insurance had managed an executive insurance policy issued before May 31, 2001, and for whom, after June 30, 2016, it managed (in a new insurance policy) the funds received due to them for the Increased Contributions, or the beneficiaries or heirs of any such person.	The proceeding is at the stage of the motion to certify being reviewed. In November 2025, the court sought the regulator's position with regard to the allegations made in the lawsuit.	The plaintiff conservatively estimated the aggregate damage to all class members in millions of shekels.

17.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	06/2023 District Court - Tel Aviv-Jaffa	Clal Insurance, Clal Pension and Provident Funds and 4 additional companies	The lawsuit concerns the allegation that the defendants ought to have refrained from deducting tax out of the portion of the annuity equal to the annuity recipients' "recognized annuity" in the pension products they manage, and apply a tax exemption due to that component, which would have resulted in higher annuity payments to the class members.	Repayment of the funds deducted as tax out of the "recognized annuity" portion of the annuity to the class members.	The class the plaintiff seeks to represent is any individual who is paid an annuity from one of the new pension funds and/or the provident funds and/or the insurance funds managed by any of the respondents, who was entitled to a tax exemption on their annuity in respect of their "recognized annuity" component, as this term is defined in the Income Tax Ordinance, and did not receive the above exemption, as of January 1, 2012, and thereafter.	The proceeding is at the stage of the motion to certify being reviewed. At the same time as submitting the answer to the motion to certify the claim as a class action, the respondents submitted a motion for permission to send a third party notice to the Israel Tax Authority. In its response to the third party notice, the Israel Tax Authority rejected the arguments made therein and argued, among other things, that it should be added as a respondent to the proceeding rather than as a third party.	The plaintiff estimated the aggregate damage to all class members at approx. NIS 297 million, for all class members who are paid annuities from the defendants, without attributing a specific monetary remedy to each defendant.

18. Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
08/2023 Central District Court - Lod	Clal Insurance	The claim concerns the contention that in insurance policies marketed by Clal Insurance, in a plan of the type "self-defense" and/or any other marketing name, Clal Insurance was asked in the insurance registration form (the insurance offer) to insure its policyholders under an insurance plan that includes several forms of insurance coverage, including insurance coverage for perpetual disability due to accident, yet in practice it issued policyholders different and disability insurance coverage of the type "loss/impairment of functioning".	Provision of a mandatory injunction pursuant to which Clal Insurance is required to update the insurance policies with insurance coverage of the type perpetual disability due to accident, required to provide the class members with insurance coverage in respect of perpetual disability due to accident, and charged with special interest.	All Clal Insurance policyholders with health-insurance policies within the "self-defense" plan, and/or any other marketing name, issued by Clal Insurance with insurance coverage of the type "loss/impairment of functioning" in contradiction of the statements in the insurance offer form, which noted insurance coverage of the type "accidental disability," as well as Clal Insurance policyholders with this policy who were denied their entitlement to receive insurance benefits for perpetual disability due to an accident event based on the argument that no such coverage exists in the policy.	The proceeding is at the stage of the motion to certify being reviewed.	The plaintiff estimated that the aggregate damage the class members incurred exceeds NIS 2.5 million.

19. Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
09/2023 District Court - Tel Aviv	Clal Insurance and 7 additional insurance companies	The claim concerns the contention that the defendants do not pay for insurance incidents and do not provide towing services to policyholders who purchase a towing rider in cases in which it is necessary to tow the insured vehicle using a towing lift, and that they charge these vehicle owners added payment, despite the fact that this matter is not expressed in the language of the riders.	The remedies sought are, among other matters, compensation in respect of reimbursement of premium payments, towing costs, and non-pecuniary damages ("pain and suffering") in the amount of NIS 3,000 per class member, and in addition, amendment of the language of the riders issued on behalf of the respondents.	The class in the name of which the claim is filed is defined as the "the class of consumers who hold or held riders of respondents 1-8 in the last 7 years prior to the filing of the claim and in the period after the filing of this claim, until a judgment is rendered, whose vehicle necessitates the possibility or requires towing via lift when the vehicle is inoperable (requiring towing to a garage).	In November 2024, the court ordered a severance of proceedings by way of filing separate motions for certification, while ordering that most of the respondents be stricken out, including Clal Insurance. In January 2025, the movants appealed against the court's above ruling to the Supreme Court. After the Supreme Court's proposal of an agreed withdrawal was unsuccessful, a judgment was handed down in June 2025 according to which the lawsuit against Clal Insurance and another company will continue to be heard before the District Court.	The plaintiff estimated the aggregate damage to all class members at approx. NIS 80 million.

20.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	11/2023 District Court - Tel Aviv	Clal Insurance and 7 additional insurance companies	The lawsuit concerns the claim that when setting the price of premiums in life, health, and P&C insurance policies, "catastrophe events" such as a "surprise" war and/or other extreme or unexpected events that reduced the defendants' risk and exposure were not factored in; that in light of the Iron Swords War, the defendants are expected to experience a major reduction in the risk in policies in which the risk-weighted components had significantly decreased (and completely eliminated in some cases).	The remedies sought are declaratory relief, a mandatory injunction, reimbursement or reduction of the premiums from the date of declaration of a state of emergency, and pecuniary and non-pecuniary monetary compensation.	The petitioners define five classes in the claim. (1) Policyholders some of whose policies contain a war exclusion that excludes insurance coverage of an insured event in wartime, but, in light of their call-up for reserve military service, the actuarial risk in connection with whom has decreased, and accordingly, action should be taken to reimburse and/or reduce the premium; (2) policyholders of the respondents, mainly in P&C insurance, who, due to the declaration of a state of emergency and the transition of government institutions, public entities, and dual-purpose entities to an emergency work format, will be unable, or able in a partial and limited manner, to exercise the insurance service and/or coverage; (3) policyholders of the respondents who, due to the declaration of a state of emergency and the transition of government institutions, public entities, and dual-purpose entities to an emergency work format, cannot receive services such as treatment and elective surgeries at public hospitals. (4) Policyholders in P&C insurance – property policies of the various types, vehicle, home - which, due to the state of emergency, their inherent risk decreased substantially; (5) policyholders of various policies in the area of business, the risk of which has significantly decreased due to the state of emergency.	The proceeding is at the stage of the motion to certify being reviewed.	The plaintiff estimated that the aggregate damage the class members incurred exceeds NIS 2.5 million. With regard to policyholders called up for reserve duty, it is argued that the estimated damage is in the amount of NIS 10.02 million (with respect to all of the defendants).

21.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	12/2023 Regional Labor Court - Haifa	Clal Pension and Provident Funds	The action involves the claim that the defendant unlawfully collects insurance premiums in the comprehensive pension fund under its management that are higher than those it was entitled to collect, while reducing the amount of the accrual of the fund's planholders: (a) when receiving retroactive contributions - insurance premiums are collected that are higher than the insurance premiums that the defendant should have collected; (b) as a result of attributing "insured income" that is higher than the planholder's salary when the rate of contribution for rewards was more than 11.5% of the planholder's salary and less than 13%; (c) as a result of collecting insurance premiums due to the portion of the planholder's income that exceeds the monthly contribution ceiling for the pension fund stipulated in the law.	Restitution of insurance premiums which were collected from the class members plus interest and linkage differences; A declaration on the nullity of provisions in the regulations which were in effect in the relevant years and a prohibition on the management company to carry out the actions mentioned in Sections (a) to (c) above.	The class the plaintiff seeks to represent is everyone who, during the 7 years that ended on the day the motion was submitted, was a planholder of the comprehensive pension fund of "Clal Pension," and from whom the respondent collected an insurance premium calculated on the basis of an amount greater than the maximum amount for this matter, according to the law and/or according to the fund's bylaws which were in effect on collection day, the lower of the two.	The proceeding is at the stage of the motion to certify being reviewed. The parties are conducting a mediation procedure on the matter.	The class action claimed amount was estimated conservatively, according to the plaintiff, at millions of shekels, without specifying an amount.

22.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	01/2024 District Court - Jerusalem	Clal Pension and Provident Funds	The action involves the claim that the defendant raised the management fees in planholders' accounts in the products managed by it without sending them any notice in advance according to the law.	Restitution of the all the amounts which were unlawfully collected from each of the class members together with the returns that said funds would have yielded in the accrued savings.	The class the plaintiff seeks to represent is all planholders of provident funds and/or advanced education funds and/or pension funds and/or any other instrument managed by the respondent (including savings instruments which were managed by those replaced by the respondent and anyone who was a planholder thereof during the relevant years) - including deceased planholders and/or their beneficiaries, for whom management fees were raised without being notified as required by law, during the period starting in January 2008 and ending in January 2017, with the exception of three price increases for which res judicata was granted in Class Action 15-03-59823.	The proceeding is at the stage of the motion to certify being reviewed.	The claimed amount was estimated by the plaintiff at more than NIS 2.5 million.

23.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	01/2024 District Court - Jerusalem	Clal Pension and Provident Funds	The action involves the claim that the defendant charged management fees at a rate that exceeds the rate permitted by law, in the accounts of planholders with whom contact has been lost or in the accounts of deceased planholders.	Restitution of the all the amounts which were unlawfully collected from each of the class members together with the returns that said funds would have yielded in the accrued savings.	The class the plaintiff seeks to represent is all planholders of provident funds and/or advanced education funds and/or pension funds and/or any other instrument managed by the respondent (including savings instruments managed by those replaced by the respondent and anyone who was a planholder thereof during the relevant period) - including deceased planholders and/or their beneficiaries, from whom management fees were collected at a rate higher than the maximum rate stipulated in Regulation 8 of the Supervision of Financial Services Regulations (Provident Funds) (Management Fees), 2012, during the period beginning on January 1, 2013, (the date of entry into force of the aforementioned regulations) and ending with a final and decisive ruling in the action.	The proceeding is at the stage of the motion to certify being reviewed.	The claimed amount was estimated by the plaintiff at more than NIS 2.5 million.

24.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	06/2024 District Court - Haifa	Clal Insurance and 7 additional companies	The lawsuit concerns the claim that installers of windshields, who operate on behalf of the defendants under the “windshield insurance” rider, do not calibrate the safety systems installed on the vehicle’s front windshield when the dismantle the broken windshield and install the new (replacement) one, in violation of the provisions of the law; it is also claimed that the defendants did not inform the policyholders - when they purchased the riders - that the latter will not include the testing and calibration of the safety system when the front windshield is replaced.	Declaratory relief whereby the calibration of the safety system is included in the policy / rider covering damage to the windshields; a mandatory injunction ordering the defendants to summon Class A to auto repair shops to test and/or calibrate the safety systems; refund the funds, which were collected from Class B members; paying a monetary compensation to all Class C members.	Three classes: A class of consumers who hold or held the riders/windshield insurance of the respondents in the 7 years preceding the filing of the lawsuit and when they had the windshield replaced under the rider, the safety system in their vehicle was not tested and/or not calibrated as part of the process of replacing the front windshield; a class of consumers who hold or held the riders/windshield insurance of the respondents in the 7 years preceding the filing of the lawsuit and when they had the windshield replaced under the rider, the installer on behalf of the defendants charged them for testing and/or calibrating the safety system; a class of consumers who own a vehicle equipped with a safety system, who purchased a rider/windshield insurance from the defendants in the 7 years preceding the filing of the lawsuit, and were not told when they purchased the rider that the coverage will not include testing and calibration of the safety system as part of the replacement of the front windshield.	The proceeding is at the stage of the motion to certify being reviewed.	The claimed amount was estimated by the plaintiff at more than NIS 2.5 million.

25.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	07/2024 District Court - Tel Aviv	Clal Insurance	The lawsuit concerns the claim that the defendant pays the insurance benefits and/or refunds insurance premiums to its policyholders by sending checks by mail, allegedly in violation of the guidance of the Capital Market Commissioner, whereunder the funds should be delivered to the policyholders by way of bank transfer or by crediting their credit card. Furthermore, it is claimed that by acting as described above, Clal Insurance also breaches its obligation to pay policyholders the amounts due to them on time, and its obligation to pay interest and linkage differences in respect of the amounts of the checks through the date on which the funds are actually paid.	Issuing a mandatory injunction, which will order Clal Insurance to voluntarily pay the class members the insurance benefits and/or refund the insurance premiums plus linkage and interest from the day on which they become entitled to such payments and until they are actually made; to issue a mandatory injunction ordering Clal Insurance to pay the insurance premiums and/or refund insurance premiums through the same means of payment they used to pay Clal Insurance; and to issue a mandatory injunction ordering Clal Insurance to voluntarily contact its policyholders, if it does not have the means of payment details, and allow the policyholders to select the means of payment through which they wish to use to receive the insurance benefits and/or the refunded insurance premiums.	Anyone who meets one or more of the following conditions: (1) Clal Insurance policyholders, who are entitled to insurance benefits and/or to a refund of insurance premiums and/or any type of refund, to whose registered address and/or their address as updated with Clal Insurance the latter mailed checks, which have not been cashed by the policyholders and/or checks, which were cashed but no interest and linkage differences were added to their amount; (2) Clal Insurance policyholders, whose bank account details or payment card details were held by Clal Insurance on the date on which the abovementioned checks were mailed and/or where Clal Insurance was able to obtain those details during the seven years, which preceded the filing of the lawsuit, or within the normative limit in accordance with the ruling of the honorable court, and through the date, which will be set by the honorable court in its decision; and alternatively, to define the class in any other way it will deem appropriate.	In March 2023, the parties submitted a settlement agreement approval motion; the agreement sets an outline for restitution to parties which Clal Insurance credited - through unredeemed checks - for insurance premiums and/or insurance benefits. In October 2025, the position of the Attorney General and the Commissioner was filed, which included several comments regarding the proposed settlement agreement.	The claimed amount was estimated by the plaintiff at more than NIS 2.5 million.

26.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	12/2024 District Court - Central	Clal Insurance	The lawsuit concerns the allegation that Clal Insurance unlawfully denies health insurance policyholders' claims for reimbursement of expenses incurred for the medical procedure known as "imaging-guided injection," claiming that this medical procedure is not an event that qualifies for insurance coverage, as it neither meets the definition of "surgery" nor of "non-surgical alternative," as defined in the policy.	Issuing a declaratory order stating that imaging-guided injections meet the policy's definition of "surgery," or, alternatively, the definition of a "non-surgical alternative," as defined in the movant's policy and in policies with identical and/or similar wording, and is not subject to the "injection" exclusion, in its various forms; as well as a declaratory order stating that Clal is estopped from invoking the "injection exclusion."	The class that the plaintiff seeks to represent consists of all Clal Insurance policyholders holding the same policy as the movant, and other Clal Insurance health insurance policies, of any kind, whose claims for insurance coverage due to any kind of imaging-guided injection Clal Insurance denied, and/or who were paid a lower compensation amount than the amount they are entitled to be paid for the procedure, in accordance with the provisions of their respective policies, subject to the prescription period, and until a final judgment on the lawsuit is handed down.	The proceeding is at the stage of the motion to certify being reviewed.	The claimed amount was estimated by the plaintiff at more than NIS 2.5 million.

27.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	02/2025 District Court - Central	Clal Insurance	The lawsuit concerns the allegation that Clal Insurance unlawfully requires its policyholders to sign an overly broad, one-sided settlement document it has drafted, which severely prejudices its policyholders and denies their rights with respect to events unrelated to the event for which the settlement document is signed, allegedly in contravention of the law, while continuing to collect the full premium in a manner that constitutes a breach of the insurance contract, thereby unjustly enriching itself at the expense of its customers.	(A) A mandatory injunction to amend the settlement documents; (B) for the members of Class A – to pay each class member whose claim is deemed justified the compensation amount they are owed, with lawful interest and linkage differences, plus NIS 1,000 in damages for non-pecuniary damage; (C) for the members of Class B – to inform the policyholder that they may file a claim for an additional event, which shall be investigated in accordance with the policy's terms and conditions; to extend the lawful prescription period for any date, as required; and to pay each class member who files a claim which is deemed justified, the total compensation amount they are owed, plus lawful interest and linkage differences, while paying each class member NIS 100 in damages.	The classes that the plaintiff seeks to represent consist of: (a) any person who signed a release document in favor of the respondent, containing a provision that denies the right to compensation for an event which is unrelated to the event for which the release document was signed, resulting in the denial of a separate claim which is unrelated to the event for which the settlement document was signed (hereinafter – "**Class A**"); and (b) any of the respondent's policyholders who signed a release document containing a provision that denies their eligibility for compensation for an event which is unrelated to the event for which the release was signed, and who did not file another claim against the respondent (hereinafter – "**Class B**").	The proceeding is at the stage of the motion to certify being reviewed.	The claimed amount was estimated by the plaintiff at more than NIS 2.5 million.

28.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	02/2025 Regional Labor Court - Tel Aviv	Clal Pension and Provident Funds Ltd.	The lawsuit concerns the allegation that the defendant unlawfully charges to its planholders debts stemming from the failure on the part of these planholders' respective employers to make pension contributions by the deadlines required by law.	Restitution of the funds unlawfully charged to the class members, plus linkage differences and interest; damages for non-pecuniary damage; restitution of the (alleged) enrichment funds in Clal Pension and Provident Funds' possession; a prohibition on Clal Pension and Provident Funds to charge to its planholders any debt stemming from failure on part of the respective planholder's employer; and an order compelling Clal Pension and Provident Funds to implement the provisions of Section 19A of the Wage Protection Law.	Anyone to whom the defendant charged and/or attempted to charge funds stemming from their respective employer's failures, from the date the defendant first implemented this policy, until the date this lawsuit is certified as a class action.	The proceeding is at the stage of the motion to certify being reviewed.	The claimed amount was estimated by the plaintiff at more than NIS 2.5 million.

29.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	04/2025 Regional Labor Court - Tel Aviv	Clal Insurance	The lawsuit concerns the allegation whereby Clal's collection of management fees from monthly allowances paid to its policyholders is non-transparent, illegal and in breach of the terms of the policy. It was also claimed that the management fee amount increases during the allowance payment period, and that Clal Insurance conceals the amount and refuses to disclose it.	Restitution of the management fees collected unlawfully from class members, plus linkage differences and interest from the collection date through actual payment, and the issuance of a permanent injunction prohibiting Clal Insurance from collecting management fees from allowances it pays to its policyholders, or any other remedy in favor of the public.	Anyone who received a monthly allowance from Clal Insurance, from which management fees were deducted, and anyone who is expected to receive such an allowance until the class action certification date, or until a judgment is rendered in the lawsuit or until Clal Insurance stops collecting management fees from allowances it pays, whichever is later.	The proceeding is at the stage of the motion to certify being reviewed.	The claimed amount was estimated by the plaintiff at more than NIS 2.5 million.

30.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	06/2025 Regional Labor Court - Haifa	Clal Insurance	The lawsuit concerns the allegation that Clal allegedly sets the cost of insurance coverages such that their cumulative rate exceeds the limit of 35% of the contributions towards the retirement benefits component in the policy, 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. It was also alleged that Clal misleads class members in its presentation of the rate of insurance coverages' cost out of contributions towards retirement benefits.	(a) Compensate class members for the damage they incurred; (b) hand down a declaratory judgment according to which Clal Insurance acted unlawfully; (c) order Clal Insurance to change the way it conducts itself, including retroactively, regarding with respect to the manner in which data is presented in the Annual Financial Statements.	All policyholders in Clal Insurance's provident funds and/or insurance funds (as defined by law), who were charged insurance premiums at a rate, which exceeds the limit set by law and/or in the policies/bylaws of the provident funds/insurance funds, and Clal Insurance policyholders, who were misled due to incorrect presentation of the percentage of insurance premiums out of the total contributions made into the policy.	The proceeding is at the stage of the motion to certify being reviewed.	The claimed amount was estimated by the plaintiff at more than NIS 3 million.

31.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	07/2025 District Court - Central	Clal Insurance	The lawsuit concerns the allegation that Clal charges its customers NIS 10 in "handling fees" due to a bounced payment, without having a contractual right to do so; it is also alleged that Clal charges excess amounts in respect of interest and linkage differences, including interest on arrears.	Hand down a declaratory judgment according to which Clal Insurance acted unlawfully; order Clal Insurance not to charge handling fees without appropriate regulation; and order payment of compensation to class members with respect to the damage they incurred.	Customers charged by Clal Insurance "handling fees" (or any fee that reflects handling fees), in all insurance subsegments, under circumstances of a bounced payment by credit/other means of payment/ late payment/unsuccessful collection attempts and under other circumstances, or excess amounts in respect of interest and linkage differences, including interest on arrears.	The proceeding is at the stage of the motion to certify being reviewed.	The claimed amount was estimated by the plaintiff at more than NIS 3 million.

2.1.3 Material class actions, material claims and motions to certify material claims as class actions which were concluded during the reporting period and until the signing of the report against the Company and the consolidated companies, with the exception of the Max Group Companies[6]

1.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	7/2019 Regional Court - Tel Aviv	"Atudot" - Pension Fund for Workers and Independent Workers Ltd. (a subsidiary of Clal Insurance (held at 50%) (hereinafter - "**Atudot**")	The lawsuit concerns the allegation whereby Atudot charges its planholders, in addition to management fees, "investment management expenses" (hereinafter - "**direct expenses**") in the absence of a contractual provision that allows it to charge such expenses and in contrast with the fund's bylaws.	The plaintiffs seek to compel Atudot to return the excessive direct expenses amounts they were charged.	The planholders in the pension funds who were charged investment management expenses in the seven years before the relevant lawsuit was filed.	In June 2023, the Supreme Court handed down its judgment on the motion for leave to appeal in a motion for class certification regarding direct expenses charges in private individual life insurance policies (which Atudot was not a party to), and granted the appeal on the certification ruling, stating that insurance companies and management companies serve as trustees for the planholders' funds, and are entitled to charge expenses in their capacity as such. In February 2024, a judgment was issued dismissing the motion to certify the class action against Atudot. In March 2024, the plaintiff appealed to the National Labor Court. In March 2025, a judgment was rendered under which the appeal was stricken out, at the agreement of the parties and further to the Court's recommendation.	The class action claimed amount was set at approx. NIS 41 million, based on an assessment.

2.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	04/2022 District Court - Tel Aviv-Jaffa	Clal Insurance	The lawsuit concerns the allegation that Clal Insurance continues to charge premiums from policyholders, even after the latter announce their policy's cancellation, as the cancellation takes effect only on the 1st of the following calendar month after Clal Insurance receives the notice, rather than within 3 days from the date of delivering the policyholders' cancellation notices, as required in accordance with the legislative arrangement. It was claimed that no full disclosure is made to policyholders of the applicable arrangement in case the policyholder cancels the policyholder, before purchasing the policy.	The main claimed remedies are a declaratory remedy, according to which a policyholder's cancellation notice would take effect within 3 days from the date of its delivery, and a monetary remedy in the form of returning all premiums policyholders were charged due to the period beginning from the fourth day after the delivery of the cancellation notice, and 50% of the average monthly premium as compensation to the class members whose respective cancellation notice had been delayed due to the provisions of the policy, with added linkage differences and interest.	The class the movant seeks to represent is: (a) all policyholders who notified Clal Insurance of the policy's cancellation and Clal Insurance did not cancel their respective policy within 3 days from the date of delivering the cancellation notice; (b) all policyholders who notified Clal Insurance of the policy's cancellation and whose cancellation notice was somehow inadequate, and Clal Insurance did not notify the policyholders of the inadequacy within 3 business days from the date of delivery of the cancellation notice; (c) all policyholders who wanted to cancel the policy at any time in the previous calendar month before the last 3 days of that month, and delayed their cancellation notice due to the contractual arrangement whereby the cancellation would take effect from the 1st of the calendar month following Clal Insurance's receipt of the cancellation notice.	In March 2025, a judgment was rendered, which approved an agreed motion for withdrawal of the motion to certify, in which Clal Insurance agreed to add a disclosure to the existing disclosure - prior to the purchase of the policy - regarding the date on which the cancellation would come into effect. It was further agreed to pay the plaintiff and their counsel negligible amounts.	The plaintiff estimated the aggregate damage to all class members in many millions of shekels.

3.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	12/2022 District Court - Lod	Clal Insurance	The lawsuit concerns the allegation that in the event of damage caused by a trailer and a towing vehicle, Clal Insurance (as the insurer for either the trailer or the towing vehicle) refuses to pay for the full damage caused to a third party, as it has undertaken to pay in the policy, and pays only half of it, on the grounds that the liability for damage caused by a trailer or by a towing vehicle must always be divided equally between them.	The main remedies sought in the lawsuit are a monetary remedy that includes, inter alia, compensation for the deductible paid to the other insurer, a refund of the premium to the policyholders, a mandatory injunction ordering Clal Insurance to indemnify the third parties for the full damage caused in the context of an applicable policy, and a duty of disclosure with respect to new policies that have not yet been issued.	The represented class is all Clal Insurance policyholders who purchased a trailer and/or towing vehicle third-party insurance and/or compulsory insurance policy in the 7 years preceding the submission of this motion; or, alternatively or in addition: all Clal Insurance policyholders who purchased a trailer and/or towing vehicle third-party and/or compulsory insurance policy from it, who had to pay a double deductible for a single incident of damage caused to a third party and/or who were forced to pay out of pocket for half or part of the damage caused to the third party. On March 2025, the court handed down a judgment confirming a withdrawal motion.	In March 2025, the District Court handed down a judgment in which a motion to withdraw the lawsuit was approved, without a costs order.	The plaintiffs estimated that the aggregate damage the class members incurred exceeds NIS 2.5 million.

6. Not including lawsuits that concluded in the reporting year, but which were reported as having been concluded in the Financial Statements for 2024.

4.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	9/2020 District Court - Haifa	Clal Insurance	According to the plaintiff, Clal Insurance does not act in accordance with its undertakings, as it regularly refunds its policyholders for a significantly lower amount than the amount it warranted within the implementation of the "no claims bonus" clauses in health policies Clal Insurance used to sell, which entitle policyholders to be refunded part of the insurance premiums they paid if no insurance claims are made over the period specified in the policy.	The remedy the plaintiff is petitioning for includes compelling Clal Insurance to compensate each of the class members entitled to the no claims bonus for the relative share of the insurance premiums they were not refunded, with interest and linkage.	All Clal Insurance policyholders that hold private and collective health insurance policies, including extended health insurance and full liability insurance and including policies whose names had been changed over the years, that include a "No Claims Bonus" clause, who did not claim and/or refrained from claiming benefits for 3 years or any other period in accordance with the policy, and were entitled to a refund of 10% of the insurance premiums they had paid, or another refund rate according to the terms of the policy, and were paid a lower amount than the amount they are owed under the terms of the policy during the lawsuit period.	In May 2025, the Haifa District Court handed down a ruling dismissing the motion to certify.	The plaintiff estimated the damage to all class members at NIS 33,575,080 in the seven years prior to filing the lawsuit.

5.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	01/2023 Regional Labor Court - Tel Aviv	Clal Insurance	The lawsuit concerns the allegation that Clal Insurance unlawfully reduced the insurance benefits to which policyholders awarded permanent health insurance are entitled, without obtaining the policyholders' explicit prior consent and in breach of the provisions of the policy and the Capital Market Authority's instructions, as well as in breach of the duty of disclosure, while committing deception and without sending the policyholders any notice or alert of the need to pay an additional premium or reduce the insurance coverage. It was also argued that the monthly benefits paid to policyholders who have permanent health insurance coverage were reduced or will be reduced in the future, due to the premium increase as the policyholders grow older.	Declaratory relief that prohibits Clal Insurance from reducing the insurance benefits for permanent health without obtaining the policyholder's explicit written consent, and a monetary remedy that requires Clal Insurance to pay the class members who suffered a permanent health event the difference to make up the insurance benefits amount.	The represented class is: with respect to the future arrangement – all Clal Insurance policyholders who have permanent health insurance and for whom, according to Clal Insurance, the insurance coverage rate is reduced or will be reduced in the future due to an increase in the premium as they grow old; and with respect to the monetary remedies – all past and present class members who had an insured event, and their insurance benefits were reduced by Clal Insurance without the policyholder's explicit, active, and prior consent.	In June 2025, the Court approved a motion for approval of a settlement agreement, whose main terms stipulate the issuance of a notice to class members, informing them that the scope of coverage in permanent health insurance would be diminished due to the inadequacy of the premium payments to secure the monthly compensation rate, turning it into a substantive judgment.	The plaintiff estimated the aggregate damage to all class members at NIS 18 million in the 3 years preceding the lawsuit filing date.

6.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	07/2024 Regional Court - Haifa	Clal Insurance and additional defendants	The lawsuit concerns the claim that the defendants unilaterally change the expiry date of the policy period in permanent health insurance policies of the class members to reflect the policyholder's "insurance age", which varies from their calendar age, without disclosure as required by law, and consequently, among other things, the insurance benefits to policyholders, who experienced the insured event, are not paid until the end of the policy period they selected as part of the insurance offer, but rather until an earlier date. Furthermore, policyholders who have not yet experienced the insured event are at risk that if they experience an insured event in the future, they will receive insurance benefits by a date, which is earlier than the end of the policy period, which they selected as part of the insurance offer.	(a) Declaratory relief whereunder the policy period of permanent health insurance policies purchased by the class members ends at the earlier of the end of the calendar policy period as requested by the policyholder or on the calendar retirement age prescribed by law (hereinafter - the "**Calendar Date**"). (b) Pecuniary remedy - pay Class B members insurance benefits through the Calendar Date plus linkage differences and interest; (c) Compensation in respect of the non-pecuniary damage totaling NIS 100 to each of the class members.	(a) Policyholders insured under a permanent health insurance policy, whose coverage period will end earlier than their calendar age, and have not yet experienced an insured event; and (a) Policyholders (past or present) insured under a permanent health insurance policy, who experienced an insured event, but have not been paid insurance benefits through the end of the insurance period set based on their calendar age.	In June 2025, the court approved an agreed motion for withdrawal of the lawsuit.	The claimed amount was estimated by the plaintiff at more than NIS 2.5 million.

7.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	9/2015 District Court - Tel Aviv	Clal Pension and Provident Funds, as well as four other companies that manage pension funds	According to the plaintiffs, who are planholders in the pension funds managed by the defendants, the mechanism to compensate agents and brokers with fees and commissions as a rate out of the management fees planholders are charged, as had been the custom among the defendants, is a breach of the duty of loyalty toward the planholders in the provident funds the defendants manage, and leads to the collection of higher management fees than is appropriate by the defendants.	To require the defendants to alter the agent compensation mechanism and to pay the planholders back the excessive management fees they were charged.	Planholders of provident funds managed by the plaintiffs, who were charged management fees from which the agents' commission is derived based on the management fees amount.	In November 2022, the District Court's rendered its judgment, in which the motion to certify was denied. In January 2023, the plaintiffs appealed the judgment. In July 2025, the appeal was dismissed without a costs order, after the class plaintiffs retracted their appeal.	The plaintiffs estimated the damage to all class members at approx. NIS 2 billion, reflecting approx. NIS 300 million in annual damage since 2008.

8.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	05/2024 District Court - Tel Aviv	Clal Insurance	The lawsuit concerns the allegation that the defendant offered retired policyholders in the "Hassneh" policies an annuity track that guarantees a higher number of annuities than the annuity track they would have been entitled to according to the terms and conditions of the policy, in a manner that has reduced the total annuity that the policyholders received.	To allow all class members to retroactively choose an annuity track in accordance with that said in the policy (as alleged), and to pay anyone who chooses this the difference between the amount that the policyholder would have been entitled to according to the terms and conditions of the policy and the amount actually paid by the defendant, plus linkage differences and interest.	The class that the plaintiff seeks to represent consists of policyholders who hold an executive insurance policy issued by "Hassneh" and that is managed by the defendant, who chose a different annuity track from the track set out in the policy or who chose to receive their accrued balance in the policy as a lump sum.	In November 2025, the court approved an agreed motion for withdrawal of the lawsuit.	The plaintiff estimated the aggregate damage to all class members at approx. NIS 900 million.

2.2 Details regarding exposure to immaterial class actions or claims that have not yet been filed and for additional expenses against the Company and the consolidated companies, with the exception of the Max Group Companies

2.2.1 .In addition to the material class action lawsuits, described in Note 9 (2.1.1), the pending motions to certify material lawsuits as class actions, described in Note 9 (2.1.2), and the motions to certify material lawsuits as class actions which were dismissed in the reporting period, described in Note 9 (2.1.3), there are pending motions to certify class actions against the Company and its consolidated companies (except for the Max Group Companies) that, according to the Company's estimate, are immaterial,[7] and therefore there is no detailed description thereof in the financial statements. As of the date of the report, 6 lawsuits are litigated against the Company and/or its consolidated companies, as said above, not including Max, and the total amount specified by the plaintiffs in these lawsuits is approx. NIS 100 million[8] (compared to 5 lawsuits for approx. NIS 110.5 million as of December 31, 2024).

2.2.2 **Insurance exposures**

In addition to the aforementioned legal proceedings, potential exposure also exists, which at this stage can neither be evaluated nor quantified, to the filing of additional derivative claims or class actions against the Group companies, inter alia as a result of the Company's control structure (for further details, see Note 1, as well as Section 2.3 below) as well as exposure arising from the complexity of the companies' products, which may result in disputes arising regarding the interpretation of provisions of the Law or an agreement, including, among other things, pertaining to contractual or commercial terms and conditions, or regulatory directives, including the option available to the Commissioner, under certain circumstances, to order an insurer to cease implementing an insurance plan, or to order it to make changes to an insurance plan, including with respect to policies which have already been marketed by the insurer, or regarding the manner of implementation of the provisions of the Law or an agreement, or the method of claims settlement agreement pursuant to an agreement, which apply to and impact the relationship between the Group companies and the customer and/or the relationship between the Company and third parties, including reinsurers.

This exposure is particularly heightened in the fields of Long-Term Savings and Long-Term Health Insurance, in which Clal Insurance operates, among other things, in view of the fact that in those spheres, some of these policies were issued decades ago, whereas today, in light of significant regulatory changes, and due to the development of both judicial rulings and the Commissioner's position, these policies may be interpreted differently when viewed retroactively, and different interpretative standards may be applied to them than those which were customary when they were drafted. Moreover, the policies in these aforementioned areas remain valid for decades, such that in those cases in which a customer's claim is accepted and new interpretation is attributed to the contents of the policy, there is also potential exposure to the fact that the future profitability of that particular company will be influenced due to the existing policy portfolio. This is in addition to compensation that may be awarded to customers in respect of past activity.

There is also exposure, which at this stage can neither be evaluated nor quantified, to errors in the methods used in the operation of products, chiefly in the areas of Long-Term Savings and Health Insurance. The insurance sector in which the Group companies operate is complex and rich in details, and the regulatory directives tend to change over the years, and it involves an inherent, unquantifiable risk of the occurrence of an error or a series of errors, mechanical or human errors, which may have a sector-wide impact. It is not possible to anticipate all the types of claims to be raised in this context and/or the exposure arising from these potential claims, among other things, via the procedural mechanism of class action lawsuits and/or industry-wide rulings made by the Commissioner.

Such exposure is also the result of the complexity of the aforementioned products, which are characterized by extremely prolonged lifetime, and are subject to frequent, complex and material changes, including changes in regulatory and taxation directives. The complexity of those changes and their application over many years creates increased operational exposure, which is also due to the numerous different computer systems in the Group's institutional entities, and their limitations, in view of additions and/or changes to the basic wording of the products, and in light of multiple, frequent changes implemented over the product's lifetime, including by the regulatory authorities, the customers (the employees) and/or by the employers and/or by those acting on

7. See Footnote 10 above regarding the materiality threshold.
8. The aforementioned number of lawsuits includes one lawsuit in which Clal Insurance is a formal defendant and no remedies are sought against it. In addition, there is one action which was certified as a class action, in which the plaintiff did not specify the amount, but estimated it in tens of millions of NIS.

their behalf, in relation to insurance coverages and/or to savings deposits, including in the context of reporting to planholders, and the need to create direct contact with employers and operating entities.

This complexity and these changes have an impact, among other things, on the volume of contributions and the amounts involved, the various product components, the manner in which funds are attributed to employees (including due to discrepancies between the employer's reports, including through the employers' interface with the policy data), products and components and selected investment and insurance tracks, dates of payment appropriations, the identification of arrears in deposits and the handling of such cases, the employment, personal and underwriting status of customers, as well as operational considerations involving third parties outside the Group, which affect customer rights together with the information given to them. This complexity intensifies in view of the increasingly large number of parties operating with the Group's member companies in relation to the management and operation of the products, including, among other things, distributors, employers, customers and reinsurers, including in relation to the ongoing interface with them, and contradictory instructions that may be received from them or their representatives. The institutional entities that are members of the Group are engaged in a constant effort to study, identify and address issues that may arise due to the aforementioned complexities, both with regard to specific cases, and also in relation to customer and/or product types.

There is additional complexity regarding employer contributions that is related to the mechanism prescribed in the Wage Protection Law, 1958, according to which an amount owed by an employer to a provident fund, as this is defined in that law, in respect of the employee's rights or those of his replacement toward the provident fund, is deemed to have been paid on time unless the Regional Labor Court has determined that the delay in the collection of the debt was not the result of negligence on the part of the Fund, or occurred due to other justified circumstances, and subject to the right of indemnity available to the fund in relation to the employer, pursuant to the provisions of the law. Furthermore, pursuant to a circular relating to the manner of depositing payments into provident funds, the provident fund shall receive interest on arrears from an employer who has failed to transfer payments to the provident fund on time. There are various difficulties in the interpretation of the provisions of the Law and their implementation. The responsibility of the institutional entities in the Group for the collection of employers' debts to the said funds generates exposure in the event of defects occurring during the collection process.

Moreover, the institutional entities in the Group carry out a regular, routine process of data cleansing in the Long-Term Savings IT systems, in order to ensure that the registration of the planholders' and policyholders' rights in the data systems is complete, accessible and retrievable, in view of the discrepancies that are discovered from time to time, including the issue of mechanization of the classification of the savings funds, pursuant to the various levels of the provisions of the regulation issued over the years, and which are in various stages of being addressed. The institutional entities in the Group are unable to estimate the scope, costs and the full ramifications of the aforementioned actions, or the scope of the future data cleansing discrepancies, which may also be the result of regulatory changes, as this is due, among other things, to the complexity of the products, the fact that they are long-term products, in view of the multiplicity of IT systems in this sphere and their limitations. The institutional entities in the Group update their insurance liabilities from time to time and as is required.

In this context, it should be noted that in December 2021, Clal Insurance received a letter outlining the implementation of regulatory restrictions regarding the collection of insurance coverage costs pursuant to the Income Tax Regulations (Rules for Approval and Management of Provident Funds), 1964, containing demands to refund amounts allegedly collected in breach of the restrictions set forth in the letter. The Company is currently engaged in discussions with the Authority regarding the implementation of the contents of the letter, and at this stage there is no certainty regarding the full amount it may be required to refund due to the said letter - and it is unable to estimate the full implications arising from the requisite implementation of the directives.

There is also exposure, which at this stage can neither be evaluated nor quantified, to changes and to significant regulatory intervention in the various insurance and savings sectors, including, among other things, those which are intended for the direct or indirect reduction of insurance premiums and management fees, intervention in sales processes, involving the different use of diverse regulatory tools, which may have an impact on the contractual terms and conditions, the structure of the contractual engagement and the reciprocal relations among institutional entities, agents, employers and customers, in a manner that could influence the load and the operating expenses, profitability, retention of current products, including in relation to the specific sector business model and the existing product portfolio.

The Group is also exposed, in a manner that cannot be evaluated, to legal claims related to contract laws and the fulfillment of insurance liabilities as part of the insurance policy or implementation of the provident funds' bylaws, breach of fiduciary duty, conflicts of interest, professional negligence, and also including in respect of the manner of distribution and sale of the Group's products, via third parties, whose activities, either by action or omission, may be binding upon it.

2.2.3. **Additional exposures**

2.2.3.1 **Immaterial or yet unfiled claims**

The exposure to currently unfiled legal actions against the Group's member companies is brought to their attention in a number of ways. This is done, among other things, by inquiries made by customers, employees, suppliers, non-profit organizations or anybody acting on their behalf to various functions in the companies, and especially the compliance officer responsible for public inquiries in the Group's member companies, via customer complaints to the Public Inquiries Unit in the regulator's office, and via legal actions (that are not class actions) filed with the court and also via position papers of the Commissioner.

Note that insofar as this concerns a customer complaint to the regulator's Public Inquiries Unit, in addition to the risk that the customer chooses to assert their allegations in a class action lawsuit as well, Group companies are also exposed to the risk that the regulator resolves the complaint by issuing an industry-wide ruling, which could apply to a broad category of customers and/or by publishing a position statement (or a draft ruling or position). For further details regarding industry-wide rulings and position papers, see Section 2.2.3.2 below.

Moreover, pursuant to the regulatory directives applying to institutional entities, as part of a circular on the adjudication and settlement of claims and addressing public inquiries, in cases in which a public inquiry indicates a systemic, significant defect, which could well be repeated in an institutional entity's regular conduct, that institutional entity must act to identify similar cases in which a similar defect has occurred, and insofar as similar cases are identified - it must develop insights and rectify the defects within a reasonable period of time. This amendment may expand the Group's exposure to the industry-wide implications in respect of the said defects.

2.2.3.2 **Exposure of the Group companies due to regulatory directives, audits and position papers**

A. Furthermore and in general, in addition to the overall exposure to which the Group companies are exposed, in respect of future claims, as detailed in Section 9 (2.2.2) above, from time to time, including due to complaints of customers and suppliers, audits and requests for information, there is also exposure to warnings concerning the intention of a regulatory authority, to impose financial sanctions and/or directives on the supervised consolidated companies regarding amendment and/or refunding and/or taking of certain actions pertaining to past actions and/or change in behavior, among other things, with regard to a customer or a group of customers, and/or exposure in respect of industry-wide rulings, under which directives may be issued to pay out refunds to customers, or to provide other remedies in respect of the defects to which the warnings or rulings and/or position papers published by supervisory entities related, and whose status and degree of impact are not certain. The Group's member companies are also involved, from time to time, in hearing and/or discussion proceedings with supervisory authorities in relation to warnings and/or rulings, and enforcement powers are sometimes employed against them, including the imposition of financial sanctions.

   The Group's member companies are examining the need to make provisions in the financial statements in respect of the aforesaid processes, based on the professional opinion of their legal counsel and/or are in the process of learning the ramifications of the said proceedings, as is deemed to be necessary and relevant.

B. Following are details regarding positions or draft positions of the Commissioner or theoretical rulings that either have or may have an impact on the Group:

   Pursuant to the financial statements of Atudot, a Clal Insurance (50%) investee, during 2017 an audit of the pension fund was conducted on behalf of the Commissioner focusing on the subject of planholders' rights. The report addressed key issues of the pension fund's activity, including: the subject of groups, the fund's regulations, management fees and management expenses, data cleansing, actuarial reporting and withdrawal of money from the fund. The Company was informed that on August 21, 2022, Atudot received the final audit report, which included directives and recommendations for the Board of Directors on a number of topics, among others: to examine the issue of actuarial bubbles and their ramifications (including their purpose, how to handle them, greater congruence between the average duration of the assets and liabilities in each actuarial bubble, etc.; finding solutions to the problem of funding sources to manage the fund in the future given the fact that it is a closed fund; optimization of the method of payment to planholders, expansion of the data cleansing process, together with certain recommendations for amendments to the regulations and expanding the notes, etc. Furthermore, the Commissioner recommended considering the possibility of adopting the redemption values formula prescribed in the Income Tax Regulations, in order to encourage the fund's planholders to realize the funds as an annuity rather than a capital withdrawal. The Company was informed, that with regard to a significant part of the recommendations, and particularly on issues pertaining to the actuarial bubbles, adapting the average duration of assets to liabilities and the redemption formula - it was determined in the audit report that Atudot's Board of Directors must develop a position on these matters, and that the recommendation is not binding - specifically with respect to the manner of treating those issues; and also that as of the approval date of the financial statements, discussions were being held with the Authority in order to reach an agreed model on actuarial bubbles, while a concrete plan of action was devised to address other issues which is being implemented by the Fund. In view of the aforementioned, Atudot is unable to evaluate the full implications of the audit report on its financial statements.

2.3. Existing or concluded material lawsuits outside the ordinary course of business or exposure to claims

Further to Note 45, Section 2.1.3(5) to the Company's 2024 Financial Statements regarding a motion to certify a class action filed in May 2011 alleging the collection of sums of money known as the "policy factor" and/or "other management fees" in combined life insurance and savings policies (hereinafter - the "**Policy Factor**") without any contractual basis under the terms of the policy and without the policyholders' consent - which was certified as a class action in November 2016 - and regarding the settlement agreement reached in the lawsuit and approved by the court in August 2024 –

In April 2025, the parties filed with the Court an update regarding implementation and operational issues pertaining to the implementation of the settlement agreement and a motion for clarifications regarding the implementation (hereinafter - the "**Motion for Clarifications**"). In August 2025, the Attorney General submitted her position regarding the Motion for Clarifications (hereinafter - the "**Attorney General's Position**"), according to which the Motion for Clarifications in its present format should be dismissed, taking into account the qualifications detailed in the Attorney General's Position. Among other things, the Attorney General's Position opposes the position of Clal Insurance and the other insurance companies (a) with regard to the amounts to be paid subsequent to the reduction date (as defined in the settlement agreement) – in accordance with the Attorney General's position a return should be added through the actual refund date; and (b) with regard to additional coverages purchased under the policy – in accordance with the Attorney General's Position, they should not be taken into account in the calculation of the rate of savings in the policy, in respect of which the refund will be made under the settlement agreement.

In September 2025, a hearing was held regarding the Motion for Clarifications and the Attorney General's position, in which a ruling was rendered on all the issues detailed in the Motion for Clarifications. Under the abovementioned ruling, it was determined as follows: (a) with regard to the amounts to be paid subsequent to the reduction date (as defined in the settlement agreement) the Plaintiffs and Attorney General's position was allowed, according to which a return should be added through the actual refund date; (b) with regard to additional coverages purchased under the policy - the Plaintiffs and Attorney General's position was allowed, according to which the policy factor will only be added to the basic policy and should not be added to riders, including pure savings riders. The court's ruling has netting effects regarding the financial implications of the application of the settlement agreement.

2.4 Hyp's agreed ordinance with the Israel Competition Authority

Further to Note 9(2)(4) to the Consolidated Financial Statements for 2024 regarding the examination - by the Israel Competition Authority - of Hyp Payment Solutions Ltd., a sub-subsidiary of the Company (hereinafter - "**Hyp**"), with respect to conduct, which gives rise to concerns of breach of the provisions of the Economic Competition Law, 1988 (hereinafter - the "**Economic Competition Law**"), concerning the interface of new acquirers - in April 2025, Hyp informed the Israel Competition Authority that it agrees to pay a total of NIS 11 million to the State Treasury, under an agreed order, in accordance with Section 50B to the Economic Competition Law. Subject to the approval of the consensual decree by the Competition Court and the payment of the said amount, and bearing in mind that the breach has stopped, it is the position of the Competition Commissioner, that they shall not take no enforcement measures against Hyp or anyone acting on its behalf, in respect of the breach, which - according to the Competition Commissioner's position - was committed by Hyp; the alleged breach entails an alleged refusal by Hyp to provide payment gateway services under reasonable terms to the acquirers of new payment cards, thereby - at the very least - delaying their authentication or discriminating between them and the existing acquirers, during the period between October 1, 2022 and March 31, 2024. It is clarified that the consensual decree or Hyp's signing the decree does not constitute any admission or agreement on behalf of Hyp, or anyone acting on its behalf, that they breached the Economic Competition Law, the Commissioner's decisions or any other law in any way. The consensual decree requires the approval of the Competition Court. In November 2025, the motion to certify the consensual decree was filed to the Competition Court.

2.5 Summary of exposures to lawsuits against the Company and the consolidated companies, not including the Max Group Companies

2.5.1 Following are details of the overall amount of claims in both material and immaterial class actions which were certified to be filed as class actions, in pending class action certification motions and a derivative claim, as (nominally) stated by the plaintiffs in their claim as part of the pleadings filed against the Company and the consolidated companies, except companies of the Max Group. It is noted that in the State of Israel, filing class action lawsuits does not entail payment of a fee derived from the claimed amount; therefore the amounts of such claims may be significantly higher than the actual exposure for that exposure. In the majority of cases, the plaintiffs point out that the amount claimed by them is stated as an estimate alone, and the exact amount shall be decided upon as part of the legal proceeding. It is further noted that the aforementioned amount does not include claims for which the lead plaintiff did not state their amount (Section b(3) in the table below). Moreover, it is clarified that the claimed amount does not necessarily constitute quantification of the Company's actual exposure amount, which may eventually transpire to be lower or higher,[9] as on numerous occasions the plaintiffs refrain from stating the precise claimed amount or state that the amount exceeds NIS 2.5 million for the claim to be heard under the jurisdiction of the District Court, and the exposure due to these claims could be substantially higher than noted, and that the claimed amount usually relates to the period preceding the date of filing suit and does not include the following period.

Type of claim	No. of claims	Amount claimed in NIS million
	(Unaudited)	
A. Claims certified as class actions[10]		
1. An amount relating to the Company has been specified	5	3,981
2. The claim was filed against several parties and no specific amount was attributed to the Company	1	48
3. No claimed amount was provided[11]	4	-
B. Pending motions to certify claims as class actions		
1. An amount relating to the Company has been specified[12]	8	739
2. The claim was filed against several parties and no specific amount was attributed to the Company[13]	4	6,267
3. No claimed amount was provided / a potential range was detailed[14]	22	-
4. An annual amount was specified (and accordingly, the total amount depends on the period)[15]	1	7

9. It should be noted further that the specified amounts do not include the amounts the plaintiffs claimed as the lead plaintiff's reward and their counsel's legal fees and they do not include an increase in the amounts of the lawsuit in respect of the period from the date it is brought, as applicable.
10. Including a lawsuit that had been certified as a class action and in which a judgment was rendered in favor of granting the lawsuit.
11. These lawsuits include a lawsuit that has been estimated in hundreds of millions of shekels, a lawsuit that has been estimated in tens of millions of shekels, and a lawsuit in which we serve as formal defendants.
12. These lawsuits include a lawsuit in which the movants estimated the claimed damage against Clal Insurance due to the period from March 8, 2020, to April 30, 2020, at NIS 103 million, and noted that the damage will continue to accrue as long as the collection is not terminated.
13. Including a lawsuit in which Clal Insurance was sued for approx. NIS 1,413 million attributed to it and, in addition, NIS 1,550 million attributed jointly to the two companies.
14. Lawsuits in which the plaintiff estimated the claimed amount at more than NIS 2.5 million - the threshold of the subject-matter jurisdiction of the District Court. It is noted that among these motions there is one motion, which was served with respect of a lawsuit which was filed both against Clal Insurance and against Max, see Sections 2.1.2.10 and 3.1.2.5 above and below.
15. The motion was brought in March 2020. According to the plaintiff, the lawsuit ought not to be subject to any prescription. Alternatively, the claim for pecuniary remedies is made for the period starting 7 years before the lawsuit was filed, and until the lawsuit is certified as a class action lawsuit.

In addition to that specified in Sections 9(1) and 9(2) above, the Company and/or the consolidated companies are parties to other legal proceedings, in addition to the lawsuits outside the ordinary course of business, that are considered immaterial and are not class actions or derivative actions, and that mainly include lawsuits brought by customers, former customers, and various third parties, outside of regular lawsuits to exercise rights under insurance contracts or provident fund bylaws, at a total alleged amount of approx. NIS 43 million as of September 30, 2025 (approx. NIS 39 million as of December 31, 2024). The causes of action within these proceedings are many and varied.

2.5.2 Regarding the Companies and the consolidated companies, except the Max Group Companies, in respect of the costs that may arise from the claims and exposures described in Sections 9(1) and 9(2) above, provisions are made in the financial statements of the relevant consolidated companies, only if it is more likely than not - namely, with a probability exceeding 50% that a payment liability owing to past events may arise, and that it will be possible to quantify or estimate the liability amount within a reasonable range.

The amounts of the provisions made are based on assessment of the degree of risk in each of the claims, immediately prior to the date of publishing this report (apart from some of the claims which were filed during the last two quarters, and due to the preliminary state of their treatment it is not possible to estimate their chances of success). In relation to this matter, it should be noted that events occurring during the litigation process may require renewed assessment of this risk. Insofar as the Company has the right of indemnity from a third party, the Company acknowledges this right, if it is virtually certain that the indemnity will be obtained if the Company settles the liability.

The assessments of the Company and of the consolidated companies regarding the assessed risk in the claims being conducted are based on the opinions of their legal counsel and/or on the estimates of the relevant companies, including pertaining to the settlement agreement amounts, which the Company’s and consolidated companies’ management expect to be paid by them, more likely than not.

It should be stressed that in the professional opinion of the attorneys in relation to the majority of motions to certify in which no provision was made, the attorneys’ estimate relates to the chances of the class action certification motion being approved and does not relate to the odds of the claim itself, should it be certified as a class action. This is so, among other things, as the scope and content of the hearing on the claim itself, after it is certified as a class action, will be influenced by the court’s ruling to certify the claim as a class action, which usually relates to both the causes of action that have been approved and those that have not; the reliefs that have been approved and those that have not; etc.

Many of the motions to certify lawsuits as class actions have been filed against the Group on various matters related to insurance contracts and the Group's ordinary course of business, for which the Group has allocated insurance reserves.

At this preliminary stage, it is impossible to assess the likelihood that the motions to certify class actions reported in Sections 9(2.1.2) (29), (30), and (31) would be granted.

The provision in the financial statements with respect to the Company and the consolidated companies, excluding the Max Group Companies, as of September 30, 2025, for all the lawsuits and the exposures described in Sections 9(1) and 9(2) above, totals approx. NIS 545 million (approx. NIS 500 million as of December 31, 2024).

These amounts include provisions made in respect of past liabilities in accordance with the legal counsels’ assessment, and do not include the assessments’ effect on the estimated future cash flow, which are included, as necessary, in the liability adequacy testing.

3. *Exposures against the Max Group Companies*

During the regular course of business, material legal claims were filed against Max,[16] whose filing as class actions has been certified; pending motions for certification of material claims as class actions; material and immaterial class actions which were concluded during the reporting period and until its signing and other material claims.

With respect to Max,[17] the disclosure format is in accordance with the Banking Supervision Department's instructions, such that material lawsuits are disclosed. Regarding the provisions in the financial statements, the lawsuits filed against Max are classified into three categories, as follows:[18]

- Probable risk – the probability that the risk will materialize exceeds 70%. Provisions are made in the financial statements for lawsuits in this risk category.
- Reasonably possible risk – the probability that the risk will materialize ranges from 20% to 70%. No provisions were made in the financial statements due to lawsuits in this risk category.
- Remote risk – the probability that the risk exposures will materialize is less than or equal to 20 percent. No provisions were made in the financial statements due to lawsuits in this risk category.

The financial statements include adequate provisions for lawsuits, in accordance with the management's assessment and based on assessments by Max's external legal counsels, in accordance with the above.

The total exposure, as assessed by Max based on the assigned external counsels' risk assessment, as detailed below, due to lawsuits filed against Max on various issues, each of which exceeds NIS 1 million, and whose possibility of materializing is not remote, is at an immaterial amount (hereinafter - the "**Exposure to Non-Remote Lawsuits**")

It is further noted that in the State of Israel, filing a motion to certify a class action does not entail paying a fee that derives from the claimed amount, and therefore, the claimed amounts in non-remote lawsuits may greatly exceed the actual exposure. In the majority of cases, the plaintiffs point out that the amount claimed by them is stated as an estimate alone, and the exact amount shall be decided upon as part of the proceeding. Moreover, it is clarified that the amount claimed does not necessarily constitute quantification of the Company's actual exposure amount, as on numerous occasions the plaintiffs refrain from stating an exact claimed amount or state that the amount exceeds NIS 2.5 million for the claim to be heard under the jurisdiction of the District Court, and that the amount claimed usually relates to the period preceding the date of filing suit and does not include the following period nor does it relates to the exposure to legal expenses, legal fees and compensation for the plaintiff.

Following are details of material proceedings against Max as of the report publication date.

16. It is noted that, in general, in this note, a lawsuit against Max would be classified as material and described according to a qualitative or quantitative assessment carried out by Max. Regarding the quantitative assessment – a lawsuit shall be considered material insofar as the total actual exposure, net of tax and assuming the lawsuit is found to be justified and regardless of the lawsuit's chances or the propriety of the amount specified in it on their merits, may exceed 1% of Max's equity as of the reporting date, as detailed in the equity note in the Company's periodic report. Further to Section 10.3.6 of Chapter A of the Company's Annual Reports for 2023, regarding the guidelines and rules the Company has adopted for examining the nature of a specific event or matter for immediate reporting purposes under Regulation 36 of the Securities Regulations, and further to that stated in Note 9, Section 2, of the Company's financial statements, in connection with the description of contingent liabilities and lawsuits filed against the Company and its subsidiaries, and in light of the fact that since the second quarter of 2023, the Company also fully consolidates Max's statements, which are prepared in accordance with the Banking Supervision Department's reporting directives – the Company wishes to clarify that the disclosure of lawsuits filed against Max in these statements does not necessarily indicate that the lawsuit is material for the purposes of the Company's immediate reports, as detailed above, and therefore, not all such lawsuits and/or development therein are disclosed in an immediate report.
17. With respect to CIMax Group Companies other than Max or companies under its control, the provisions of Section 2.4.2 above shall apply with respect to the above in connection with the policy on accounting provisions.
18. The risk assessments are based on the opinions of the legal advisors who handle the lawsuits and/or Max's estimate, including an estimate of the amounts of the expected settlement agreements, that Max's management anticipates will be concluded. In the first stages after the receipt of the claim, in a period of up to 4 quarters, it is not possible to assess the chances of the motions to certify the actions and therefore no provision is made for them.

3.1.2. Pending motions to certify material claims as class actions against Max Group Companies[19]

1.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	5/2019 District Court - Tel Aviv-Jaffa	Max	The lawsuit concerns the allegation that Max is in breach of the provisions of its agreement with the plaintiff – a company that receives acquiring services from Max (or, alternatively, that Max is implementing its provisions unlawfully), as when a transaction is partially canceled, the acquiring fee refund for the relative share of the canceled transaction is lower than the transaction cancellation fee Max charge.	To refund the cancellation fee the class members were charged in contrast with the provisions of the agreements and/or as a result of unlawful implementation thereof.	According to the Supreme Court's decision - all Max's customers who are merchants whose set of contracts with Max contains identical or similar clauses to those appearing in specific clauses of the acquiring agreement (as defined by the court) and in the cancellation fee rate chart, from whom Max charged a cancellation fee.	In April 2022, the District Court rendered its judgment, in which the motion to certify was denied. In July 2022, the plaintiff appealed the judgment to the Supreme Court. In August 2023, the Supreme Court rendered a judgment in favor of granting the appeal and certified the lawsuit as a class action. Therefore, the case was returned to the District Court of Tel Aviv to hear the class action lawsuit on its merits. The parties conducted mediation in an attempt to conclude the proceeding by way of a compromise, which ultimately failed.	The plaintiff estimates the total claimed amount for all class members at approx. NIS 22 million as of the motion to certify stage.

2.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	7/2018 District Court - Tel Aviv-Jaffa	Max and 2 additional companies	The lawsuit concerns the allegation that the defendants enabled the activity of companies engaged in direct marketing of transactions to the elderly for many years, despite knowing that these companies were acting unlawfully and taking advantage of the elderly.	To order the respondents to return all the funds from the elderly population's transactions with the direct marketing businesses (unless it is proven that the transactions were made lawfully), to return the fees they collected as a result of the transactions, to compensate the customers for the non-pecuniary damage they incurred, and to terminate the engagement with the relevant companies.	The respondents' elderly customers and/or their heirs, whom the direct marketing companies charged in respect of products and/or services and/or club memberships and/or delivery charges they had ordered from the marketing companies and/or due to any other charge that they have not duly authorized and/or without being given adequate consideration in the seven years prior to the motion to certify.	In December 2021, the Attorney General submitted his position regarding the proceedings, according to which, under certain circumstances, it is appropriate to impose a mandate on credit-card companies, in their capacity as issuers, to intervene in a transaction executed due to improper pressure on an elderly customer by direct-marketing companies. In August 2022, the District Court rendered a judgment that denied the motion to certify. In November 2022, the plaintiffs filed an appeal against the ruling with the Supreme Court.	The plaintiffs estimate the total claimed amount for all class members at NIS 900 million.

19. Including such motions which were denied and the ruling to deny them was appealed.

3.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	06/23 District Court - Tel Aviv	Max and Max IT Credit (a wholly owned Max subsidiary)	The motion to certify concerns the plaintiff's allegation that the defendants announce the end of the limited-time card fee exemption benefit only in the account statements, but not in a specific notice, which the plaintiff claims is contrary to the Banking Rules (Customer Service) (Full Disclosure and Delivery of Documents), 1992.	To refund of the excessive card fee charged after the benefit expiration date without duly notifying of the benefit's expiration. In addition, mandatory injunctions ordering the defendants to change their conduct and give the customers prior notice of the benefit's expiration, as per the law.	The defendants' customers who were given a limited-time exemption from card fees benefit, and from whom the defendants started charging the card fees without notifying them in a specific notice and/or via text message (not within the monthly statements).	The proceeding is at the stage of the motion to certify being reviewed. In July 2025, settlement agreement approval motion was filed comprising mainly compensation in the form of a donation to the class action funding fund, and payment of compensation and the plaintiff attorneys' legal fees. The settlement agreement is subject to the court's approval, which will not necessarily be granted.	According to the plaintiff, the amounts may sum up to tens of millions of shekels, and therefore it estimates the lawsuit amount, at this stage, at over NIS 3 million.

4.	Date and court	Defendants	Key claims and causes of action	Key remedies	Represented class	Status / further details	Claimed amount
	03/2024 District Court - Tel Aviv	Max and 1 other	The motion to certify involves the claim that Bank Leumi and Max raise the card fees for their customers without a proper update. It is argued that, according to the law, the defendants have the duty to notify of changes of this type, in an effective manner, in a separate and clear notice and/or in a prominent manner that will allow the notice regarding the increase in card fees (or collection of payments) to be distinguished from other current notices. All of the above is contrary to the duties of good faith and disclosure that apply to the defendants.	Compensation and/or restitution of the difference between the price that the customers originally paid and the amount which was actually charged, without them being duly notified of the increase in card fees. And, in addition, a mandatory injunction instructing the defendants to actively inform their customers of any increase in the price of the service, as part of a separate and clear notice on the website, including in the application.	Any customer of the defendants, whose express consent was not given or who was not actively informed about the increase of the price of services involving the credit card prior to the increase in the price of the services, in the 7 years preceding the submission of the motion to certify and until the date of certification of the motion as a class action.	The proceeding is at the stage of the motion to certify being reviewed. In September 2025, a settlement agreement approval motion was filed, the key points of which are compensation by way of donations to combat soldiers, and payment of compensation and legal fees to the Plaintiff's counsel. The settlement agreement is subject to the court's approval, which will not necessarily be granted.	The plaintiff estimates the claim amount at over NIS 2.5 million.

5. Regarding a pending motion to certify a material claim as a class action lawsuit which was brought against the Company and against Max, see Note 9(2.1.2.6) above.

3.2 Another material lawsuit outside the ordinary course of business brought against the Max Group Companies

In December 2016, Max received a VAT assessment for the billing periods from January 2012 to August 2016 (hereinafter - the "**Assessment**"), which mainly concerned charging Max the full VAT for fees Max received due to transactions between holders of Max-issued credit cards and overseas merchants abroad; the Assessment also concerns the denial of an inputs tax deduction for inputs attributable to its operations in Eilat, according to the VAT authorities. In March 2017, Max filed an objection to the Assessment, and in March 2018, Max received the ruling on the objection and a revised VAT assessment (hereinafter - the "**Revised Assessment**"). In the ruling on the objection, the VAT Directorate (hereinafter - the "**Directorate**") dismissed Max's claims in the objection and even changed its arguments in connection with the fees Max received in respect of transactions between Max-issued credit card holders and overseas merchants. As a result, the charge in the Revised Assessment was set at NIS 86 million, plus linkage differences and interest from the date of issuing the Revised Assessment.

In January 2019, Max appealed the ruling on the objection before the Tel Aviv District Court, and at the Directorate's request, the hearing was consolidated with the hearing on appeals by other credit card companies, on similar issues (hereinafter - the "**Consolidated Appeal**"). In the Directorate's response in the Consolidated Appeal, the Directorate held, with respect to the portion of the Assessment charge attributed to Max's operations in Eilat, that in light of Max's claims and the specific circumstances, it intends to reduce the relative portion attributed to the above operations from the Assessment charge, without this having any future ramifications. As a result, the revised total charge in the Assessment is expected to be approx. NIS 83 million, plus linkage differences and interest from the date of receiving the Assessment.

In September 2021, Max received a VAT assessment for the billing periods from September 2016 to June 2020 (hereinafter - the "**Second Assessment**"). The Second Assessment is concerned with charging the full VAT for the fees whose taxability is discussed in the Consolidated Appeal, as well as additional fees. In January 2022, Max filed an objection to the Second Assessment, and over June-November 2022, the parties negotiated a settlement with respect to the assessments specified above, while the evidentiary hearings were carried out at the same time. In November 2022, the State Attorney announced the end of the settlement negotiations in light of its position that it wishes to have the case decided by the court.

In January 2023, the Directorate issued a ruling in which it rejected Max's objection to the Second Assessment, and charged Max NIS 180 million due to this period, plus linkage differences and interest from the date the Second Assessment was received. In March 2023, Max appealed this ruling to the District Court. In June 2023, the Directorate withdrew the charge due to Max's activity in Eilat, and therefore, this charge under the Assessment was canceled. In July 2023, an arrangement was approved, according to which the court's determinations in the consolidated appeal will also apply to the appeal regarding the second assessment.

On August 6, 2025, a judgment was rendered, under which the District Court granted parts of the consolidated appeal and dismissed other parts thereof; the judgment stipulates that the VAT Directorate would issue amended assessments. The main points in the judgment, which concern Max, are as follows: With regard to the underlying transactions carried out with merchants located overseas - whether they are card-present transactions (transactions in which the card holder is physically present at the merchant's premises) or card-not-present transactions (transactions in which the card holder is not physically present at the merchant's premises) in certain industries, the interchange fee component should be charged zero-rate-VAT, whereas in the case of all other card-not-present transactions with overseas merchants, the interchange fee component will be charged full-rate-VAT. It was further stipulated that this arrangement will also apply to the foreign currency fee component. Max is still studying the judgment and will consider its steps accordingly.

On October 21, 2025, the Supreme Court approved a joint motion by the Appellants and the Directorate to postpone the deadline allowing the filing of an appeal against the judgment through January 15, 2026.

In September 2025, Max received a VAT assessment for the billing period from July 2020 to March 2025 (hereinafter - the "**Third Assessment**"). The Third Assessment concerns the imposition on Max of full-rate VAT in respect of those fees whose taxability is discussed in the Consolidated Appeal, and an input VAT assessment of an immaterial amount. In October 2025, Max filed a motion to postpone the deadline for filing an objection to the Third Assessment.

Following the judgment, Max increased the provision in respect of this proceeding as of June 30, 2025 by NIS 170 million before tax. The provision includes the assessment periods and the period following the assessment periods and through June 30, 2025, plus interest and linkage differences.

Furthermore, Max believes that the effects of the judgment on its future earnings are immaterial.

In this context, it is noted that under the agreement for the acquisition of CIMax Holdings Ltd., which holds Max's entire share capital (hereinafter - the "**Acquisition Agreement**"), it was stipulated that WP XII Financial Investment B.V. and other parties, which were the sellers under the Acquisition Agreement, will indemnify the Company by up to NIS 30 million in respect of the VAT assessment proceeding, all in accordance with the conditions and qualifications set out in the Acquisition Agreement. Clal will exercise the abovementioned indemnity.

Accordingly, the effect of the increase in the provision in respect of the VAT assessment proceeding on the Company's business results is expected to be net of the indemnity amount to be received.

NOTE 10 - CREDIT RISK, RECEIVABLES FOR CREDIT CARD TRANSACTIONS AND CREDIT LOSS PROVISION

A. Credit and receivables for credit card transactions

In NIS million	As of September 30, 2025	As of September 30, 2024	As of December 31, 2024
		Unaudited	
Credit risk without bank guarantees:			
Private individuals: (1)			
Of which: Receivables for credit card transactions (2)	**3,936**	4,491	4,606
Of which: Credit cards (2)(3)	**11,702**	10,014	10,431
Private individuals - total	**15,639**	14,505	15,037
Commercial:			
Of which: Receivables for credit card transactions (2)	**388**	324	313
Of which: Credit cards (2)(3)	**1,187**	1,080	1,069
Commercial - total	**1,575**	1,404	1,382
Total credit risk without bank guarantees	**17,213**	15,909	16,419
Other accounts receivable:			
International credit card companies and organizations	**365**	375	294
Revenue receivable	**52**	46	53
Other	**232**	183	209
Total receivables for credit card transactions	**17,862**	16,513	16,975
Credit loss provision	**(355)**	(371)	(373)
Total receivables for credit card transactions	**17,507**	16,142	16,602
Receivables for credit cards guaranteed by banks	**1,222**	1,210	1,253
Receivables for credit card transactions, net	**18,729**	17,352	17,855

(1) Private individuals, as defined in the Reporting to the Public Directives - Report of the Board of Directors and Management, regarding Total Credit Risk by Market Sector on a Consolidated Basis.

(2) Receivables for credit cards - without a charge for interest, including balances for ordinary transactions, transactions in payments at the expense of the merchant, and other transactions. The balance does not include debts from non-bank payment cards issued by the Company, which were sold to several banks under transactions constituting a full and complete sale. In the first nine months of 2025, the Company increased the scope of such transactions.

Credit - with interest, including credit transactions, revolving credit card transactions, direct credit, credit for non-card holders, and other transactions.

(3) Including credit secured by vehicles amounting to NIS 3,969 million (December 31, 2024 - NIS 3,359 million, September 30, 2024 - NIS 3,001 million).

B. *Debts* and off-balance-sheet credit instruments*

1. Change in outstanding credit loss provision

In NIS million	For the nine months ended September 30, 2025					
	Credit loss provision					
	Credit risk without bank guarantees					
	Private individuals		Commercial			
	Receivables for credit cards	Credit(1)	Receivables for credit cards	Credit(1)	Other(2)	Total
	Unaudited					
Balance of credit loss provision as of December 31, 2024	**22**	**296**	**4**	**60**	**7**	**389**
Credit loss expenses	**10**	**111**	**2**	**7**	**-**	**130**
Charge-offs	**(14)**	**(152)**	**(2)**	**(14)**	**-**	**(182)**
Collection of debts written off in previous years	**2**	**29**	**-**	**2**	**-**	**33**
Charge-offs, net	**(12)**	**(123)**	**(2)**	**(12)**	**-**	**(149)**
Balance of credit loss provision as of September 30, 2025 (3)	**20**	**284**	**4**	**55**	**7**	**370**
Of which: (3)						
For off-balance sheet credit instruments	**11**	**-**	**2**	**-**	**2**	**15**
For deposits with banks and amounts receivable from banks	**-**	**-**	**-**	**-**	**2**	**2**

In NIS million	For the nine months ended September 30, 2024					
	Credit loss provision					
	Credit risk without bank guarantees					
	Private individuals		Commercial			
	Receivables for credit cards	Credit(1)	Receivables for credit cards	Credit(1)	Other(2)	Total
	Unaudited					
Balance of credit loss provision as of December 31, 2023	24	297	5	60	4	390
Credit loss expenses	11	133	2	13	-	159
Charge-offs	(14)	(158)	(2)	(12)	-	(186)
Collection of debts written off in previous years	1	20	-	2	-	23
Charge-offs, net	(13)	(138)	(2)	(10)	-	(163)
Balance of credit loss provision as of September 30, 2024 (3)	22	292	5	63	4	386
Of which: (3)						
For off-balance sheet credit instruments	11	-	2	-	2	15
For deposits with banks and amounts receivable from banks	-	-	-	-	2	2

* Receivables for credit card transactions, deposits with banks, and other debts.

(1) Interest-bearing credit. This credit includes credit transactions, revolving credit card transactions, credit for card holders, credit non-card holders and other transactions.

(2) Amounts receivable from banks, deposits with banks, global credit card companies and organizations, revenue receivable, and other accounts receivables.

In NIS million	For the three months ended September 30, 2025					
	Credit loss provision					
	Credit risk without bank guarantees					
	Private individuals		Commercial			
	Receivables for credit cards	Credit[1]	Receivables for credit cards	Credit[1]	Other[2]	Total
	Unaudited					
Balance of credit loss provision as of June 30, 2025	**20**	**289**	**3**	**57**	**7**	**376**
Credit loss expenses	**3**	**34**	**2**	**2**	**-**	**41**
Charge-offs	**(4)**	**(48)**	**(1)**	**(4)**	**-**	**(57)**
Collection of debts written off in previous years	**1**	**9**	**-**	**-**	**-**	**10**
Charge-offs, net	**(3)**	**(39)**	**(1)**	**(4)**	**-**	**(47)**
Balance of credit loss provision as of September 30, 2025 [3]	**20**	**284**	**4**	**55**	**7**	**370**
Of which: [3]						
For off-balance sheet credit instruments	**11**	**-**	**2**	**-**	**2**	**15**
For deposits with banks and amounts receivable from banks	**-**	**-**	**-**	**-**	**2**	**2**

In NIS million	For the three months ended September 30, 2024					
	Credit loss provision					
	Credit risk without bank guarantees					
	Private individuals		Commercial			
	Receivables for credit cards	Credit[1]	Receivables for credit cards	Credit[1]	Other[2]	Total
	Unaudited					
Balance of credit loss provision as of June 30, 2024	21	283	4	61	6	375
Credit loss expenses	5	51	1	5	-	62
Charge-offs	(4)	(51)	(1)	(2)	-	(58)
Collection of debts written off in previous years	-	7	-	-	-	7
Charge-offs, net	(4)	(44)	(1)	(2)	-	(51)
Balance of credit loss provision as of September 30, 2024 [3]	22	290	4	64	6	386
Of which: [3]						
For off-balance sheet credit instruments	11	-	2	-	2	15
For deposits with banks and amounts receivable from banks	-	-	-	-	2	2

* Receivables for credit card transactions, deposits with banks, and other debts.

(1) Interest-bearing credit. This credit includes credit transactions, revolving credit card transactions, credit for card holders, credit non-card holders and other transactions.

(2) Amounts receivable from banks, deposits with banks, global credit card companies and organizations, revenue receivable, and other accounts receivables.

2. Additional information on calculating the credit loss provision for debts and for the debts for which it was calculated

	As of September 30, 2025					
	Private individuals		Commercial			
	Receivables for credit cards	Credit (1)	Receivables for credit cards	Credit (1)	Others (2)	Total
In NIS million	Unaudited					
Recorded outstanding debt:						
Examined on a specific basis	2	55	93	685	-	835
Examined on a collective basis	3,934	11,647	295	501	2,788	19,165
Total debts	3,936	11,702	388	1,186	2,788	20,000
Non-accruing debts	16	143	3	25	-	187
Other troubled debts	7	393	1	28	-	429
Total troubled debts	23	536	4	53	-	616
Credit loss provision in respect of debts:						
Examined on a specific basis	-	1	-	20	-	21
Examined on a collective basis	9	283	2	35	5	334
Total credit loss provision	9	284	2	55	5	355
Of which: For non-accruing debts	3	56	1	16	-	76
Of which: For other troubled debts	-	35	-	4	-	39

* Receivables for credit card transactions, deposits with banks, and other debts.

(1) Interest-bearing credit. This credit includes credit transactions, revolving credit card transactions, credit for card holders, credit non-card holders and other transactions.

(2) Amounts receivable from banks, deposits with banks, global credit card companies and organizations, revenue receivable, and other accounts receivables.

	As of September 30, 2024					
	Private individuals		Commercial			
In NIS million	Receivables for credit cards	Credit (1)	Receivables for credit cards	Credit (1)	Others (2)	Total
	Unaudited					
Recorded outstanding debt:						
Examined on a specific basis	4	22	78	617	-	721
Examined on a collective basis	4,487	9,992	246	463	2,416	17,604
Total debts	4,491	10,014	324	1,080	2,416	18,325
Of which:						
Non-accruing debts	13	148	4	26	-	191
Other troubled debts	5	346	1	32	-	384
Total troubled debts	18	494	5	58	-	575
Credit loss provision in respect of debts:						
Examined on a specific basis	-	-	-	32	-	32
Examined on a collective basis	11	290	2	32	4	339
Total credit loss provision	11	290	2	64	4	371
Of which: For non-accruing debts	2	63	1	17	-	83
Of which: For other troubled debts	-	36	-	6	-	42

* Receivables for credit card transactions, deposits with banks, and other debts.

(1) Interest-bearing credit. This credit includes credit transactions, revolving credit card transactions, credit for card holders, credit non-card holders and other transactions.

(2) Amounts receivable from banks, deposits with banks, global credit card companies and organizations, revenue receivable, and other accounts receivables.

	As of December 31, 2024					
	Private individuals		Commercial			
In NIS million	Receivables for credit cards	Credit (1)	Receivables for credit cards	Credit (1)	Others (2)	Total
	Unaudited					
Recorded outstanding debt:						
Examined on a specific basis	4	23	70	606	-	703
Examined on a collective basis	4,602	10,408	243	464	2,428	18,145
Total debts	4,606	10,431	313	1,070	2,428	18,848
Of which:						
Non-accruing debts	13	145	3	25	-	186
Other troubled debts	6	357	2	35	-	400
Total troubled debts	19	502	5	60	-	586
Credit loss provision in respect of debts:						
Examined on a specific basis	-	1	-	19	-	20
Examined on a collective basis	11	295	2	41	4	353
Total credit loss provision	11	296	2	60	4	373
Of which: For non-accruing debts	2	64	1	16	-	83
Of which: For other troubled debts	-	35	-	6	-	41

* Receivables for credit card transactions, deposits with banks, and other debts.

(1) Interest-bearing credit. This credit includes credit transactions, revolving credit card transactions, credit for card holders, credit non-card holders and other transactions.

(2) Amounts receivable from banks, deposits with banks, global credit card companies and organizations, revenue receivable, and other accounts receivables.

3. Credit quality by credit granting year

In NIS million	2025	2024	2023	2022	2021	Previous	Recorded outstanding debt of renewed loans	Total
	As of September 30, 2025							
	Recorded debt balance of fixed term credit							
	Unaudited							
Private individuals								
Receivables for credit cards:								
Non-troubled credit	3,768	119	23	4	-	-	-	3,913
Troubled accruing credit	5	1	1	-	-	-	-	7
Non-accruing credit	13	3	-	-	-	-	-	16
Total receivables for credit cards	3,786	123	24	4	-	-	-	3,936
Charge-offs during the reporting period	(11)	(2)	(1)	-	-	-	-	(14)
Credit:								
Non-troubled credit	4,132	2,841	1,176	746	278	41	1,953	11,166
Troubled accruing credit	28	70	80	75	28	4	108	393
Non-accruing credit	50	26	15	8	2	1	41	143
Total credit	4,210	2,937	1,271	829	308	46	2,102	11,702
Charge-offs during the reporting period	(2)	(34)	(36)	(24)	(8)	(2)	(46)	(152)
Total private individuals	7,996	3,060	1,295	833	308	46	2,102	15,639
Commercial								
Receivables for credit cards:								
Non-troubled credit	375	5	4	-	-	-	-	384
Troubled accruing credit	1	-	-	-	-	-	-	1
Non-accruing credit	3	-	-	-	-	-	-	3
Total receivables for credit cards	379	5	4	-	-	-	-	388
Charge-offs during the reporting period								
Credit:								
Non-troubled credit	598	233	162	42	12	1	85	1,134
Troubled accruing credit	12	3	6	2	1	-	4	28
Non-accruing credit	6	8	9	-	-	-	2	25
Total credit	616	244	177	44	13	1	91	1,187
Charge-offs during the reporting period	-	(3)	(4)	(2)	(1)	(1)	(3)	(14)
Commercial - total	995	249	181	44	13	1	91	1,575
Total debts	8,991	3,309	1,475	877	321	47	2,193	17,213

* Receivables for credit card transactions, deposits with banks, and other debts.

** As of September 30, 2025, there is no outstanding debt for renewed loans converted to fixed loans.

	As of September 30, 2024							
	Recorded debt balance of fixed term credit						Recorded outstanding debt of renewed loans	Total
In NIS million	2024	2023	2022	2021	2020	Previous		
	Unaudited							
Private individuals								
Receivables for credit cards:								
Non-troubled credit	4,304	129	36	4	-	-	-	4,473
Troubled accruing credit	3	1	1	-	-	-	-	5
Non-accruing credit	11	2	-	-	-	-	-	13
Total receivables for credit cards	4,318	132	37	4	-	-	-	4,491
Charge-offs during the reporting period	(6)	(7)	(1)	-	-	-	-	(14)
Credit:								
Non-troubled credit	3,483	2,060	1,360	566	134	25	1,891	9,520
Troubled accruing credit	23	71	97	42	13	2	98	346
Non-accruing credit	46	32	15	6	1	1	47	148
Total credit	3,552	2,163	1,472	614	148	28	2,036	10,014
Charge-offs during the reporting period	(2)	(30)	(29)	(11)	(3)	(2)	(81)	(158)
Total private individuals	7,869	2,296	1,509	618	148	28	2,036	14,505
Commercial								
Receivables for credit cards:								
Non-troubled credit	305	8	1	-	1	-	-	315
Troubled accruing credit	1	-	-	-	-	-	-	1
Non-accruing credit	4	-	-	-	-	-	-	4
Total receivables for credit cards	310	8	1	-	1	-	-	320
Credit:								
Non-troubled credit	547	248	111	35	11	1	74	1,026
Troubled accruing credit	11	15	-	2	1	-	3	32
Non-accruing credit	9	11	2	1	-	1	2	26
Total credit	567	274	113	38	12	2	79	1,084
Charge-offs during the reporting period	-	(4)	(2)	(1)	-	-	(5)	(12)
Commercial - total	877	282	114	38	13	2	79	1,404
Total debts	8,746	2,578	1,623	656	161	30	2,115	15,909

* Receivables for credit card transactions, deposits with banks, and other debts.

** As of September 30, 2024, there is no outstanding debt for renewed loans converted to fixed loans.

In NIS million	As of December 31, 2024							
	Recorded debt balance of fixed term credit						Recorded outstanding debt of renewed loans	Total
	2024	2023	2022	2021	2020	Previous		
	Unaudited							
Private individuals								
Receivables for credit cards:								
Non-troubled credit	4,482	79	25	1	-	-	-	4,587
Troubled accruing credit	4	1	1	-	-	-	-	6
Non-accruing credit	12	1	-	-	-	-	-	13
Total receivables for credit cards	4,498	81	26	1	-	-	-	4,606
Charge-offs during the reporting period	(11)	(6)	(1)	-	-	-	-	(18)
Credit:								
Non-troubled credit	4,459	1,781	1,181	479	100	13	1,916	9,929
Troubled accruing credit	36	77	93	39	10	1	101	357
Non-accruing credit	56	23	12	3	1	1	49	145
Total credit	4,551	1,881	1,286	521	111	15	2,066	10,431
Charge-offs during the reporting period	(6)	(40)	(35)	(14)	(4)	(2)	(108)	(209)
Total private individuals	9,048	1,962	1,312	522	111	15	2,066	15,037
Commercial								
Receivables for credit cards:								
Non-troubled credit	297	5	1	-	1	-	-	304
Troubled accruing credit	1	1	-	-	-	-	-	2
Non-accruing credit	3	-	-	-	-	-	-	3
Total receivables for credit cards	301	6	1	-	1	-	-	309
Charge-offs during the reporting period	(1)	(1)	-	-	-	-	-	(2)
Credit:								
Non-troubled credit	598	224	79	27	8	-	77	1,013
Troubled accruing credit	17	8	3	3	1	-	3	35
Non-accruing credit	9	12	1	-	-	-	3	25
Total credit	624	244	83	30	9	-	83	1,073
Charge-offs during the reporting period	(1)	(6)	(3)	(2)	-	-	(6)	(18)
Commercial - total	925	250	84	30	10	-	83	1,382
Total debts	9,973	2,212	1,396	552	121	15	2,149	16,419

* Receivables for credit card transactions, deposits with banks, and other debts.

** As of December 31, 2024, there is no outstanding debt for renewed loans converted to fixed loans.

C. Debts [1]

1. Credit quality and delinquency

In NIS million	As of September 30, 2025			
		Troubled [2]		
	Performing***	Accruing	Non-accruing	Total
	Unaudited			
Private individuals				
Receivables for credit cards	**3,913**	**7**	**16**	**3,936**
Credit [3]	**11,166**	**393**	**143**	**11,702**
Commercial				
Receivables for credit cards	**384**	**1**	**3**	**388**
Credit [3]	**1,133**	**28**	**25**	**1,186**
Other accounts receivables [4]	**2,788**	**-**	**-**	**2,788**
Total debts	****19,384**	**429**	**187**	**20,000**

In NIS million	As of September 30, 2024			
		Troubled [2]		
	Performing***	Accruing	Non-accruing	Total
	Unaudited			
Private individuals				
Receivables for credit cards	4,473	5	13	4,491
Credit [3]	9,520	346	148	10,014
Commercial				
Receivables for credit cards	319	1	4	324
Credit [3]	1,022	32	26	1,080
Other accounts receivables [4]	2,416	-	-	2,416
Total debts	**17,750	384	191	18,325

** Of which: debts with a credit rating as of the report date corresponding with the credit rating for new credit in accordance with the Company's policy in the amount of NIS 18,877 million (September 30, 2024 - NIS 17,340 million).

*** Performing debts include debts, which are not classified as troubled debts, with payment deferral of 180 days or more, given during the War to borrowers who were not in financial difficulties, at a negligible amount. Regarding this matter - a payment deferral - including an extension of period and payment deferral at zero interest during the deferral period. If a further payment deferral was given to a debt, the duration of the deferral is calculated according to the cumulative deferral period. The deferral of payments does not include a deferral in which an entitlement was utilized, to which the borrower is entitled as required by law.

(1) Receivables for credit card transactions, deposits with banks, and other debts.

(2) Accruing and non-accruing debts.

(3) Including credit secured by vehicles amounting to NIS 4,304 million (September 30, 2024 - NIS 3,001 million).

(4) Amounts receivable from banks, deposits with banks, global credit card companies and organizations, revenue receivable, and other accounts receivables.

In NIS million	As of December 31, 2024			
		Troubled [(2)]		
	Performing***	Accruing	Non-accruing	Total
	Unaudited			
Private individuals				
Receivables for credit cards	4,587	6	13	4,606
Credit [(3)]	9,929	357	145	10,431
Commercial				
Receivables for credit cards	308	2	3	313
Credit [(3)]	1,010	35	25	1,070
Other accounts receivables [(4)]	2,428	-	-	2,428
Total debts	**18,621	400	186	18,848

** Of which: debts with a credit rating as of the report date corresponding with the credit rating for new credit in accordance with the Company's policy in the amount of NIS 17,807 million.

*** Performing debts include debts, which are not classified as troubled debts, with payment deferral of 180 days or more, given during the War to borrowers who were not in financial difficulties, at a negligible amount. Regarding this matter - a payment deferral - including an extension of period and payment deferral at zero interest during the deferral period. If a further payment deferral was given to a debt, the duration of the deferral is calculated according to the cumulative deferral period. The deferral of payments does not include a deferral in which an entitlement was utilized, to which the borrower is entitled as required by law.

(1) Receivables for credit card transactions, deposits with banks, and other debts.
(2) Accruing and non-accruing debts.
(3) Including credit secured by vehicles amounting to NIS 3,359 million.
(4) Amounts receivable from banks, deposits with banks, global credit card companies and organizations, revenue receivable, and other accounts receivables.

2. Additional information on non-accruing debts

(a) Non-accruing debts and provision

In NIS million	As of September 30, 2025			
	Outstanding debts			
	Outstanding non-accruing debts for which there is a provision [(2)]	Outstanding provision	Total outstanding non-accruing debts [(2)]	Outstanding contractual principal for non-accruing debts
	Unaudited			
Private individuals				
Receivables for credit cards	**16**	**3**	**16**	**16**
Credit	**143**	**56**	**143**	**143**
Commercial				
Receivables for credit cards	**3**	**1**	**3**	**3**
Credit	**25**	**16**	**25**	**25**
Total debts	**187**	**76**	**187**	**187**

In NIS million	As of September 30, 2024			
	Outstanding debts			
	Outstanding non-accruing debts for which there is a provision (2)	Outstanding provision	Total outstanding non-accruing debts (2)	Outstanding contractual principal for non-accruing debts
	Unaudited			
Private individuals				
Receivables for credit cards	13	2	13	13
Credit	148	63	148	148
Commercial				
Receivables for credit cards	4	1	4	4
Credit	26	17	26	26
Total debts	191	83	191	191

In NIS million	As of December 31, 2024			
	Outstanding debts			
	Outstanding non-accruing debts for which there is a provision (2)	Outstanding provision	Total outstanding non-accruing debts (2)	Outstanding contractual principal for non-accruing debts
	Unaudited			
Private individuals				
Receivables for credit cards	13	2	13	13
Credit	145	64	145	145
Commercial				
Receivables for credit cards	3	1	3	3
Credit	25	16	25	25
Total debts	186	83	186	186

(1) Receivables for credit card transactions, deposits with banks, and other debts.

(2) Recorded outstanding debt.

3. Information regarding debts of distressed borrowers who underwent a change in terms and conditions

A. The credit quality and extent of arrears of debts of borrowers with financial difficulties who underwent modification of terms

In NIS million	As of September 30, 2025	
	Recorded outstanding debt	
	Troubled	
	Non-accruing interest revenues	Total
	Unaudited	
Private individuals		
Receivables for credit cards	**7**	**7**
Credit	**56**	**56**
Commercial		
Credit	**9**	**9**
Total debts	**72**	**72**

In NIS million	As of September 30, 2024 Recorded outstanding debt Troubled Non-accruing interest revenues	Total
	Unaudited	
Private individuals		
Receivables for credit cards	4	4
Credit	49	49
Commercial		
Credit	9	9
Total debts	62	62

In NIS million	As of December 31, 2024 Recorded outstanding debt Troubled Non-accruing interest revenues	Total
	Unaudited	
Private individuals		
Receivables for credit cards	5	5
Credit	54	54
Commercial		
Credit	10	10
Total debts	69	69

(1) Receivables for credit card transactions, deposits with banks, and other debts.

B. The credit quality and extent of arrears of debts of borrowers with financial difficulties who underwent modification of terms during the reporting period

	For the nine-month period ended September 30, 2025		
	Recorded outstanding debt		
	Troubled		
In NIS million	Non-accruing interest revenues	Total	Charge-off
	Unaudited		
Private individuals			
Receivables for credit cards	3	3	-
Credit	33	33	11
Commercial			
Credit	2	2	-
Total debts	38	38	11

	For the nine-month period ended September 30, 2024		
	Recorded outstanding debt		
	Troubled		
In NIS million	Non-accruing interest revenues	Total	Charge-off
	Unaudited		
Private individuals			
Receivables for credit cards	2	2	-
Credit	31	31	12
Commercial			
Credit	8	8	-
Total debts	41	41	12

(1) Receivables for credit card transactions, deposits with banks, and other debts.

In NIS million	For the three-month period ended September 30, 2025	
	Recorded outstanding debt	
	Troubled	
	Non-accruing interest revenues	Total
	Unaudited	
Private individuals		
Receivables for credit cards	**1**	**1**
Credit	**14**	**14**
Commercial		
Credit	**1**	**1**
Total debts	**16**	**16**

In NIS million	For the three-month period ended September 30, 2024	
	Recorded outstanding debt	
	Troubled	
	Non-accruing interest revenues	Total
	Unaudited	
Private individuals		
Receivables for credit cards	1	1
Credit	16	16
Commercial		
Credit	6	6
Total debts	23	23

(1) Receivables for credit card transactions, deposits with banks, and other debts.

C. Debts of distressed borrowers who underwent changes of terms during the reporting period

	Debts of distressed borrowers who underwent changes of terms during the nine-month period ended September 30, 2025				
	Total		Type of change		
	Recorded outstanding debt	% of total	Waiver of interest	Extension of period	Extension of period and waiver of interest
	Unaudited				
	NIS million	%	NIS million		
Private individuals					
Receivables for credit cards	**3**	**0.1**	**-**	**3**	**-**
Credit	**33**	**0.3**	**2**	**22**	**9**
Commercial					
Credit	**2**	**0.2**	**-**	**1**	**1**
Total debts	**38**	**0.2**	**2**	**26**	**10**

	Financial effects of the change in terms and conditions during the nine-month period ended September 30, 2025				Debts of distressed borrowers who defaulted following changes of terms during the nine-month period ended September 30, 2025[(2)]		
	Type of change			Total	Type of change		
	Average waiver of interest	Average extension of period	Average payment deferral	Recorded outstanding debt	Waiver of interest	Extension of period	Extension of period and waiver of interest
	Unaudited						
	%	Months		NIS million			
Private individuals							
Receivables for credit cards	-	34	-	-	-	-	-
Credit	2.5	32	-	3	-	2	1
Commercial							
Credit	2.2	27	-	5	-	5	-
Total debts	2.5	32	-	8	-	7	1

(1) Receivables for credit card transactions, deposits with banks, and other debts.
(2) Debts that defaulted during the Reporting Period after they underwent a change in terms and conditions of debts of financially distressed borrowers during the 12 months prior to the date on which they defaulted.

	Debts of distressed borrowers who underwent changes of terms during the nine-month period ended September 30, 2024					
	Total		Type of change			
	Recorded outstanding debt	% of total	Waiver of interest	Extension of period	Extension of period and waiver of interest	Payment deferral
	Unaudited					
	NIS million	%	NIS million			
Private individuals						
Receivables for credit cards	2	0.0	-	2	-	-
Credit	31	0.3	8	21	2	-
Commercial						
Credit	8	0.7	1	2	-	5
Total debts	41	0.3	9	25	2	5

	Financial effects of the change in terms and conditions during the nine-month period ended September 30, 2024				Debts of distressed borrowers who defaulted following changes of terms during the nine-month period ended September 30, 2024 [(2)]	
	Type of change			Total	Type of change	
	Average waiver of interest	Average extension of period	Average payment deferral	Recorded outstanding debt	Waiver of interest	Extension of period
	Unaudited					
	%	Months		NIS million		
Private individuals						
Receivables for credit cards	-	21	-	1	-	1
Credit	2.1	24	-	4	1	3
Commercial						
Credit	1.8	12	6	1	-	1
Total debts	1.9	22	6	6	1	5

(1) Receivables for credit card transactions, deposits with banks, and other debts.
(2) Debts that defaulted during the Reporting Period after they underwent a change in terms and conditions of debts of financially distressed borrowers during the 12 months prior to the date on which they defaulted.

	Debts of distressed borrowers who underwent changes of terms during the three-month period ended September 30, 2025				
	Total		Type of change		
	Recorded outstanding debt	% of total	Waiver of interest	Extension of period	Extension of period and waiver of interest
	Unaudited				
	NIS million	%	NIS million		
Private individuals					
Receivables for credit cards	**1**	**0.0**	**-**	**1**	**-**
Credit	**14**	**0.1**	**1**	**10**	**3**
Commercial					
Credit	**1**	**0.1**	**-**	**1**	**-**
Total debts	**16**	**0.1**	**1**	**12**	**3**

	Financial effects of the change in terms and conditions during the three-month period ended September 30, 2025		Debts of distressed borrowers who defaulted following changes of terms during the three-month period ended September 30, 2025[(2)]		
	Type of change		Total	Type of change	
	Average waiver of interest	Average extension of period	Recorded outstanding debt	Extension of period	Extension of period and waiver of interest
	Unaudited				
	%	Months	NIS million		
Private individuals					
Receivables for credit cards	**-**	**27**	**-**	**-**	**-**
Credit	**2.6**	**24**	**3**	**2**	**1**
Commercial					
Credit	**2.6**	**24**	**-**	**-**	**-**
Total debts	**2.6**	**24**	**3**	**2**	**1**

(1) Receivables for credit card transactions, deposits with banks, and other debts.
(2) Debts that defaulted during the Reporting Period after they underwent a change in terms and conditions of debts of financially distressed borrowers during the 12 months prior to the date on which they defaulted.

	Debts of distressed borrowers who underwent changes of terms during the three-month period ended September 30, 2024				
	Total		Type of change		
	Recorded outstanding debt	% of total	Waiver of interest	Extension of period	Extension of period and waiver of interest
	Unaudited				
	NIS million	%	NIS million		
Private individuals					
Receivables for credit cards	1	0.0	-	1	-
Credit	16	0.2	5	10	1
Commercial					
Credit	6	0.5	-	6	-
Total debts	23	0.1	5	17	1

	Financial effects of the change in terms and conditions during the three-month period ended September 30, 2024		Debts of distressed borrowers who defaulted following changes of terms during the three-month period ended September 30, 2024 (2)		
	Type of change		Total	Type of change	
	Average waiver of interest	Average extension of period	Recorded outstanding debt	Waiver of interest	Extension of period
	Unaudited				
	%	Months	NIS million		
Private individuals					
Receivables for credit cards	-	18	-	-	-
Credit	2.0	18	4	1	3
Commercial					
Credit	1.5	12	-	-	-
Total debts	1.8	16	4	1	3

(1) Receivables for credit card transactions, deposits with banks, and other debts.

(2) Debts that defaulted during the Reporting Period after they underwent a change in terms and conditions of debts of financially distressed borrowers during the 12 months prior to the date on which they defaulted.

NOTE 11 - PAYABLES FOR CREDIT CARD TRANSACTIONS

In NIS million	As of September 30 2025	As of September 30 2024	As of December 31 2024
	Unaudited		
Merchants [(1)]	**8,720**	**8,400**	**8,421**
Liabilities for deposits [(2)]	**262**	**215**	**209**
Credit card companies	**1,037**	**797**	**888**
Prepaid revenues	**33**	**26**	**29**
Benefit plan for card holders [(3)]	**88**	**88**	**90**
Other [(4)]	**85**	**90**	**70**
Total payables for credit card transactions	**10,225**	**9,616**	**9,707**

(1) Net of balances for factoring credit card vouchers for merchants in the amount of NIS 1,664 million (December 31, 2024 - NIS 1,708 million, September 30, 2024 - NIS 1,618 million) and for early payments to merchants in the amount of NIS 226 million (December 31, 2024 - NIS 244 million, September 30, 2024 - NIS 218 million). These balances do not constitute a credit transaction but rather an extinguishment of a liability, as described in Note 3F to the Consolidated Annual Financial Statements.

(2) All of Max's deposits were raised in Israel and most of them are held for private individuals, do not bear interest and do not exceed NIS 1 million.

(3) As part of the operation of Max's customer loyalty programs, there is a liability towards card holders for their right to benefits according to the terms and conditions of the plans. The balance of the liability includes a provision based on the calculation of the expected future utilization rate of the benefits by the card holders.

(4) Mainly accrued expenses in respect of banks and loyalty programs.

NOTE 12 - REVENUES FROM CREDIT CARD TRANSACTIONS

In NIS million	For the nine month period ended September 30 2025	2024	For the three-month period ended September 30 2025	2024	For the year ended December 31 2024
	Unaudited				
Revenues from merchants					
Merchants fees and commissions	**649**	601	**228**	210	809
Other revenues	**150**	132	**54**	46	179
Total revenues from merchants - gross	**799**	734	**282**	256	988
Net of fees and commissions to other issuers	**(307)**	(282)	**(108)**	(99)	(380)
Total revenues from merchants - net	**492**	452	**174**	157	608
Income from credit card holders					
Issuer fees and commissions [(1)]	**472**	419	**170**	152	566
Service fees and commissions [(2)]	**175**	152	**62**	56	208
Fees and commissions from cross-border transactions [(3)]	**160**	128	**61**	51	172
Total revenues for credit card holders	**807**	699	**293**	259	946
Total revenues from credit card transactions	**1,299**	1,151	**467**	416	1,554

(1) Revenues from issuer fees include an interchange fee in respect of transactions involving Israeli merchants and transactions involving overseas merchants.

(2) Service fees include fees collected from the Company's card holders in accordance with the fees and commissions price list, and processing fees collected from the banks with which the Company has processing agreements.

(3) Revenues from overseas transaction fees include foreign exchange fee in respect of transactions involving overseas merchants (with card present and card not present).

NOTE 13 - ADDITIONAL EVENTS DURING AND SUBSEQUENT TO THE REPORTING PERIOD

A. Economic solvency ratio in Clal Insurance

On November 25, 2025, Clal Insurance approved its Economic Solvency Ratio Report as of June 30, 2025. For further details, see Note 6 above.

B. Share-based payment

On May 8, 2025, the Company's board of directors resolved to publish an outline for the allocation of up to 130,000 Class A options and 470,000 Class B option to be offered under the outline, based on the Plan for 2021, for employees and officers of the Company and/or companies under its control. In June 2025, after receiving all the required permits and approvals, the options offered in accordance with the outline were allocated. The shares underlying the exercise of these options will represent approx. 0.27% of the Company's equity capital as of the reporting date, assuming maximum exercise. The option warrants will be exercisable for ordinary shares of the Company at the value of the inherent benefit of the options, subject to adjustments. The value of the benefit is based on the valuation of the options at the time they are allotted, which is approx. 30.08 per option, and the fair value of each tranche will be spread over the vesting period. The value of the benefit was calculated using the binomial model and estimated at approx. NIS 15 million for all options, which will be awarded to Group officers and employees as stated above. The Class A options will be allocated in three tranches, spread over three years, and shall be exercisable beginning when one year, two years, and 3 years have elapsed from the allocation date, up to two years from the vesting/ holding date. (With respect to the first tranche, at least two years of vesting and holding are required).

The subsidiaries will bear the expense for the value of the options and will indemnify the Company in full for this benefit, based on the value of the financial benefit that will be recorded in the Company's financial statements and in accordance with the accounting standards.

On November 6, 2025, the Company's General Meeting approved - further to the approval of the Company's Compensation Committee and Board of Directors - the allocation of 10,572 restricted share units exercisable into 10,572 ordinary shares of the Company to the Company's CEO (hereinafter - the "**RSUs**"); the RSUs constitute approx. 0.01% of the Company's issued and paid-up share capital (approx. 0.01% fully diluted) (hereinafter - the "**Exercise Shares**"). The RSUs were allocated to the CEO without consideration. The RSUs were awarded in accordance with the Company's 2021 Equity Compensation Plan as amended in September 2025 by an adjustment regarding an allocation of RSUs.

The RSUs will vest over a 3-year period divided into twelve (12) equal vesting tranches. The first tranche shall vest at the end of three (3) months from the date of the Board's approval of the allocation of the RSUs (hereinafter - the "**Vesting Period**" and the "**Allocation Date**"). The second tranche shall vest at the end of six (6) months from the Allocation Date, the third tranche at the end of nine (9) months from the Allocation Date, and so on and so forth, such that each of the following tranches shall vest at the end of each period of additional three (3) months from the Allocation Date, until the abovementioned Vesting Period is completed. It is clarified that in accordance with the Company's Compensation Policy, the CEO will be required to hold the RSUs and/or the Exercise Shares for a period of at least two years from the allocation date.

Each tranche of RSUs will vest provided that the CEO will be a Group employee on each of the vesting dates, and subject to meeting all the additional conditions set in the Company's Equity Compensation Plan, which will be assessed on the vesting date.

The Company's Equity Compensation Plan includes adjustments to the RSUs.

The fair value of the securities allocated to the CEO as of the allocation approval date is approx. NIS 2 million, in accordance with an external valuation of the RSUs. The "Finnerty" model was used to calculate the Discount for Lack of Marketability (DLOM).

C. Agreement with the National Insurance Institute regarding compensation under the National Insurance Law in respect of national insurance annuities in road accidents in which an insurer is required to pay compensation in respect of 2016-2022

According to the National Insurance Law [Combined Version], 1995 (hereinafter - the “**National Insurance Law**”), where the National Insurance Institute paid an annuity to a person entitled to an annuity, and at the same time a liability arises to a third-party to pay compensation to that person under the Tort Ordinance or the CRAV Law, the National Insurance Institute may claim compensation from the said third party in respect of annuity it has paid or is required to pay (hereinafter - the “**Third Party**”). The Third Party may deduct from the compensation the annuities paid and/or due to be paid by the National Insurance Institute. Over the years, the National Insurance Institute used to file individual subrogation claims with insurers.

The Economic Efficiency Law (Legislative Amendments to Achieve the Budgetary Targets for Budget Years 2021 and 2022), 2021 amended the National Insurance Law, such that as from January 2023 the netting mechanism due to claims arising from road accidents was modified to replace the filing of individual subrogation claims by the National Insurance Institute.

In July 2024, an agreement was signed between Clal Insurance and the National Insurance Institute, which prescribes Clal Insurance’s exposure to subrogation claims by the National Insurance Institute in the Compulsory Motor Subsegment in respect of 2016-2022 was essentially extinguished.

D. Shelf prospectuses

On April 8, 2025, the Company and Clal Insurance Capital Raising Ltd. (hereinafter - "**Clal Capital Raising**") published shelf prospectuses dated April 9, 2025 (hereinafter - the "**Shelf Prospectuses**"). Among other things, the Shelf Prospectus allows the Company to issue ordinary shares, preferred shares, bonds, bonds convertible into ordinary shares, options exercisable into ordinary shares and options exercisable into bonds or into bonds convertible into ordinary shares and commercial papers. Clal Capital Raising’s shelf prospectus allows it, among other things, to issue options which may be exercised into bonds and commercial papers. Generally, the consideration for bonds issued by Clal Capital Raising by virtue of the Shelf Prospectus, will be deposited with Clal Insurance and recognized as Tier 2 capital and/or Additional Tier 1 capital (subject to restrictions on the maximum rate of Tier 2 capital and/or Additional Tier 1 capital, in accordance with the provisions of the law), and Clal Insurance will be liable to the holders of the bonds for their repayment.

E. Debt raising by Clal Insurance Capital Raising Ltd. a subsidiary of Clal Insurance

In April 2025, Clal Capital Raising issued to the public Bonds (Series N) totaling NIS 500 million in p.v. (hereinafter - the “**Bonds**”) under the shelf prospectus. The principal will be repaid in one lump sum on September 30, 2039, unless Clal Capital Raising exercises its right to execute early redemption of the bonds. The principal and interest are not non-linked. The interest payable on the Bonds (Series N) is paid annually in two semi-annual installments starting on September 30, 2025, and on March 31 and September 30 of each calendar year between 2026 and 2039. The annual nominal interest rate is 5.51% and the annual effective interest rate is 5.72% assuming redemption on the Effective Date for Additional Interest. The issuance costs amounted to approx. NIS 6 million.

The total consideration (gross) received by Clal Capital Raising following issuance of the bonds (N), was deposited in Clal Insurance in a deferred deposit under the same repayment and interest terms and conditions as those of the bonds. The Bonds are recognized as Tier 2 capital in Clal Insurance and bear equal status and seniority level as subordinated bonds that have been issued and/or shall be issued by Clal Capital Raising and/or Clal Insurance as a Tier 2 capital instrument, and are subordinate to the other liabilities of Clal Insurance, other than the rights of creditors in accordance with Tier 1 capital.

On July 31, 2025, Clal Capital Raising executed early redemption of the outstanding balance of Notes Series I, in accordance with their terms and conditions.

Subsequent to the reporting date, on October 21, 2025, Clal Capital Raising issued to the public Bonds (Series O) totaling approx. NIS 594 million p.v. under the Shelf Prospectus (hereinafter - the “**Bonds**”). The principal will be repaid in one lump sum on October 31, 2075, unless Clal Capital Raising exercises its right to execute early redemption of the bonds. The principal and interest are not non-linked. The interest payable on the Bonds (Series O) is paid annually in two semi-annual installments on April 30, and on October 31 of each calendar year between 2026 and 2075. The annual nominal interest rate is 5.12% and the annual effective interest rate is 5.33% assuming redemption on the first early redemption date. The issuance costs amounted to approx. NIS 7 million.

Additionally, subsequent to the reporting date, on October 23, 2025, Clal Capital Raising issued to the Company approx. NIS 555 million p.v. in Bonds (Series O) under a private placement . The issuance proceeds were used to cancel a NIS 450 million CPI-linked capital note, which was issued to the Company by Clal Insurance on October 29, 2020, and which was recognized by Clal Insurance as an additional Tier 1 capital instrument (hereinafter - the "**Capital Note**").

The proceeds of the issuance to the Company have the same economic value as the capital note, calculated in accordance with a detailed substitution formula detailed in an economic study conducted by an independent external economic consulting firm. Accordingly, the Company recorded a gain of approx. NIS 24 million, and - on the other hand - Clal Insurance recorded a loss at the same amount under the replacement of the Tier 1 capital instruments.

Bonds (Series O), which were issued to the public under a private placement, constitute a single series for all intents and purposes.

The total consideration (gross) received by Clal Capital Raising following issuance of Bonds (Series O), which were issued to the public under a private placement, was deposited in Clal Insurance in a deferred deposit under the same repayment and interest terms and conditions as those of the bonds. The Bonds are recognized as Additional Tier 1 capital for Clal Insurance and bear equal status and seniority level as subordinate bonds which have been issued and/or shall be issued by Clal Capital Raising and/or Clal Insurance as an additional Tier 1 capital instrument and are subordinate to Clal Insurance's other liabilities. The bonds shall be senior only towards the holders of ordinary shares of Clal Capital Raising and Clal Insurance.

For further details, see Note 5 above.

F. Bonds issued by the Company

On July 1, 2025, the Company carried out a private placement of Bonds (Series C) of the Company, by way of expanding an existing series. The Company allocated NIS 350 million in par value of Bonds (Series C), in exchange for a total of approx. NIS 358.4 million. The proceeds of the placement were used for partial early redemption of the Company's Bonds (Series A) and on July 13, 2025, the Company redeemed, by way of a partial early redemption, NIS 350 million in par value of Bonds (Series A).

The abovementioned issuance costs of the Bonds (Series C) totaled approx. NIS 1 million.

G. Rating

On June 26, 2025, S&P Maalot announced the assignment of an ilAA- rating with a stable outlook to a private placement of Bonds (Series C) totaling up to NIS 350 million p.v., carried out by way of expanding an existing series.

On July 9, 2025, S&P Maalot reiterated Clal Insurance's ilAA+ rating with a stable outlook and also reiterated the ilAA- rating of the Company and Notes (Series A, B and C) issued by the Company, with a stable rating outlook for each of the series. It also reiterated the ilAA- rating for the Notes (Series I, K, L, M and N) issued by Clal Capital Raising, with a stable outlook for each of the series.

On August 6, 2025, Midroog reiterated the Aa1.il Insurer Financial Strength rating of Clal Insurance with a stable outlook and ratified the Aa3.il (hyb) rating for the Notes (Series K, L, M, and N) issued by Clal Capital Raising, with a stable outlook for each of the series.

On September 18 and October 21, 2025, S&P Maalot announced the assignment of an ilA+ rating to Notes (Series O) totaling up to NIS 1,200 million p.v. issued by Clal Capital Raising and recognized in additional Tier 1 capital.

On September 18 and October 21, 2025, Midroog announced the assignment of an A1.il rating to Bonds (Series O) totaling up to NIS 1,200 million p.v. issued by Clal Capital Raising and recognized in additional Tier 1 capital.

H. Debt raising by Max and its becoming a reporting corporation

As part of Max's financing strategy, on April 7, 2025, Max published a supplementary prospectus and a shelf prospectus dated April 8, 2025, and on April 24, 2025, it raised NIS 207 million in par value of Commercial Papers (Series 5) from institutional investors and - for the first time - from the public as well. As from this date, Max became a reporting corporation, as defined by the Securities Law, 1968. Max's becoming a reporting corporation constitutes a part of its financing strategy as a growing company, and it allows Max to diversify its sources of financing for its operating activities.

On July 10, 2025, Max issued a new series of Subordinated Notes (Series F) with a contractual loss absorption mechanism, in the total amount of NIS 150 million par value, which are recognized as Tier 2 capital from the date of their issuance. Notes (Series F) are linked to the Consumer Price Index. In addition, on July 13, 2025, Max completed a public offering of Bonds (Series E) totaling NIS 300 million in par value. Bonds (Series E) are linked to the Consumer Price Index. For further details, see Note 5 above.

I. Effect of the War of Revival (formerly - the "Iron Swords War") and Operation Rising Lion

Further to Note 46(m) to the 2024 Consolidated Financial Statements, 2025 started with ceasefire agreements on the northern front and the Gaza Strip front, which led to a relative calm. In March 2025, the temporary ceasefire between Israel and Hamas ended and the IDF resumed fighting in the Gaza Strip. This move led to increased tensions at the national and security levels, including, among other things, the resumption of missile attacks on Israel by the Houthis in Yemen. At the early hours of June 13, 2025, Operation Rising Lion (hereinafter - the "**Operation**") - a direct military conflict between Iran and Israel - began. This was a 12-day War, whose objective was to remove the Iranian nuclear threat and reduce strategic threats to Israel's security. The Operation ended on June 24, 2025, when the ceasefire agreed upon by Israel and Iran and brokered by the United States came into effect.

In the Gaza Strip front, since the collapse of the ceasefire in March 2025 fighting has continued under Operation Gideon's Chariots. At the end of September 2025, a proposal to end the War was presented by the President of the United States, and on September 9, 2025, a ceasefire agreement was signed under the "20-Point" agreement of the Trump-Netanyahu plan. Under the agreement, fighting in Gaza has largely stopped, all living hostages and the bodies of most deceased hostages were returned, a gradual reconstruction of the infrastructures in Gaza commenced and humanitarian aid has increased. The plan is designed to serve as a framework for ending the war between Hamas and Israel, including the demilitarization of Gaza, which will no longer be controlled by Hamas, and a change in the future governance structure in the Gaza Strip.

Israel's credit rating

Following the outbreak of the War of Revival in October 2023, the international rating agencies downgraded Israel's credit rating in 2024.

As of the approval date of the financial statements, the State of Israel's credit rating remains without change, but with a negative outlook, in accordance with the assessments of the three main rating agencies:

In May 2025, the international rating agency S&P reiterated Israel's credit rating at A, with a negative outlook (which remained without change too).

In June 2025, the rating agency Fitch reiterated Israel's credit rating at A, with a negative outlook (also without change).

In July 2025, the rating agency Moody's reiterated Israel's Baa1 credit rating with a negative outlook.

All rating agencies expressed concerns regarding the economic effects of Israel's prolonged War against Hamas, political uncertainty, internal tensions concerning the judiciary, the government's instability and the increase in the budget deficit due to security expenses and compensation to those affected by the War.

In October 2025, the rating agency Moody's reiterated Israel's Baa1 credit rating with a negative outlook, despite the ceasefire agreement.

In November 2025, the rating agency S&P upgraded Israel's rating outlook from "negative" to "stable" and reiterated its credit rating at A. According to S&P, the stable outlook reflects the military de-escalation following the ceasefire agreement between Israel and Hamas, which reduced the risk of regional war.

Effect on the financial statements

Clal Insurance - In the reporting period, and as of the approval date of these financial statements no material changes occurred in connection with the effects of the War and Operation Rising Lion on Clal Insurance's financial results.

Max - in the Reporting Period, the growth trend in Max's issuance turnovers in Israel and overseas and in its acquiring turnovers continued, exceeding turnovers in the corresponding period last year. During Operation Rising Lion, which lasted 12 days during the second quarter of the year, Max's business activity was adversely affected. During this period, Max's issuance and acquiring turnovers declined due to a decrease in the volume of activity in the domestic market, particularly in the leisure and entertainment sectors (including restaurants and coffee shops) and the clothing and footwear sectors; the decline also arose from the effect which the closure of Israel's airspace had on the aviation and tourism sectors. The decline in the volume of activity led to a decrease - for the duration of the Operation - in Max's revenues from fees and commissions on credit card transactions. In addition, credit and credit card sales were adversely affected during some of the days of the Operation. As the Operation ended and the ceasefire came into effect, issuance and acquiring turnovers in Israel recovered rapidly and returned to pre-Operation levels. Max's overseas issuance turnovers increased gradually as the airspace was opened and foreign airlines' resumed flights to and from Israel; in total, during the Reporting Period, those turnovers were higher than in the corresponding period last year.

The estimated provision for credit losses is based on judgments and assessments. Further to Note 46(m) to the 2024 Consolidated Financial Statements, in 2023 Max increased the provision for current expected credit losses based on estimates of the potential increase in the credit risk of Max's customers. So far, and during the Reporting Period, there has not been a noticeable increase in the credit risk or actual credit losses of Max's customers due to the War and the Operation. However, there is still a certain degree of uncertainty regarding the full effects of the War on the Israeli economy and the repayment capacity of Max's customers. Therefore, since the estimated provision for credit losses is based, among other things, on judgments and assessments, and involves uncertainty, there is still a high probability that future credit losses will vary from the current estimate.

J. Dividend distribution by the Company

On May 28, 2025, the Company's Board approved a dividend distribution totaling approx. NIS 200 million, which constitutes approx. 64% of the dividends declared and/or distributed in the Company's subsidiaries as of the approval date of the Consolidated Interim Financial Statements. The dividend was paid on June 25, 2025.

K. Material effects on the Financial Statements

In the reporting periods, the development of the contractual service margin is mainly affected by accrual of interest, recognition of new businesses, recognition of revenues from insurance services for the current period, and revisions to future cash flow forecasts, due to, among other things, demographic, operational, and financial assumptions and data revision. During the reporting period ended on September 30, 2025, and the reporting period ended September 30, 2024, the Company's retention contractual service margin increased mainly due to financial effects. In the year ended December 31, 2024, the Company's retention contractual service margin increased due to the first-time application of the stochastic model for assessment of variable management fees and due to financial effects of approx. NIS 1,750 million, which was partially offset by revisions of approx. NIS 320 million to demographic and operational assumptions and data update.

Furthermore, the effect of the changes in the risk-free interest rate curve and the illiquidity premium on insurance contract liabilities and reinsurance contract assets net of the effect on the designated bonds recognized in the statement of comprehensive income is immaterial for the nine months ended September 30, 2025 and totals to a gain of approx. NIS 130 million in the three months ended September 30, 2025, whereas in the corresponding period last year there was a gain of approx. NIS 430 million for the nine months ended September 30, 2024 and an immaterial effect in the three months ended September 30, 2024. In the year ended December 31, 2024, a loss of approx. NIS 350 million was recognized.

In addition, in the corresponding period and quarter last year, expenses from insurance services in property and casualty insurance were affected by the issues referred to in Section c above.

NOTE 14 - EFFECT OF FIRST-TIME ADOPTION OF IFRS, IFRS 17 AND IFRS 9 BY A SUBSIDIARY WHICH MEETS THE DEFINITION OF AN INSURER IN ACCORDANCE WITH SECURITIES REGULATIONS (PREPARATION OF ANNUAL FINANCIAL STATEMENTS), 2010

In accordance with the Commissioner's guidance published in a series of documents, the latest of which was named "Roadmap for the Adoption of IFRS 17 – Insurance Contracts - Fifth Revision" (hereinafter - the "**Roadmap**"), the first-time application date of IFRS 17 and IFRS 9 (hereinafter - the "**New Standards**") for insurance companies in Israel (whose binding application date by the abovementioned companies in accordance with IFRS should have been January 1, 2023) was revised, such that they apply to quarterly and annual periods commencing on January 1, 2025. The transition date for the application of the New Standards is January 1, 2024.

Due to the above, from January 1, 2023 to January 1, 2025, insurance companies in Israel continued to apply the provisions of IFRS 4 – Insurance Contracts and IAS 39 – Financial Instruments: Recognition and Measurement, which they applied through that date, and which were superseded by the New Standards. All other IFRS were applied by the insurance companies in accordance with the dates set therein.

Consequently, throughout the period from January 1, 2023 to January 1, 2025 (hereinafter - the "**Interim Period**"), the Group's Consolidated Financial Statements with respect to a subsidiary, which meets the definition of insurer, did not fully comply with IFRS; rather, they were prepared pursuant to the Financial Services Supervision Law (Insurance), in accordance with the Commissioner's Directives.

In view of the above, in accordance with the provisions of IFRS 1 – "First-time Adoption of International Financial Reporting Standards" (hereinafter - "**IFRS 1**") and with respect to a subsidiary which meets the definition of an insurer, the Group is effectively deemed a first-time adopter of IFRS, as defined in IFRS 1; accordingly, with respect to a subsidiary which meets the definition of insurer, as defined in IFRS 1, the Group's 2025 Annual Financial Statements will be its first financial statements compliant with IFRS, and the abovementioned transition date for application of the New Standards (January 1, 2024) also constitutes the Group's transition date to IFRS reporting as defined in IFRS 1.

The Group's Condensed Consolidated Interim Financial Statements as of September 30, 2025 and for the nine- and three-month periods then ended (hereinafter - the "**Interim Financial Statements**") were prepared in accordance with IAS 34 – "Interim Financial Reporting" (hereinafter - "**IAS 34**"). The said Interim Financial Statements are the first interim financial statements prepared by the Group for part of the period included in its first IFRS-compliant financial statements, and IFRS 1 was also applied as part of their preparation.

However, since during the Interim Period - except for non-application of the New Standards - the Group continued to apply all other IFRS in accordance with the dates set therein - with respect to a subsidiary which meets the definition of an insurer - the effect of the first-time adoption of IFRS under the application of IFRS 1 to the Group's financial statements focuses on the application of the abovementioned relevant provisions and expedients under IFRS 1 regarding the first-time application of the New Standards. With respect to IFRS other than the New Standards - the Group's accounting policies as applies in these Interim Financial Statements are consistent with those applied under the Group's 2024 Annual Financial Statements.

It is noted that with respect to the Group's financial statements - in connection with a subsidiary which meets the definition of an insurer - the relevant provisions and expedients under IFRS 1 regarding the first-time application of the New Standards, are not materially different from the transitional provisions detailed in the New Standards themselves, and which the Company detailed in this note.

In accordance with the provisions of IFRS 1, following are explanations as to how the transition from reporting in accordance with the Supervision Law in accordance with the Commissioner's Directives to reporting in accordance with IFRS affected the financial position and financial performance reported by the Group, in connection with a subsidiary which meets the definition of insurer.

The said transition did not affect the cash flows reported by the Group.

A. Quantitative breakdowns

The following is a quantitative breakdown of the material adjustments to the Group's capital and comprehensive income due to the initial application of IFRS. Due to the changes in the structure of the statement of financial position included in the financial statements prepared in accordance with IFRS 17 compared to the current financial statements, which are prepared in accordance with IFRS 4, the balance sheet items of the financial statements as of December 31, 2023, as reported, were classified into the most appropriate balance sheet items in accordance with the revised format, which complies with IFRS 17.

1) **Effect on the statement of financial position and capital:**

Audited	As of December 31, 2023 as previously reported	Effect of first-time application of IFRS 17 and IFRS 9	Pro forma balance sheet as of the transition date January 1, 2024
		NIS million	
Assets			
Cash and cash equivalents in respect of yield-dependent contracts	4,418	-	4,418
Other cash and cash equivalents	2,548	-	2,548
Financial investments in respect of yield-dependent contracts measured at fair value	84,133	-	84,133
Other financial investments measured at fair value	14,821	26,241	41,062
Other financial investments measured at depreciated cost	24,444	(22,107)	2,337
Receivables and debit balances	1,867	(41)	1,826
Collectible premium	837	(837)	-
Current tax assets	306	-	306
Insurance contract assets (2)	-	2,059	2,059
Reinsurance contract assets (2)	3,805	(1,272)	2,533
Equity-accounted investments	180	-	180
Investment property in respect of yield-dependent contracts	3,839	-	3,839
Investment property - other	1,494	-	1,494
Receivables for credit cards, net	15,092	-	15,092
Other property, plant and equipment	302	-	302
Intangible assets and goodwill	2,205	-	2,205
Costs of obtaining investment management service contracts	706	-	706
Deferred acquisition costs	1,837	(1,837)	-
Deferred tax assets	104	114	218
Right-of-use assets	680	-	680
Total assets	163,617	2,320	165,938
Total assets for yield-dependent contracts	94,012	-	94,012
Liabilities			
Loans and credit	13,917	(5)	13,912
Liabilities for derivative instruments	1,782	-	1,782
Payables and credit balances	3,851	(2,151)	1,700
Liability for current taxes	21	-	21
Liabilities for yield-dependent investment contracts	9,975	3,176	13,151
Liabilities for non-yield-dependent investment contracts (1)	2,563	(93)	2,470
Liabilities for insurance contracts (2)	113,304	3,171	116,475
Liabilities for reinsurance contracts	-	68	68
Liabilities for employee benefits, net	93	-	93
Liabilities for deferred taxes	592	(556)	36
Payables for credit card transactions, net	8,091	-	8,091
Lease liabilities	777	-	777
Total liabilities	154,966	3,610	158,576
Equity			
Share capital	167	-	167
Share premium	2,390	-	2,390
Capital reserves	1,005	(866)	139
Surplus	5,019	(426)	4,593
Total equity attributable to Company's shareholders	8,581	(1,292)	7,289
Non-controlling interests	71	2	73
Total equity	8,652	(1,290)	7,362
Total current liabilities and equity	163,617	2,320	165,938

(1) This line item also includes liabilities in respect of contracts for the management of guaranteed return provident funds.

(2) Following are further details:

	Life Insurance and Long-Term Savings	Health Insurance	P&C Insurance	Total
Contractual service margin (CSM)				
Contractual service margin (CSM), gross *	4,874	4,266	-	9,140
Contractual service margin (CSM), reinsurance **	137	190	-	327
Contractual service margin (CSM), net	4,737	4,076	-	8,813
Risk adjustment (RA)				
Risk adjustment (RA), gross	976	1,314	205	2,495
Risk adjustment (RA), reinsurance	83	117	91	291
Risk adjustment (RA), net	893	1,197	114	2,204

* Of the contractual service margin in the Life Insurance and Savings Segment, approx. 51% is attributed to a portfolio of policies, which include a yield-dependent savings component and variable management fees, approx. 12% is attributed to a portfolio of policies, which include a yield-dependent savings component and fixed management fees, approx. 18% is attributed to an insurance portfolio covering death risk, and approx. 17% is attributed to a portfolio of policies, which include a savings component which is not yield-dependent. Of the contractual service margin in the Health Insurance Segment, approx. 40% is attributed to an individual long-term care portfolio, approx. 27% is attributed to an individual medical expenses portfolio and approx. 29% is attributed to a critical illness portfolio.

** Of the contractual service margin in the Life Insurance and Savings Segment, approx. 72% is attributed to a permanent health insurance portfolio and approx. 24% is attributed to an insurance portfolio covering death risk. Of the contractual service margin in the Health Insurance Segment, approx. 64% is attributed to a long-term care portfolio and approx. 29% is attributed to a critical illness portfolio.

Unaudited	As of September 30, 2024, as previously reported	Effect of first-time application of IFRS 17 and IFRS 9	Pro forma balance sheet September 2024
		NIS million	
Assets			
Cash and cash equivalents in respect of yield-dependent contracts	5,011	-	5,011
Other cash and cash equivalents	2,014	-	2,014
Financial investments in respect of yield-dependent contracts measured at fair value	86,542	-	86,542
Other financial investments measured at fair value	14,089	26,552	40,641
Other financial investments measured at depreciated cost	25,606	(23,204)	2,402
Receivables and debit balances	1,389	(43)	1,347
Collectible premium	1,006	(1,006)	-
Current tax assets	125	-	125
Insurance contract assets	-	1,822	1,822
Reinsurance contract assets	3,929	(1,250)	2,679
Investments in equity-accounted investees	190	-	190
Investment property in respect of yield-dependent contracts	3,892	-	3,892
Investment property - other	1,521	-	1,521
Receivables for credit card transactions, net	17,352	-	17,352
Other property, plant and equipment	320	-	320
Intangible assets and goodwill	2,221	-	2,221
Costs of obtaining investment management service contracts	723	-	723
Deferred acquisition costs	1,880	(1,880)	-
Deferred tax assets	154	-	154
Right-of-use assets	681	-	681
Total assets	168,644	993	169,637
Total assets for yield-dependent contracts	96,838	(630)	96,208
Liabilities			
Financial liabilities	13,737	(5)	13,732
Liabilities for derivative instruments	824	-	824
Payables and credit balances	3,864	(2,080)	1,784
Liability for current taxes	10	-	10
Liabilities for yield-dependent investment contracts	9,164	3,349	12,514
Liabilities for non-yield-dependent investment contracts	2,542	-	2,542
Total liabilities in respect of insurance contracts	118,026	508	118,533
Liabilities for reinsurance contracts	-	60	60
Liability for employee benefits, net	91	-	91
Liabilities for deferred taxes	729	(299)	430
Payables for credit card transactions	9,616	-	9,616
Lease liabilities	788	-	788
Total liabilities	159,391	1,533	160,924
Equity			
Share capital	167	-	167
Share premium	2,397	-	2,397
Capital reserves	1,213	(1,071)	142
Surplus	5,403	530	5,933
Total equity attributable to Company's shareholders	9,180	(541)	8,639
Non-controlling interests	73	1	75
Total equity	9,254	(540)	8,714
Total current liabilities and equity	168,645	993	169,637

(1) This line item also includes liabilities in respect of contracts for the management of guaranteed return provident funds.

(2) Following are further details:

	Life Insurance and Long-Term Savings	Health Insurance	P&C Insurance	Total
Contractual service margin (CSM)				
Contractual service margin (CSM), gross *	5,040	4,296	-	9,336
Contractual service margin (CSM), reinsurance **	115	188	-	303
Contractual service margin (CSM), net	4,925	4,108	-	9,033
Risk adjustment (RA)				
Risk adjustment (RA), gross	977	1,302	210	2,489
Risk adjustment (RA), reinsurance	76	117	91	284
Risk adjustment (RA), net	901	1,185	119	2,205

* Of the contractual service margin in the Life Insurance and Savings Segment, approx. 54% is attributed to a portfolio of policies, which include a yield-dependent savings component and variable management fees, approx. 13% is attributed to a portfolio of policies, which include a yield-dependent savings component and fixed management fees, approx. 17% is attributed to an insurance portfolio covering death risk, and approx. 14% is attributed to a portfolio of policies, which include a savings component which is non-yield-dependent. Of the contractual service margin in the Health Insurance Segment, approx. 39% is attributed to an individual long-term care portfolio, approx. 29% is attributed to an individual medical expenses portfolio and approx. 29% is attributed to a critical illness portfolio.

** Of the contractual service margin in the Life Insurance and Savings Segment, approx. 75% is attributed to a permanent health insurance portfolio and approx. 22% is attributed to an insurance portfolio covering death risk. Of the contractual service margin in the Health Insurance Segment, approx. 63% is attributed to a long-term care portfolio and approx. 30% is attributed to a critical illness portfolio.

Unaudited	As of December 31, 2024 as previously reported	Effect of first-time application of IFRS 17 and IFRS 9	Pro forma balance sheet December 2024
		NIS million	
Assets			
Cash and cash equivalents in respect of yield-dependent contracts	4,451	-	4,451
Other cash and cash equivalents	2,617	-	2,617
Financial investments in respect of yield-dependent contracts measured at fair value	88,802	-	88,802
Other financial investments measured at fair value	14,010	27,169	41,179
Other financial investments measured at depreciated cost	25,371	(23,031)	2,340
Receivables and debit balances	724	(82)	642
Collectible premium	795	(795)	-
Current tax assets	60	-	60
Insurance contract assets (2)	-	2,653	2,653
Reinsurance contract assets (2)	3,830	(1,166)	2,664
Equity-accounted investments	190	-	190
Investment property in respect of yield-dependent contracts	3,924	-	3,924
Investment property - other	1,517	-	1,517
Receivables for credit cards, net	17,855	-	17,855
Other property, plant and equipment	310	-	310
Intangible assets and goodwill	2,212	-	2,212
Costs of obtaining investment management service contracts	764	-	764
Deferred acquisition costs	1,837	(1,837)	-
Deferred tax assets	159	-	159
Right-of-use assets	669	-	669
Total assets	170,097	2,911	173,008
Total assets for yield-dependent contracts	97,983	(654)	97,329
Liabilities			
Loans and credit	14,143	(5)	14,138
Liabilities for derivative instruments	528	-	528
Payables and credit balances	3,932	(2,192)	1,739
Liability for current taxes	18	-	18
Liabilities for yield-dependent investment contracts	9,127	3,410	12,537
Liabilities for non-yield-dependent investment contracts (1)	2,522	-	2,522
Liabilities for insurance contracts (2)	118,988	2,730	121,718
Liabilities for reinsurance contracts	-	62	62
Liabilities for employee benefits, net	89	-	89
Liabilities for deferred taxes	742	(387)	355
Payables for credit card transactions, net	9,707	-	9,707
Lease liabilities	775	-	775
Total liabilities	160,571	3,617	164,189
Equity			
Share capital	167	-	167
Share premium	2,423	-	2,423
Capital reserves	1,242	(1,104)	138
Surplus	5,618	396	6,014
Total equity attributable to Company's shareholders	9,450	(708)	8,742
Non-controlling interests	75	1	76
Total equity	9,525	(707)	8,818
Total current liabilities and equity	170,097	2,911	173,008

(1) This line item also includes liabilities in respect of contracts for the management of guaranteed return provident funds.

(2) Following are further details:

	Life Insurance and Long-Term Savings	Health Insurance	P&C Insurance	Total
Contractual service margin (CSM)				
Contractual service margin (CSM), gross *	5,602	4,863	-	10,465
Contractual service margin (CSM), reinsurance **	119	198	-	317
Contractual service margin (CSM), net	5,483	4,665	-	10,148
Risk adjustment (RA)				
Risk adjustment (RA), gross	937	1,429	196	2,562
Risk adjustment (RA), reinsurance	73	144	83	300
Risk adjustment (RA), net	864	1,285	113	2,262

* Of the contractual service margin in the Life Insurance and Savings Segment, approx. 68% is attributed to a portfolio of policies, which include a yield-dependent savings component and variable management fees, approx. 14% is attributed to an insurance portfolio covering death risk, and approx. 13% is attributed to a portfolio of policies, which include a savings component which is not yield-dependent. Of the contractual service margin in the Health Insurance Segment, approx. 35% is attributed to an individual long-term care portfolio, approx. 27% is attributed to an individual medical expenses portfolio and approx. 34% is attributed to a critical illness portfolio.

** Of the contractual service margin in the Life Insurance and Savings Segment, approx. 78% is attributed to a permanent health insurance portfolio and approx. 22% is attributed to an insurance portfolio covering death risk. Of the contractual service margin in the Health Insurance Segment, approx. 54% is attributed to the long-term care portfolio and the rest is attributed mainly to the critical illness portfolio.

The main changes in the statement of financial position arise from the following:

- Other financial investments measured at fair value have increased following reclassification of most of the Company's financial assets to fair value through profit or loss, in particular designated bonds, due to the application of IFRS 9 instead of measurement at amortized cost.
- Other financial investments measured at amortized cost decreased following the classification of most of the Company's financial assets to fair value through profit or loss.
- The change in receivables and debit balances and payables and credit balances arises mainly from the classification of balances with policyholders or reinsurers, including deposits with respect to reinsurers, which are included in the fulfilment cash flows under IFRS 17; therefore, they were classified to insurance contract liabilities and reinsurance contract assets, as applicable.
- The remaining collectible premium is included under IFRS 17 in the fulfillment cash flows; therefore, it was classified into insurance contract liabilities.
- Deferred acquisition expenses attributable to long-term policies in the Life and Health Insurance Segments, for which the Company applied the fair value approach or the retrospective application approach in its transition to IFRS 17, were derecognized on the transition date against a decrease in retained earnings. It is noted that deferred acquisition expenses, which are not attributable to contract renewals outside the contract boundary, and to futures, are recognized under insurance contract liabilities against a decrease in the remaining contractual service margin (CSM), rather than as a separate asset. The balance of deferred acquisition expenses presented after the application of IFRS 17 is attributed to investment contracts, pension funds and provident funds only, and presented as costs of obtaining investment management service contracts.
- The change in insurance contract liabilities and reinsurance contract assets arises mainly from the application of the provisions of IFRS 17, which are mainly based on fulfillment cash flows discounted using current assumptions and estimates, and recognition of the contractual service margin (CSM), which represents the unearned profit.
- The balance of the capital reserve in respect of available-for-sale financial assets was reclassified to retained earnings on the transition date. Upon application of IFRS 9, available-for-sale financial assets are measured at fair value through profit or loss.

The change in the Group's equity as of **the transition date (January 1, 2024)** following the application of the New Standards arises mainly from the following:

NIS million	(Audited)
Shareholders' equity as of December 31, 2023 - as previously reported	8,652
Revision to the measurement of insurance contract liabilities and reinsurance contract assets in accordance with the provisions of IFRS 17	(4,262)
Derecognition of deferred acquisition expense assets in long-term policies in the Life and Health Insurance Segments	(1,837)
Transition to measurement of financial assets, including designated bonds, from measurement at cost or amortized cost to measurement at fair value	4,134
Other effects	5
Recognition of deferred taxes in respect of the tax effects arising from the abovementioned changes (*)	670
Equity as of January 1, 2024 – in accordance with IFRS	7,362

(*) As to the tax effect, it is noted that the transition date for income tax purposes will be January 1, 2025, and that the full effect of the decrease in equity, after taking into account the 2024 results will be recognized as a loss carried forward or as a current loss in subsequent periods, both for the purpose of corporate income tax, and for the purpose of profit tax, which applies to the insurance companies of the Group, which is a financial institution. As of the report publication date, the tax treatment following the implementation of the standards in the insurance companies' financial statements has not yet been determined. The Company believes that the tax treatment is not expected to have a material effect on the results following the New Standards. It is noted that the Israel Insurance Association and the Israel Tax Authority have in place sectoral agreements, which are renewed and revised every year and address tax issues unique to the industry. For further details, see Note 24(a)2 to the Consolidated Financial Statements for 2024.

1) Insurance contracts

The Group has applied the transition approaches allowed under IFRS 17 as detailed below:

IFRS 17 should be applied retrospectively (hereinafter - “**Full Retrospective Application**”), unless this is impractical.

In applying the Full Retrospective Application, the Company shall identify, recognize and measure each group of insurance contracts as if IFRS 17 had always been applied. Furthermore, the Company shall derecognize any existing balances which would not exist had IFRS 17 always been applied. Any resulting net difference will be recognized in equity.

The transition date is January 1, 2024, such that upon initial application the Company restated the comparative figures for 2024.

If Full Retrospective Application for a group of insurance contracts is impractical, the Company may opt to apply one of the following approaches separately for each insurance portfolio:

a) The modified retrospective approach - to achieve the closest outcome to Full Retrospective Application possible using reasonable and supportable information available without undue cost or effort; or

b) The fair value approach - in this approach the Company shall determine the contractual service margin or loss component of the liability for remaining coverage at the transition date as the difference between the fair value of a group of insurance contracts at that date and the fulfilment cash flows measured at that date. It is noted that the Professional Issues Circular includes the regulation of various aspects of the calculation of the fair value of the insurance portfolios on transition date, where an insurance company applies the fair value approach.

The Company opted to implement the retrospective application approach for the property and casualty insurance portfolios and travel policies.

The Company is of the opinion that it is impractical to apply IFRS 17 retrospectively to groups of life and health insurance contracts, except for overseas travel, for the following reasons;

a) The effects of Full Retrospective Application cannot be determined since the required information (such as aggregation of contracts into portfolios, setting profitability levels, etc.) has not been collected or is not available without investing excessive costs or efforts, and the application of the new IT and reporting systems to historical data will require unreasonable efforts.

b) The retrospective application approach requires assumptions regarding Company management's intentions in previous periods or material accounting estimates, which cannot be made without using hindsight (for example, assumptions regarding illiquidity rates, adjustment for non-financial risk (RA), including its diversification or allocation for previous periods where these assumptions were not required by the Company, etc.).

The Company applied the modified retrospective approach to the critical illness portfolios and the portfolios of life insurance contracts sold in the 2020-2023 underwriting years; it also intends to apply the fair value approach to all other portfolios.

Reliefs when applying the modified retrospective approach -

The Company has implemented the following permitted adjustments for the purpose of determining the CSM at initial recognition:

a) The future cash flows of each group of insurance contracts are estimated at initial recognition as the amount of the future cash flows on the Group's transition date, adjusted to reflect the cash flows already known to have occurred between the initial recognition date of the said group and the transition date (including with respect to the cash flows actually incurred in respect of insurance contracts that ceased to exist before the transition date).

b) Risk adjustment for non-financial risk (RA) is determined as of the Group's initial recognition date as the RA amount on the transition date adjusted to reflect the expected release from the risk prior to the transition date. The expected release from risk is determined with respect to the release from risk of similar insurance contracts, which the Company issues on the transition date.

The CSM on the transition date is determined by comparing the coverage units at initial recognition and the remaining coverage units on the transition date.

Fair value measurement method -

The assessment of the fair value of the liabilities and the reinsurance assets was carried out using the Appraisal Value method (hereinafter - "**AV**"). The valuation was conducted by an external appraiser. Following are the highlights of the methodology and assumptions underlying the valuation:

a) The AV method determines the fair value of the insurance contract groups by determining the compensation which will be required by a market participant for assuming such portfolios. The abovementioned compensation is required due to the fact that the market participant is required to hold capital in respect of economic solvency requirements, in addition to the basic amounts held in order to pay the expected cash flows to cover insurance liabilities, and in respect of the changes in the capital surplus above the market participant's capital target until the portfolio is run off;

b) The valuation assumes that the amounts of the assets to be held by the market participant against the insurance liabilities and against the additional capital buffers required by virtue of the economic solvency regime provisions, will be invested at a risk-free interest rate until they are distributed as dividends;

c) In accordance with the provisions of the Professional Issues Circular, the valuation assumes that the initial economic solvency ratio target required from the market participant will be based on the average of the current capital targets for dividend distribution purposes of the five largest insurance companies in Israel plus a 10% margin, and the final economic solvency ratio target required from the market participant will be based on the average of the future capital targets for dividend distribution purposes of the five largest insurance companies in Israel. Accordingly, the appraisal assumes an initial capital target of 121% in the year following the transition date, which will rise to 135% at the end of 2032 (during which the Transitional Provisions of the Economic Solvency Regime end).

d) The valuation assumes that 40% of the capital requirements will be provided through the raising of Tier 2 capital instruments;

e) The valuation was based, in principle, on cash flow forecasts, including the forecast of expenses, which are used by the Company for the purpose of its solvency regime, in accordance with the Professional Issues Circular's guidance and the assumption that such forecasts reflect those of a market participant;

f) The amount of capital required to be held for the portfolio is affected, among other things, by the level of diversification. In accordance with the provisions of the Professional Issues Circular, as a starting point the valuation is based on the diversification level in the Company's portfolios as of the actual transition date, assuming that this is the diversification level that matches that of a market participant. For the purpose of estimating the capital requirements forecast attributed to the valued portfolios, the valuation assumes that the market participant will market new insurance products, of a similar scope and type to the insurance products actually marketed by the Company in 2023, which will affect the forecast as to the effect of future diversification. The abovementioned resulting diversification effect has been uniformly allocated to the capital requirements of the assessed insurance portfolios;

The valuation assumes that the market participant will require a total target return on equity of 13.6%, based mainly on the CAPM model.

2) Application of IFRS 9

The application of IFRS 9 has the following effect on the classification and measurement of the Company's financial assets:

Participating portfolio

Financial assets against yield-dependent liabilities, mostly for profit participation savings and other insurance contracts which include profit participation, are measured at fair value through profit or loss, similarly to the current practice under IAS 39.

Nostro portfolio

- Derivatives are measured at fair value through profit or loss as is the case in IAS 39.
- Investments in debt instruments, which do not meet the Solely Payments of Principal and Interest Test are classified to fair value through profit or loss.
- Investments in liquid equity and debt instruments are measured at fair value through profit or loss rather than at fair value through capital reserve (available-for-sale financial assets) under IAS 39.
- In group subsidiaries which are insurers, the remaining debt assets are classified to fair value through profit or loss in order to reduce or prevent an accounting mismatch against liabilities for insurance contracts (by designation to fair value through profit or loss of debt assets held against liabilities in respect of insurance contract), or since they are managed at fair value (classification to fair value through profit or loss for the remaining debt assets held against equity and other liabilities which are not insurance liabilities). This will not apply to certain debt assets, which do not constitute investment assets and which meet the Principal and Interest Test, such as debtors' assets, which are accounted for at adjusted cost similarly to IAS 39.

The remaining debt assets, mainly those held against liabilities for non-yield-dependent investment contract, will continue to be accounted for at adjusted cost similarly to IAS 39.

Financial liabilities

The Company does not expect a material change in the classification and measurement of the financial liabilities, except for the measurement of financial liabilities, the conditions of which did not change materially as part of the replacement of equity instruments.

The following table presents the original measurement categories in accordance with the provisions of IAS 39 and the new measurement categories in accordance with the provisions of IFRS 9 with respect to the Group's financial assets and financial liabilities as of January 1, 2024, and the effects of the transition to IFRS 9 on the opening balances of retained earnings and other equity components.

In NIS million	Original classification under IAS 39	New classification under IFRS 9	Carrying value under IAS 39	Carrying value under IFRS 9
Financial assets				
Financial assets not held against yield-dependent contracts:				
Other cash and cash equivalents	Loans and receivables	Amortized cost	2,548	2,548
Derivative instruments	Fair value through profit and loss	Fair value through profit and loss	312	312
Investment in liquid debt instruments	Fair value through profit and loss	Fair value through profit and loss	1,101	1,101
Investment in liquid debt instruments	Available-for-sale	Fair value through profit and loss	6,212	6,212
Investment in illiquid debt instruments, excluding designated bonds and treasury deposits	Held-to-maturity investments	Fair value through profit and loss	7,666	7,703
Investment in illiquid debt instruments, excluding designated bonds and treasury deposits	Held-to-maturity investments	Amortized cost	144	144
Treasury deposits	Held-to-maturity investments	Amortized cost	2,193	2,193
Designated bonds	Held-to-maturity investments	Fair value through profit and loss	14,441	18,539
Investment in equity instruments	Available-for-sale	Fair value through profit and loss	1,647	1,647
Investment in equity instruments	Fair value through profit and loss	Fair value through profit and loss	24	24
Other financial investments	Fair value through profit and loss	Fair value through profit and loss	705	705
Other financial investments	Available-for-sale	Fair value through profit and loss	4,820	4,820
Total financial assets not held against yield-dependent contracts:			**41,813**	**45,948**
Financial assets held against yield-dependent contracts:				
Cash and cash equivalents in respect of yield-dependent contracts	Loans and receivables	Amortized cost	4,418	4,418
Financial investments in respect of yield-dependent contracts	Fair value through profit and loss	Fair value through profit and loss	84,133	84,133
Total financial assets held against yield-dependent contracts:			**88,551**	**88,551**
Total financial assets			**130,364**	**134,499**
Financial liabilities				
Loans and credit	Amortized cost	Amortized cost	6,091	6,091
Bonds and subordinated notes	Amortized cost	Amortized cost	6,679	6,674
Derivative instruments	Fair value through profit and loss	Fair value through profit and loss	2,929	2,929
Total financial liabilities			**15,699**	**15,694**
Reserves and retained earnings				
Capital reserve in respect of available-for-sale assets			866	-
Other capital reserves			139	139
Surplus			5,019	4,593
Total reserves and retained earnings			**6,024**	**4,732**
Deferred tax assets (liabilities)			**(488)**	**182**

In NIS million	Nine-month period ended September 30, 2024	Three-month period ended September 30, 2024	Period of year ended December 31, 2024
	Unaudited		
Comprehensive income as previously reported	596	274	963
Adjustments to comprehensive income under the transition to IFRS:			
Insurance contracts (1)	1,909	(12)	864
Financial instruments (2)	(788)	233	2
Tax effect of the above	(370)	(75)	(283)
Comprehensive income according to IFRS	1,347	420	1,546

(1) The changes in comprehensive income arising from the application of IFRS 17 include mainly the following:

(a) Variation in the pattern of release of income to long-term policies

The pattern of release of income to long-term policies in the Life and Health Insurance Segments, which are not measured under the PAA model, varies substantially between IFRS 17 and IFRS 4, both with respect to an existing business as of the transition date and with respect to a new business, which was marketed subsequent to the transition date.

Under IFRS 4, the pattern of release in risk products was affected, among other things, by the amount of actual premium and the development of actual claims in each period, and by the amortization of deferred acquisition costs.

Under IFRS 17 and as detailed above, on the transition date the Group recognized the CSM and RA components released to income and loss over the coverage periods relating to the various contract groups. The release rate of these components is mainly affected by the coverage units attributed to each reporting period. Furthermore, the income and loss are affected by the difference between the claims and the expected expenses and those actually incurred.

Moreover – in the savings products the income release pattern under IFRS 4 depended on the actual collection of management fees, which depends, among other things, on the existence of a “uncollected management fees" in the participating portfolio and the accrual amount at each actual point in time. On the other hand, in accordance with IFRS 17, the release pattern takes into account the overall expected profitability of the portfolio, including the development of management fees in the future, which were also taken into account regarding the fair value of the existing business in calculating the CSM as of the transition date.

In addition, under IFRS 17, insurance revenues and insurance service expenses do not include investment components, which are mainly included in savings policies, unlike IFRS 4, although this does not affect the income.

(b) Studies

Under IFRS 4, study and model revisions were recognized, in part, immediately in profit or loss. On the other hand, under IFRS 17 these revisions for insurance contracts, which are not measured in accordance with the PAA model and which relate to a future service, adjust the contractual service margin (until it reaches zero), and their effect is recognized in profit or loss under the release of the contractual service margin as detailed above.

Similarly, under IFRS 4, the entire effect of changes in yield rates affecting the amount of management fees in savings policies was recognized immediately in profit or loss. On the other hand, under IFRS 17, effects of financial assumptions and changes therein, including with respect to the abovementioned effect of the management fees in savings policies, for insurance contracts measured in accordance with the VFA Model, the contractual service margin is adjusted (until it reaches zero), and their effect is recognized in profit or loss as part of the release of the contractual service margin as detailed above. It is emphasized that the change in the insurance contract liability under the VFA Model due to changes in the fair value of the underlying items is recognized in full in finance expenses from insurance contracts, against recognition of investment revenues which back them.

In addition, the measurement of all insurance contracts as discount of future cash flows according to current discount rates under IFRS 17, leads to an increase in sensitivity to interest rate changes reflected in profit or loss.

(2) Financial instruments

The changes in comprehensive income arising from the application of IFRS 9 are mainly due to the measurement of most financial assets, in particular designated life insurance bonds, at fair value through profit or loss, instead of measurement of some of these financial assets at cost or at fair value through other comprehensive income (available-for-sale) under IAS 39.

Appendix - Interest revenue and expense rates and analysis of the changes in Max's interest revenues and expenses

Average balances and interest rates

	For the nine months ended September 30, 2025			For the nine months ended September 30, 2024		
	Average balance(1)	Interest revenues (expenses)	% of revenue (expense)	Average balance(1)	Interest revenues (expenses)	% of revenue (expense)
In NIS million			%			%
Interest-bearing assets						
Credit to private individuals (2)	**10,990**	**884**	**10.72**	9,512	789	11.06
Commercial credit (2)(5)	**3,511**	**159**	**6.04**	3,416	152	5.93
Total credit	**14,501**	**1,043**	**9.59**	12,928	941	9.71
Deposits with banks	**694**	**19**	**3.65**	598	16	3.57
Other assets	**90**	**2**	**2.96**	66	1	2.02
Total interest-bearing assets	**15,285**	**1,064**	**9.28**	13,592	958	9.40
Non-interest-bearing receivables for credit card transactions	**4,979**			4,636		
Amounts receivable for credit card activity	**1,188**			1,125		
Other non-interest-bearing assets (3)	**550**			469		
Total assets	**22,002**			19,822		
Interest bearing liabilities						
Credit from banking corporations (6)	**5,754**	**(379)**	**(8.78)**	5,093	** (321)	(8.40)
Bonds and subordinated notes	**1,172**	**(53)**	**(6.03)**	802	(35)	(5.82)
Other liabilities	**15**	**(1)**	**(8.89)**	40	(1)	(3.33)
Total interest-bearing liabilities	**6,941**	**(433)**	**(8.32)**	5,935	(357)	(8.02)
Payables for credit card transactions (5)	**12,117**			11,229		
Other non-interest bearing liabilities (7)	**824**			741		
Total liabilities	**19,882**			17,905		
Total capital resources	**2,120**			1,917		
Total capital commitments and resources	**22,002**			19,822		
Interest rate spread	**15,285**	**631**	**0.96**			1.38
Net return on interest-bearing assets (4)			**5.50**	13,592	601	5.90

** Reclassified

(1) Based on beginning-of-month balances.

(2) Before deducting the average on-balance sheet balance of credit loss provisions. Including debts that do not accrue interest revenues.

(3) Including derivatives, other non-interest-bearing assets, non-monetary assets, and less credit loss provision.

(4) Net return – interest revenues, net divided by total interest-bearing assets.

(5) Including average balance of early payments to merchants and factoring of credit card vouchers for merchants executed also through a subsidiary, for a total of NIS 2,375 million (September 30, 2024 - NIS 2,372 million). The average rate of revenue in the nine-month period ended September 30, 2025 and September 30, 2024 excluding those balances is 8.5% and 8.6%, respectively.

(6) Calculation of the expense rate includes interest expenses in respect of the advanced payments by Bank Leumi and in respect of the sale of debts arising from transactions made with non-bank payment cards issued by the Company in accordance with its existing agreements with several banks, whose on-balance sheet balance is offset from the balance of amounts receivable from banks in respect of credit card transactions, net, and from the balance of receivables for credit card transactions. After deducting these expenses, the average rate of expenses in respect of credit from banking corporations in the nine-month period ended September 30, 2025 and September 30, 2024 is 7.0% and 6.6%, respectively.

(7) Including derivative instruments and non-monetary liabilities.

In NIS million	For the three months ended September 30, 2025 Average balance(1)	Interest revenues (expenses)	% of revenue (expense)	For the three months ended September 30, 2024 Average balance(1)	Interest revenues (expenses)	% of revenue (expense)
			%			%
Interest-bearing assets						
Credit to private individuals (2)	**11,394**	**315**	**11.06**	9,780	275	11.25
Commercial credit (2)(5)	**3,568**	**55**	**6.17**	3,472	52	5.99
Total credit	**14,962**	**370**	**9.89**	13,252	327	9.87
Deposits with banks	**703**	**7**	**3.98**	577	6	4.16
Other assets	**131**	**1**	**3.05**	73	-	-
Total interest-bearing assets	**15,796**	**378**	**9.57**	13,902	333	9.58
Non-interest-bearing receivables for credit card transactions	**4,902**			5,045		
Amounts receivable for credit card activity	**1,206**			1,129		
Other non-interest-bearing assets (3)	**538**			511		
Total assets	**22,442**			20,587		
Interest bearing liabilities						
Credit from banking corporations	**5,686**	**(137)**	**(9.64)**	5,347	** (114)	(8.53)
Bonds and subordinated notes	**1,488**	**(25)**	**(6.72)**	819	(12)	(5.86)
Other liabilities	**9**	**(1)**	**-**	24	** (1)	(16.67)
Total interest-bearing liabilities	**7,183**	**(163)**	**(9.08)**	6,190	(127)	(8.21)
Payables for credit card transactions (5)	**12,180**			11,662		
Other non-interest bearing liabilities (6)	**972**			785		
Total liabilities	**20,335**			18,637		
Total capital resources	**2,107**			1,950		
Total capital commitments and resources	**22,442**			20,587		
Interest rate spread			**0.49**			1.37
Net return on interest-bearing assets (4)	**15,796**	**215**	**5.44**	13,902	206	5.93

** Reclassified

(1) Based on beginning-of-month balances.

(2) Before deducting the average on-balance sheet balance of credit loss provisions. Including debts that do not accrue interest revenues.

(3) Including derivatives, other non-interest-bearing assets, non-monetary assets, and less credit loss provision.

(4) Net return – interest revenues, net divided by total interest-bearing assets.

(5) Including average balance of early payments to merchants and factoring of credit card vouchers for merchants executed also through a subsidiary, for a total of NIS 2,375 million (September 30, 2024 - NIS 2,372 million). The average rate of revenue in the nine-month period ended September 30, 2025 and September 30, 2024 excluding those balances is 8.5% and 8.6%, respectively.

(6) Calculation of the expense rate includes interest expenses in respect of the advanced payments by Bank Leumi and in respect of the sale of debts arising from transactions made with non-bank payment cards issued by the Company in accordance with its existing agreements with several banks, whose on-balance sheet balance is offset from the balance of amounts receivable from banks in respect of credit card transactions, net, and from the balance of receivables for credit card transactions. After deducting these expenses, the average rate of expenses in respect of credit from banking corporations in the nine-month period ended September 30, 2025 and September 30, 2024 is 7.0% and 6.6%, respectively.

(7) Including derivative instruments and non-monetary liabilities.

Average balances and interest rates – additional information on interest-bearing assets and liabilities

In NIS million	For the nine months ended September 30, 2025			For the nine months ended September 30, 2024		
	Average balance[1]	Interest revenues (expenses)	% of revenue (expense)	Average balance[1]	Interest revenues (expenses)	% of revenue (expense)
			%			%
Non-linked NIS						
Total interest-bearing assets	**13,079**	**922**	**9.40**	13,045	915	9.35
Total interest-bearing liabilities	**5,267**	**(346)**	**(8.76)**	5,660	(341)	(8.03)
Interest rate spread			**0.64**			1.32
CPI-linked NIS						
Total interest-bearing assets	**2,089**	**141**	**9.00**	482	42	11.62
Total interest-bearing liabilities	**1,673**	**(87)**	**(6.93)**	270	(16)	(7.90)
Interest rate spread			**2.07**			3.72
Foreign currency (including foreign-currency linked NIS)						
Total interest-bearing assets	**117**	**1**	**1.14**	65	1	2.05
Total interest-bearing liabilities	**1**	**-**	**-**	5	-	-
Interest rate spread			**1.14**			2.05
Total activity						
Total interest-bearing assets	**15,285**	**1,064**	**9.28**	13,592	958	9.40
Total interest-bearing liabilities	**6,941**	**(433)**	**(8.32)**	5,935	(357)	(8.02)
			0.96			1.38

(1) Based on beginning-of-month balances.

In NIS million	For the three months ended September 30, 2025			For the three months ended September 30, 2024		
	Average balance[1]	Interest revenues (expenses)	% of revenue (expense)	Average balance[1]	Interest revenues (expenses)	% of revenue (expense)
			%			%
Non-linked NIS						
Total interest-bearing assets	**13,171**	**313**	**9.51**	13,024	307	9.43
Total interest-bearing liabilities	**5,079**	**(118)**	**(9.29)**	5,653	(116)	(8.21)
Interest rate spread			**0.22**			1.22
CPI-linked NIS						
Total interest-bearing assets	**2,502**	**65**	**10.39**	803	25	12.45
Total interest-bearing liabilities	**2,103**	**(45)**	**(8.56)**	525	(11)	(8.38)
Interest rate spread			**1.83**			4.07
Foreign currency (including foreign-currency linked NIS)						
Total interest-bearing assets	**123**	**-**	**-**	75	1	5.33
Total interest-bearing liabilities	**1**	**-**	**-**	12	-	-
Interest rate spread			**-**			5.33
Total activity						
Total interest-bearing assets	**15,796**	**378**	**9.57**	13,902	333	9.58
Total interest-bearing liabilities	**7,183**	**(163)**	**(9.08)**	6,190	(127)	(8.21)
			0.49			1.37

(1) Based on beginning-of-month balances.

Analysis of changes in interest revenues and expenses

In NIS million	For the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024		
	Increase (decrease) due to change		
	Quantity	Price	Net change
Interest-bearing assets			
Credit to private individuals	119	(24)	95
Commercial credit	4	3	7
Total credit	123	(21)	102
Deposits with banks	3	-	3
Other assets	1	-	1
Total interest revenues (expenses)	127	(21)	106
Interest bearing liabilities			
Credit from banking corporations	(44)	(14)	(58)
Bonds and subordinated notes	(17)	(1)	(18)
Other liabilities	2	(2)	-
Total interest revenues (expenses)	(59)	(17)	(76)
Total interest revenues (expenses)	68	(38)	30

In NIS million	For the three months ended September 30, 2025 compared to the three months ended September 30, 2024		
	Increase (decrease) due to change		
	Quantity	Price	Net change
Interest-bearing assets			
Credit to private individuals	45	(5)	40
Commercial credit	1	2	3
Total credit	46	(3)	43
Deposits with banks	2	(1)	1
Other assets	1	-	1
Total interest revenues (expenses)	49	(4)	45
Interest bearing liabilities			
Credit from banking corporations	(10)	(13)	(23)
Bonds and subordinated notes	(11)	(2)	(13)
Other liabilities	2	(2)	-
Total interest revenues (expenses)	(19)	(17)	(36)
Total interest revenues (expenses)	30	(21)	9

Clal Insurance Enterprises Holdings Ltd.

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

as of September 30, 2025

(Regulation 38D)

(Unaudited)

Table of Contents

	Page
Special Report of the Independent Auditors on the Separate Interim Financial Information	3-2
Interim Financial Information of the Company:	
Interim Data on Financial Position	3-3
Interim Profit and Loss Data	3-4
Interim Comprehensive Income Data	3-5
Interim Cash Flow Data	3-6
Additional Information	3-7

Somekh Chaikin
Millennium Tower KPMG
17 HaArba'a Street, POB 609
Tel Aviv 6100601
+972-3-684-8000

Shape the future
with confidence
Kost Forer Gabbay & Kasierer
144A Menachem Begin St.,
Tel Aviv 6492102
Tel. +972 3 623 2525
Fax +972 3 562 2555
ey.com

To
Shareholders of Clal Insurance Enterprises Holdings Ltd.

Re: Special report of the independent auditors on Separate Financial Information in accordance with Regulation 38D to the Securities Regulations (Periodic and Immediate Reports), 1970

Introduction

We have reviewed the separate interim financial information provided in accordance with Regulation 38D to the Securities Regulations (Periodic and Immediate Reports), 1970 of Clal Insurance Enterprises Holdings Ltd. (hereinafter – the "**Company**") as of September 30 and for the nine- and three-month periods then ended. 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 separate interim financial information for these interim periods based on our review.

Scope of 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 financial information consists of inquiries, mostly of persons responsible for financial and accounting matters, 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 report of other independent auditors, nothing has come to our attention that causes us to believe that the abovementioned Separate Interim 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,	Somekh Chaikin	Kost Forer Gabbay & Kasierer
November 25, 2025	Certified Public Accountants	Certified Public Accountants

Interim Data on Financial Position

In NIS million	As of September 30		As of December 31
	2025	2024	2024
	Unaudited		
Assets			
Investment in investees	**10,303**	9,020	9,121
Loans and balances of investees	**1,054**	1,029	1,010
Receivables and debit balances	**30**	1	1
Other financial investments:			
Liquid debt assets	**5**	20	9
Shares	**57**	21	34
Other	**147**	99	100
Total other financial investments	**209**	140	142
Cash and cash equivalents	**62**	10	37
Total assets	**11,659**	10,200	10,312
Equity			
Share capital	**168**	167	167
Share premium	**2,433**	2,397	2,423
Capital reserves	**127**	142	138
Retained earnings	**7,356**	5,933	6,014
Total equity	**10,084**	8,639	8,742
Liabilities			
Payables and credit balances	**38**	40	46
Balances of investees	**1**	1	2
Financial liabilities	**1,536**	1,520	1,522
Total liabilities	**1,575**	1,561	1,569
Total equity and liabilities	**11,659**	10,200	10,312

The attached additional information is an integral part of the Company's Interim Separate Financial Information.

November 25, 2025			
Approval date of the financial statements	**Haim Samet** Chairman of the Board	**Yoram Naveh** CEO	**Eran Czerninski** EVP Head of the Finance Division

Interim Profit and Loss Data

In NIS million	For the nine-month period ended September 30 2025	For the nine-month period ended September 30 2024	For the three-month period ended September 30 2025	For the three-month period ended September 30 2024	For the year ended December 31 2024
	Unaudited				
Company's share in the profits (losses) of investees, net of tax	**1,507**	1,357	**595**	424	1,563
Net investment revenues (losses) and finance income					
From investees	**34**	35	**13**	14	41
Other	**42**	14	**13**	2	28
Other revenues	**30**	-	**-**	-	-
Total revenues	**1,613**	1,406	**621**	440	1,632
General and administrative expenses	**9**	9	**3**	3	12
Finance expenses	**65**	60	**26**	20	80
Total expenses	**75**	68	**28**	23	91
Income before income tax	**1,539**	1,338	**592**	417	1,540
Income tax expense (tax benefit)	**-**	-	**-**	-	-
Income for the period	**1,539**	1,338	**592**	417	1,540

The attached additional information is an integral part of the Company's Interim Separate Financial Information.

Interim Comprehensive Income Data

	For the nine-month period ended September 30		For the three-month period ended September 30		For the year ended December 31
	2025	2024	2025	2024	2024
In NIS million			Unaudited		
Income for the period	**1,539**	1,338	**592**	417	1,540
Other comprehensive income:					
Other comprehensive income items that, subsequent to initial recognition in comprehensive income, were or will be carried to profit and loss:					
Other comprehensive income (loss) in respect of investees which was transferred or will be transferred to profit and loss, net of tax	**(6)**	3	**(2)**	-	(1)
Other comprehensive income (loss) for the period carried or to be carried to profit and loss, before tax	**(6)**	3	**(2)**	-	(1)
Taxes (tax benefit) in respect of other components of comprehensive income (loss)	**-**	-	**-**	-	-
Other comprehensive income (loss) items that, subsequent to initial recognition in comprehensive income, were or will be carried to profit and loss, net of tax	**(6)**	3	**(2)**	-	(1)
Items of other comprehensive income not transferred to profit and loss:					
Other comprehensive income for investees not transferred to profit and loss, net of tax	**(1)**	1	**-**	-	1
Other comprehensive income for the period, not transferred to profit and loss, net of tax	**(1)**	1	**-**	-	1
Other comprehensive income (loss) for the period	**(7)**	4	**(2)**	-	-
Total comprehensive income for the period	**1,531**	1,342	**590**	417	1,540

The attached additional information is an integral part of the Company's Interim Separate Financial Information.

Interim Cash Flow Data

In NIS million	For the nine-month period ended September 30 2025	For the nine-month period ended September 30 2024	For the three-month period ended September 30 2025	For the three-month period ended September 30 2024	For the year ended December 31 2024
			Unaudited		
Cash flows provided by operating activities					
Income for the period	**1,539**	1,338	**592**	417	1,540
Adjustments:					
Company's share in the profits (losses) of investees	**(1,507)**	(1,357)	**(595)**	(424)	(1,563)
Dividend from investees	**313**	67	**-**	67	166
Interest accrued on deposits with banks	**(3)**	(1)	**(2)**	(1)	(2)
Interest accrued in respect of the capital note for the investee	**(26)**	(25)	**(13)**	(14)	(30)
Interest accrued and deduction of issuance costs and discount for bonds	**65**	59	**26**	20	80
Loss (profit) from other financial investments	**(40)**	(11)	**(11)**	(1)	(24)
Taxes on income	**-**	-	**-**	-	-
Total adjustments	**(1,198)**	(1,268)	**(595)**	(355)	(1,373)
Changes in other items in the data on financial position, net:					
Change in receivables and debit balances	**(29)**	-	**-**	-	(1)
Change in payables and credit balances	**-**	(1)	**(2)**	(1)	-
Total changes in other items in the data on financial position, net	**(29)**	(1)	**(2)**	(1)	(1)
Cash received during the period for:					
Net cash provided by operating activity for transactions with investees	**6**	(1)	**4**	(2)	7
Interest received	**3**	1	**2**	-	2
Net cash provided by operating activities	**321**	69	**1**	61	175
Cash flows provided by investing activities					
Repayment of interest from the capital note to the investee	**-**	-	**-**	-	23
Investment in investees 2)	**(10)**	(891)	**(10)**	-	(891)
Investment in available-for-sale financial assets	**(83)**	(95)	**(1)**	(62)	(97)
Proceeds from sale of available-for-sale financial assets	**56**	976	**-**	-	990
Net cash provided by (used for) investing activities	**(37)**	(9)	**(10)**	(62)	25
Cash flows provided by financing activities					
Repayment of bonds	**(350)**	-	**(350)**	-	-
Interest paid on the bonds	**(63)**	(59)	**(3)**	-	(72)
Proceeds of bond issuance (less issuance expenses)	**354**	-	**354**	-	-
Dividend paid	**(200)**	-	**-**	-	(100)
Net cash provided by (used for) financing activities	**(258)**	(59)	**1**	-	(172)
Increase (decrease) in cash and cash equivalents	**25**	1	**(8)**	(1)	28
Cash and cash equivalents as of the beginning of the period	**37**	9	**70**	11	9
Cash and cash equivalents at the end of the period	**62**	10	**62**	10	37

Additional Information

1. **General**

The Interim Separate Financial Information is presented 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, Separate Financial Information of the Corporation. This separate interim financial information should be read in conjunction with the separate financial information as of the date and year ended December 31, 2024 and in conjunction with the condensed consolidated interim financial statements as of September 30, 2025 (hereinafter - the “**Consolidated Interim Financial Statements**").

2. **Share-based payment**

For details regarding the option plan published by the Company on May 8, 2025 and the equity compensation plan for the CEO, approved on November 16, 2025, see Note 13(b) to the Consolidated Interim Financial Statements.

3. **Dividend distribution by the Company**

On May 28, 2025, the Company’s Board approved a dividend distribution totaling approx. NIS 200 million, which constitutes approx. 64% of the dividends declared and/or distributed in the Company’s subsidiaries as of the approval date of the Consolidated Interim Financial Statements. The dividend was paid on June 25, 2025.

4. **Bonds issued by the Company**

On July 1, 2025, the Company carried out a private placement of Bonds (Series C) of the Company, by way of expanding an existing series. The Company allocated NIS 350 million in par value of Bonds (Series C), in exchange for a total of approx. NIS 358.4 million. The proceeds of the issuance were used for partial early redemption of the Company's Bonds (Series A) and on July 13, 2025, the Company redeemed, by way of a partial early redemption, NIS 350 million in par value of Bonds (Series A).

The abovementioned issuance costs of the Bonds (Series C) totaled approx. NIS 1 million.

5. **Debt raising by Clal Insurance Capital Raising Ltd. a subsidiary of Clal Insurance**

Subsequent to the reporting date, on October 23, 2025, Clal Capital Raising issued to the Company approx. NIS 555 million p.v. in Bonds (Series O) under a private placement. The issuance proceeds were used to cancel a NIS 450 million CPI-linked capital note, which was issued to the Company by Clal Insurance on October 29, 2020, and which was recognized by Clal Insurance as an additional Tier 1 capital instrument (hereinafter - the “**Capital Note**”).

The issuance proceeds for the Company have the same economic value as the capital note, calculated in accordance with a detailed substitution formula detailed in an economic study conducted by an independent external economic consulting firm. Accordingly, the Company recorded a gain of approx. NIS 24 million, and - on the other hand - Clal Insurance recorded a loss at the same amount under the replacement of the Tier 1 capital instruments.

Clal Insurance Enterprises Holdings Ltd.

Quarterly Report on the Effectiveness of the Internal Control

over Financial Reporting and Disclosure

---

as of September 30, 2025

in accordance with Regulation 38C(a)

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 Clal Insurance Enterprises 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. Yoram Naveh – CEO of the Company and Clal Insurance;
2. Eran Czerninski - Head of the Finance Division (an officer in Clal Insurance and Clal Holdings);
3. Dror Biran - Legal Counsel (an officer in Clal Insurance and Clal Holdings);
4. Tomer David - Internal Auditor (an officer in Clal Insurance and Clal Holdings);
5. Barak Benski - Head of the Investments Division (an officer in Clal Insurance and Clal Holdings);
6. Avi Ben Noon - Chief Risk Officer (an officer in Clal Insurance and Clal Holdings);

Internal control over financial reporting and disclosure includes controls and procedures existing in the Corporation, which were planned or overseen by the CEO and the most senior financial officer or under their supervision, or by whoever fulfills these functions in practice, under the supervision of the Board of Directors of the Corporation, and were designed to provide reasonable assurance as to the reliability of the financial reporting and the preparation of the reports in accordance with the provisions of the law, and to ensure that information that the Corporation is required to disclose in the reports it publishes in accordance with the provisions of the law is collected, processed, summarized and reported on the date and in the format laid down in 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.

Clal Insurance Company Ltd. (hereinafter - “**Clal Insurance**”), a subsidiary of the Corporation, is an institutional entity which is subject to the directives of the Commissioner of the Capital Market, Insurance and Savings in the Ministry of Finance regarding the assessment of the effectiveness of internal controls over financial reporting.

With respect to the internal controls of the said subsidiary, the Corporation implements the following directives: The Institutional Entities Circular 2009-9-10 on “Management’s Responsibility for Internal Control over Financial Reporting”; Institutional Entities Circular 2010-9-6 on “Management’s Responsibility for Internal Control over Financial Reporting - Amendment” and Institutional Entities Circular 2010-9-7 on “Internal Control over Financial Reporting - Statements, Reports and Disclosures”.

Max It Finance Ltd., a subsidiary of the Corporation, is a credit card company, which is subject to the directives of the Banking Supervision Department regarding the assessment of the effectiveness of internal control over financial reporting.

With respect to the internal control of the said subsidiary, the Corporation implements the following provisions: Proper Conduct of Banking Business Directive 309.

In the quarterly Report on the Effectiveness of Internal Control over Financial Reporting and the disclosure attached to the periodic report for the period ended June 30, 2025 (hereinafter - the “**Most Recent Quarterly Report of Internal Control**"), the internal control was found to be 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 Quarterly Report of Internal Control.

As of the report date, based on the Most Recent Quarterly Report of 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 by Officers

Certification by the CEO

I, Yoram Naveh, hereby declare that:

1. I have reviewed quarterly report of Clal Insurance Enterprises Holdings Ltd. (hereinafter - the "**Corporation**") for the third quarter of 2025 (hereinafter – the "**Reports**");
2. To my knowledge, the Reports do not contain any misrepresentation of a material fact, nor do they omit any representation of a material fact necessary to ensure that the representations included therein shall not be misleading with respect to the reporting period, in light of the circumstances under which such representations were included;
3. To my knowledge, the financial statements and other financial information included in the 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 Board of Directors' balance sheet committee, 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 which 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 the statutory provisions; and -
   B. any fraud, whether material or immaterial, involving the CEO, or anyone directly reporting to them, or any other employees who have a significant role in internal controls over financial reporting and disclosure thereof;
5. I, alone or together with others in the corporation:
   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 statutory provisions, including in accordance with generally accepted accounting principles.
   C. No event or matter has been brought to my attention during the period between the periodic report date and the date of this Report which alters 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.

Yoram Naveh
CEO

November 25, 2025

Certification by Officers

Certification by the Most Senior Financial Officer

I, Eran Czerninski, hereby declare that:

1. I have reviewed the financial statements and other financial information included in the reports of Clal Insurance Enterprises Holdings Ltd. (hereinafter - the "**Corporation**") for the third quarter of 2025 (hereinafter - the "**Reports**");
2. To my knowledge, the Interim Financial Statements and the other financial information included in the reports for the interim periods do not contain any misrepresentation of a material fact, nor do they omit any representation of a material fact necessary to ensure that the representations included therein shall not be misleading with respect to the reporting period, in light of the circumstances under which such representations were included;
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 Board of Directors' balance sheet committee, 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, which 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 the statutory provisions; and -
   B. any fraud, whether material or immaterial, involving the CEO, or anyone directly reporting to them, or any other employees who have a significant role in internal controls over financial reporting and disclosure thereof;
5. I, alone or together with others in the corporation-
   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 statutory provisions, including in accordance with generally accepted accounting principles;
   C. No event or matter has been brought to my attention during the period between the 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.

Eran Czerninski
EVP
Head of the Finance Division

November 25, 2025

Statements regarding Controls and Procedures in respect of Disclosure in the Financial Statements of Clal Insurance Company Ltd.

Clal Insurance Company Ltd.

Certification

I, Yoram Naveh, hereby declare that:

1. I have reviewed the quarterly report of Clal Insurance Company Ltd. (hereinafter - the "**Company**") for the quarter ended September 30, 2025 (hereinafter - the "**Report**").
2. To my knowledge, the Report does not contain any misrepresentation of a material fact, nor does it omit any representation of a material fact necessary to ensure that the representations included therein shall not be misleading with respect to the period covered by the Report, in light of the circumstances under which such representations were included.
3. To my knowledge, the quarterly financial statements and other financial information included in the Report present fairly, in all material aspects, the Company's financial position, financial performance and changes in equity and cash flows as of the dates and for the periods covered by the report.
4. I and others at the Company signing this certification are responsible for the establishment and implementation of controls and procedures regarding the Company's disclosure[(1)] and internal control over financial[(1)] reporting of the Company; and -
   A. We have established such controls and procedures, or caused such controls and procedures to be established under our oversight, with the aim of ensuring that material information about the Company and its consolidated companies is brought to our attention by others in the Company and these companies, especially during the preparation of the Report;
   B. We have established such internal controls over the financial reporting or have overseen the establishment of such controls over financial reporting, with the aim of providing reasonable assurance as to the reliability of the financial reporting and that the financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the directives of the Commissioner of the Capital Market, Insurance and Savings;
   C. We have evaluated the effectiveness of the Company's disclosure controls and procedures and presented in the Report our conclusions regarding the effectiveness of the disclosure controls and procedures as of the end of the reporting period according to our evaluation; and -
   D. The Report discloses any change in the Company's internal control over financial reporting which occurred during the quarter and has materially affected, or is reasonably expected to affect, the Company's internal control over financial reporting. and -
5. I and others at the Company signing this certification have disclosed to the joint independent auditors, the Board of Directors, and the Board of Directors' balance sheet committee, based on our most recent evaluation of the internal control over financial reporting, the following:
   A. All significant deficiencies and material weaknesses in the establishment or implementation of the internal controls over financial reporting that may harm the Company's ability to record, process, summarize and report financial information; and -
   B. any fraud, whether material or immaterial, involving management or other employees who have a significant role in the Company's internal controls over financial reporting.

Nothing in the foregoing shall derogate from my responsibility or the responsibility of any other person, under any law.

Yoram Naveh
CEO

November 25, 2025

(1) As defined in the provisions of the Institutional Entities Circular entitled Internal Controls over Financial Reporting - Statements, Reports and Disclosures.

Clal Insurance Company Ltd.

Certification

I, Eran Czerninski, hereby declare that:

1. I have reviewed the quarterly report of Clal Insurance Company Ltd. (hereinafter - the "**Company**") for the quarter ended September 30, 2025 (hereinafter - the "**Report**").
2. To my knowledge, the Report does not contain any misrepresentation of a material fact, nor does it omit any representation of a material fact necessary to ensure that the representations included therein shall not be misleading with respect to the period covered by the Report, in light of the circumstances under which such representations were included.
3. To my knowledge, the financial statements and other financial information included in the Report present fairly, in all material aspects, the Company's financial position, financial performance and changes in equity and cash flows as of the dates and for the periods covered by the report.
4. I and others at the Company signing this certification are responsible for the establishment and implementation of controls and procedures regarding the Company's disclosure[(1)] and internal control over financial[(1)] reporting of the Company; and -
   A. We have established such controls and procedures, or caused such controls and procedures to be established under our oversight, with the aim of ensuring that material information about the Company and its consolidated companies is brought to our attention by others in the Company and these companies, especially during the preparation of the Report;
   B. We have established such internal controls over the financial reporting or have overseen the establishment of such controls over financial reporting, with the aim of providing reasonable assurance as to the reliability of the financial reporting and that the financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the directives of the Commissioner of the Capital Market, Insurance and Savings;
   C. We have evaluated the effectiveness of the Company's disclosure controls and procedures and presented in the Report our conclusions regarding the effectiveness of the disclosure controls and procedures as of the end of the reporting period according to our evaluation; and -
   D. The Report discloses any change in the Company's internal control over financial reporting which occurred during the quarter and has materially affected, or is reasonably expected to affect, the Company's internal control over financial reporting. and -
5. I and others at the Company signing this certification have disclosed to the joint independent auditors, the Board of Directors, and the Board of Directors' balance sheet committee, based on our most recent evaluation of the internal control over financial reporting, the following:
   A. All significant deficiencies and material weaknesses in the establishment or implementation of the internal controls over financial reporting that may harm the Company's ability to record, process, summarize and report financial information; and -
   B. any fraud, whether material or immaterial, involving management or other employees who have a significant role in the Company's internal controls over financial reporting.

Nothing in the foregoing shall derogate from my responsibility or the responsibility of any other person, under any law.

Eran Czerninski
EVP
Head of the Finance Division

November 25, 2025

(1) As defined in the provisions of the Institutional Entities Circular entitled Internal Controls over Financial Reporting - Statements, Reports and Disclosures.

Max It Finance Ltd.

Certification

I, Sagit Dotan, declare that:

1. I have reviewed the quarterly report of Max It Finance Ltd. (hereinafter - the "**Company**") for the quarter ended September 30, 2025 (hereinafter - the "**Report**").
2. To my knowledge, the Report does not contain any misrepresentation of a material fact, or omit a representation of a material fact, which is necessary in order for the representations included in it - 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 report fairly represent, in all material aspects, the Company's financial position, financial performance, changes in equity and cash flows as of the dates and for the periods presented in the Report.
4. I and others at the Company signing this certification are responsible for the establishment and implementation of controls and procedures regarding the Company's disclosure(1) and internal control over financial(1) reporting of the Company, and:
   - A. We have established such controls and procedures, or caused such controls and procedures to be established under our oversight, with the aim of ensuring that material information about the Company and its consolidated corporations is brought to our attention by others in the Company and these corporations, especially during the preparation of the Report;
   - B. We have established such internal control over financial reporting or have caused such internal control to be established under our oversight, with the aim of providing reasonable assurance as to the reliability of the financial reporting and that the financial statements for external purposes have been prepared in accordance with the generally accepted accounting principles and the directives and guidance of the Banking Supervision Department;
   - C. We have evaluated the effectiveness of the Company's disclosure controls and procedures and presented in the Report our conclusions regarding the effectiveness of the disclosure controls and procedures as of the end of the reporting period according to our evaluation, and
   - D. The Report discloses any change in the Company's internal control over financial reporting which occurred during the quarter and has materially affected, or is reasonably expected to affect, the Company's internal control over financial reporting; and
5. I and others at the Company signing this certification have disclosed to the joint independent auditors, the Board of Directors, and the Board of Directors' audit committee, based on our most recent evaluation of the internal control over financial reporting, the following:
   - A. All significant deficiencies and material weaknesses in the establishment or implementation of the internal controls over financial reporting that may harm the Company's ability to record, process, summarize and report financial information; and -
   - B. Any fraud, whether or not material, involving management or other employees who have a significant role in the Company's internal control over financial reporting.

Nothing in the foregoing shall derogate from my responsibility or the responsibility of any other person, under any law.

Sagit Dotan
CEO

November 25, 2025

(1) As defined in the Reporting to the Public Directives regarding the Report of the Board of Directors and Management.

Max It Finance Ltd.

Certification

I, Sharon Gur, hereby declare that:

1. I have reviewed the quarterly report of Max It Finance Ltd. (hereinafter - the "**Company**") for the quarter ended September 30, 2025 (hereinafter - the "**Report**").
2. To my knowledge, the Report does not contain any misrepresentation of a material fact, or omit a representation of a material fact, which is necessary in order for the representations included in it - 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 report fairly represent, in all material aspects, the Company's financial position, financial performance, changes in equity and cash flows as of the dates and for the periods presented in the Report.
4. I and others at the Company signing this certification are responsible for the establishment and implementation of controls and procedures regarding the Company's disclosure(1) and internal control over financial(1) reporting of the Company, and:
   - A. We have established such controls and procedures, or caused such controls and procedures to be established under our oversight, with the aim of ensuring that material information about the Company and its consolidated corporations is brought to our attention by others in the Company and these corporations, especially during the preparation of the Report;
   - B. We have established such internal control over financial reporting or have caused such internal control to be established under our oversight, with the aim of providing reasonable assurance as to the reliability of the financial reporting and that the financial statements for external purposes have been prepared in accordance with the generally accepted accounting principles and the directives and guidance of the Banking Supervision Department;
   - C. We have evaluated the effectiveness of the Company's disclosure controls and procedures and presented in the Report our conclusions regarding the effectiveness of the disclosure controls and procedures as of the end of the reporting period according to our evaluation, and
   - D. The Report discloses any change in the Company's internal control over financial reporting which occurred during the quarter and has materially affected, or is reasonably expected to affect, the Company's internal control over financial reporting; and
5. I and others at the Company signing this certification have disclosed to the joint independent auditors, the Board of Directors, and the Board of Directors' audit committee, based on our most recent evaluation of the internal control over financial reporting, the following:
   - A. All significant deficiencies and material weaknesses in the establishment or implementation of the internal controls over financial reporting that may harm the Company's ability to record, process, summarize and report financial information; and -
   - B. Any fraud, whether or not material, involving management or other employees who have a significant role in the Company's internal control over financial reporting.

Nothing in the foregoing shall derogate from my responsibility or the responsibility of any other person, under any law.

Sharon Gur
CFO, Chief Accounting Officer

November 25, 2025

(1) As defined in the Reporting to the Public Directives regarding the Report of the Board of Directors and Management.

Economic Solvency Ratio Report of Clal Insurance Company Ltd.

as of June 30, 2025

Economic Solvency Ratio Report of Clal Insurance Company Ltd.

As of June 30, 2025

Table of Contents

Special Independent Auditor's Report		5-6
1.	**Overview and Disclosure Requirements**	**5-8**
1.1.	Economic Solvency Regime	5-8
1.2.	Disclosure and Reporting Provisions in connection with Economic Solvency Ratio Report	5-9
1.3.	Definitions	5-9
1.4.	Calculation Methodology	5-11
1.5.	Comments and clarifications	5-13
2.	**Economic solvency ratio and minimum capital requirement**	**5-14**
2.1.	Solvency ratio	5-14
2.2.	Minimum capital requirement	5-15
3.	**Economic balance sheet**	**5-16**
3.1.	Information about economic balance sheet	5-17
3.2.	Composition of liabilities in respect to insurance contracts and investment contracts	5-22
4.	**Own funds for SCR purposes**	**5-23**
4.1.	Composition of eligible capital	5-24
5.	**Solvency capital requirement (SCR)**	**5-25**
5.1	Underlying principles of the calculation of solvency capital requirement (SCR)	5-25
6.	**Minimum capital requirement (MCR)**	**5-26**
6.1.	Minimum capital requirement (MCR)	5-26
6.2.	Eligible own funds for MCR purposes	5-26
7.	**Effect of the application of the directives for the Transitional Period**	**5-27**
8.	**Restrictions on dividend distribution**	**5-27**
8.1.	Dividend	5-27
8.2.	Capital management and dividend distribution policies	5-28
8.3.	Solvency ratio without applying the Provisions for the Transitional Period	5-29

Somekh Chaikin
Millennium Tower KPMG
17 Haarba'a Street, POB 609
Tel Aviv 6100601
+972-3-684-8000

Shape the future
with confidence

Kost Forer Gabbay & Kasierer
144A Menachem Begin St.,
Tel Aviv, 6492102
Tel. +972 3 623 2525
Fax +972 3 562 2555
ey.com

To:

Board of Directors of Clal Insurance Company Ltd.

Dear Madam/Sir,

Re: Independent auditor's report on the Solvency II-based Economic Solvency Ratio Report of Clal Insurance Company Ltd. (hereinafter - the "Company") as of June 30, 2025

Introduction

We have performed the procedures set out below regarding the Solvency II-based Economic Solvency Ratio Report of the Company as of June 30, 2025 (hereinafter - the "**Report**" or the "**Solvency Ratio Report**"). Our report refers only to solvency ratio calculations and the presentation method of the Solvency Ratio Report and does not refer to any other activity of the Company.

Responsibility

The Board of Directors and management are responsible for the preparation and presentation of the Report in accordance with the Directives of the Commissioner of the Capital Market, Insurance and Savings (hereinafter - the "**Commissioner**") regarding the Solvency II-Based Provisions of the Economic Solvency Regime for Insurance Companies as set out in Chapter 2, Part 2, Section 5 of the consolidated circular and the related guidelines (hereinafter collectively - the "**Commissioner's 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. This responsibility includes the selection and application of appropriate methods for the preparation of the information and the use of assumptions and estimates for individual disclosures, which are reasonable under the circumstances. Moreover, this responsibility includes the planning, implementation, and maintenance of systems and processes relevant to preparation of the information in a manner that does not include material misstatement.

Our responsibility is to express a conclusion on the preparation and presentation of the calculation of the Solvency Ratio Report in accordance with the Commissioner's Directives based on the procedures set out below.

Review Scope

We conducted our engagement in accordance with the principles of International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information published by the IAASB, and in accordance with the Commissioner's Directives as included in Chapter 7, Section 5, Part 1 to the Consolidated Circular - Independent Auditor - which lists directives regarding review of a quarterly Economic Solvency Ratio Report. The work procedures included the procedures set out below, to assess whether the Company's calculations for this subject, as of June 30, 2025, in all material respects, do not comply with the Commissioner's Directives. However, we do not provide a separate conclusion for each disclosure.

The work procedures included the following procedures:

- Review of the Solvency Ratio Report and the explanations in the Report;
- Clarifications, mainly with those responsible for producing the Solvency Ratio Report and calculations for the solvency ratio; including clarifications for the material changes in the models, methodologies, calculation processes, and systems;
- Review of material changes in studies affecting the Report;
- Performing analytical review procedures, including assessing the likelihood of the material changes in the main sections of the Report.

We did not examine the appropriateness of the Deduction during the Transitional Period as of June 30, 2025, as presented in Section 3.1.2 to the Report, except for verifying that the Deduction Amount does not exceed the expected discounted amount of the risk margin and the 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 required capital, 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.

Our work is substantially smaller in scope than an audit performed pursuant to generally accepted auditing standards 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.

We did not examine the Deduction during the Transitional Period as of June 30, 2025, as presented in Section 3.1.2 - Except for the above work procedures verifying that the Deduction Amount does not exceed the expected discounted amount of the risk margin and the 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 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.

Conclusion

Except for the above regarding the adequacy of the amount of Deduction during the Transitional Period and based on the procedures performed, nothing has come to our attention that causes us to believe that the calculation of the solvency ratio and the presentation of the Company's Solvency Ratio Report for June 30, 2025, are not prepared in accordance with the Commissioner's Directives, in all material respects.

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, which 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 that stated in Section 1.6, comments and clarifications regarding the solvency ratio, the uncertainty arising from regulatory changes, and exposure to contingent liabilities, the effect of which on the solvency ratio cannot be estimated, as well as regarding the uncertainty embodied in the actuarial and financial assumptions and forecasts used in the preparation of the Report.

Respectfully,

Tel Aviv	Somekh Chaikin	Kost Forer Gabbay & Kasierer
November 25, 2025	Certified Public Accountants	Certified Public Accountants

Joint Independent Auditors

1. Overview and disclosure requirements

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 concerning Implementation of a Solvency II-Based Economic Solvency Regime for Insurance Companies" (hereinafter - the "**Provisions of the Economic Solvency Regime**"). The information was prepared and presented in accordance with the provisions of Chapter 1, Part 4, Section 5 in the Consolidated Circular, as updated in Circular 3-1-2025 (hereinafter - the "**Disclosure Provisions**").

1.1 Economic Solvency Regime

The Provisions of the Economic Solvency Regime are based on the provisions of Pillar I of the European Solvency II Directive, which were adapted to the domestic market and set a standard model for calculating eligible own funds and the regulatory solvency capital requirement (SCR), with the aim of bringing insurance companies to hold buffers to absorb losses which may arise from the materialization of unexpected risks to which they are exposed under a given probability. This regulatory framework is based on economic measurement of the Company's assets and liabilities and does not necessarily correspond to the presentation in accordance with generally accepted accounting principles according to which the Company prepares its financial statements. **The solvency ratio is the ratio between the eligible own funds and the regulatory solvency capital requirement** (hereinafter **-** "**Solvency Ratio**").

The eligible own funds for economic solvency regime purposes will be composed of Tier 1 capital and Tier 2 capital. Tier 1 capital includes shareholders' equity calculated by evaluating 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 shareholders' equity for SCR purposes (see below), such that the rate of components included in Tier 2 Capital shall not exceed 40% of the SCR (will not exceed 50% during the Transitional Period, as described below).

The existing eligible 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 guidance of the Solvency Circular.
- Minimum capital requirement (hereinafter "**MCR**" or "**Minimum Capital Requirement**"). In accordance with the Provisions of the Economic Solvency Regime, the minimum capital requirement shall be equal to the highest of the amount of the minimum Tier 1 capital requirement from an insurance company under the Capital Regulations and an amount derived from insurance reserves and premiums (as defined in the Provisions of the Economic Solvency Regime), 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 capital requirements 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 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 the rate of release of the risk margin, mortality rates, morbidity rates, recovery rates, lapses, expenses, uptake of pension benefits, and underwriting income rate), assumptions regarding future management actions, assumptions regarding the development pattern of the capital requirements and risk margin, risk-free interest rates, capital market returns, future revenue, and damage in catastrophe scenarios.

1.2 Disclosure and Reporting Provisions in connection with Economic Solvency Ratio Report

The Disclosure Circular stipulates, among other things, that the Economic Solvency Ratio Report as of December 31 and June 30 will be included in the first periodic report published after the calculation date, and posted on the Company's website on those dates. The Economic Solvency Ratio Report as of December 31 of each year shall be audited by the Company's independent auditor. Furthermore, as part of the revision to the Consolidated Circular - The Independent Auditor Chapter - which was published on August 28, 2023, it was stipulated that a quarterly Economic Solvency Ratio Report[1] will be reviewed by the independent auditor. In addition, the circular includes provisions regarding the structure of the Economic Solvency Ratio Report, its approval by the relevant organs in the Company, the requirement that it will be audited by the Company's independent auditor, and the disclosure requirements in respect thereof.

In July 2025, the Commissioner published a circular regarding Revision to the Provisions of the Consolidated Circular regarding Reporting to the Public and Reporting to the Commissioner of the Capital Market - Reporting Date of an Economic Solvency Ratio Report and a Solvency Report File, which revises the disclosure format of certain tables in an Economic Solvency Ratio Report, such that they correspond to the revised financial statements reflecting the application of the new standards - IFRS 17 and IFRS 9 - by Israeli insurance companies as explained in Note 11 to the Company's Consolidated Interim Financial Statements as of September 30, 2025 (hereinafter - the "**New Standards**"). The format revision came into effect as from the Economic Solvency Ratio Report as of June 30, 2025. It is emphasized that the application of the New Standards only affected the disclosure format but had no effect on the results of the calculation of the Company's economic solvency ratio.

Furthermore, the abovementioned circular stipulates that due to the application of the New Standards, as from the Economic Solvency Ratio Report as of December 31, 2026, the publication date of the Economic Solvency Ratio Report will be synchronized with that of the financial statements.

1.3 Definitions

The Company -	Clal Insurance Company Ltd.
The Commissioner -	The Commissioner of the Capital Market, Insurance and Savings.
Provisions of the Economic Solvency Regime -	Insurance Circular 2020-1-15 "Amendment to the Consolidated Circular concerning Implementation of a Solvency II-Based Economic Solvency Regime for Insurance Companies" and related guidance by the Commissioner regarding the implementation of economic solvency regime.
Eligible own funds/ economic capital -	Total Tier 1 capital and Tier 2 capital of an insurance company, after deductions and amortization in accordance with the Provisions of the Economic Solvency Regime.

1. As defined in the Appendix to the Economic Solvency Regime, Part C, Chapter 1, Appendix B.

Basic Tier 1 capital -	Excess of assets over liabilities, estimated according to the provisions regarding economic balance sheet, comprising the following components: Issued and paid up ordinary share capital, premium paid upon the issuance of shares, retained earnings, capital reserves net of debit capital reserves, and the change in excess assets over liabilities arising from differences in the methods employed to measure the assets and liabilities according to the Directives (reconciliation reserve), net of: Unrecognized assets, buyback of ordinary shares, and dividend declared subsequent to the report date.
Additional Tier 1 capital -	The total of all of the above, when their value is measured according to the Provisions of the Economic Solvency Regime - perpetual capital note, non-cumulative preferred shares, Additional Tier 1 capital instrument.
Tier 2 capital -	Tier 2 capital instruments are subordinated to all other liabilities other than Tier 1 capital as defined in the Provisions of the Economic Solvency Regime.
Solvency capital requirement (SCR) -	The capital requirement from an insurance company to maintain its solvency, calculated in accordance with the Provisions of the Economic Solvency Regime.
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, loss absorption adjustment due to deferred tax and capital requirement due to management companies.
Symmetric Adjustment (SA) -	Anti-cyclical component designed to adjust the capital requirement in respect of the shares risk to the changes in share prices, as detailed in Part C in the Provisions of the Economic Solvency Regime.
Solvency ratio -	The ratio between the eligible own funds and the solvency capital requirement.
Best estimate -	Expected future cash flows from insurance contracts and insurance contracts throughout their term, without conservatism margins and discounted by an adjusted risk-free interest.
Economic balance sheet -	The balance sheet of an insurance company in accordance with the Directives as per Section 3.1. below
Risk margin -	An amount added to the best estimate amount that reflects the total cost of capital that is expected to be required from another insurance company or reinsurer in order to assume the Company's insurance liabilities, calculated according to the Provisions of the Economic Solvency Regime.
Deduction during the Transitional Period -	The amount deducted from insurance reserves during the Transitional Period, calculated in accordance with the provisions of Section 4(c) to the Provisions of the Economic Solvency Regime. The Deduction will decrease gradually until 2032.
Non-eligible asset -	An asset held against liabilities that are not yield-dependent contrary to the Investment Rules Regulations, or contrary to the Commissioner's Directives, net of the tax reserve created in respect thereof.
Minimum capital requirement (MCR) -	Minimum Capital Requirement - the minimum capital requirement from an insurance company, calculated in accordance with the Provisions of the Economic Solvency Regime
Expected profits in future premiums (EPIFP) -	Expected Profits in Future Premiums - the expected profit in future premiums (retention) included in the insurance liabilities, in respect of premiums that have not yet been received through the report date.

UFR -	Ultimate Forward Rate - the latest forward interest 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 is 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.
SLT long term health insurance -	Health insurance that is conducted similarly to life insurance.
Short-term health insurance (non-similar to life techniques - NSLT) -	Health insurance that is conducted similarly to P&C insurance.
Effect of diversification of risk-weighted components -	The effect of diversification is the difference between a simple sum of the risk-weighted components and a sum that takes into account the partial correlation between them. The greater the diversification among operating segments in the portfolio and risk-weighted components, the greater the effect of diversification on the reduction of the overall risk.
The Authority -	The Capital Market, Insurance and Savings Authority.
Investment Rules Regulations -	Supervision of Financial Services Regulations (Provident Funds) (Investment Rules Applicable to Institutional Entities), 2012.
Audited -	The term refers to an audit held in accordance International Standard on Assurance Engagement (ISAE) 3400 – "The Examination of Prospective Financial Information".
Unaudited -	The term refers to a review conducted in accordance with the principles of the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information.
Transitional Period -	As part of the Provisions for the Transitional Period for the implementation of the Economic Solvency Regime, the insurance company receives a period during which it is entitled to expedients with regard to the capital requirements or the calculation of the capital in accordance with the definition as per Section 1.3

1.4 Calculation methodology

1.4.1 General

The Provisions of the Economic Solvency Regime set guidance regarding an economic calculation of the eligible own funds and the solvency capital requirement. Set forth below are the key points of the provisions and the changes therein:

1.4.2 Economic balance sheet

In accordance with the Provisions of the Economic Solvency Regime, in general, the economic balance sheet line items are measured according to economic value, and specifically, the insurance liabilities are calculated based on the best estimate of all expected future cash flows from existing businesses, without conservatism margins. This is plus a risk margin, which reflects the total 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 the economic balance sheet. According to the provisions, 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 stated below: The economic balance sheet is prepared based on the Company's separate financial statements plus investees, whose sole occupation is holding real estate interests, plus subsidiary insurance companies, whose data are consolidated with those of the insurance company, and - according to the guidance - does not include the economic value of the provident funds activity and pension funds activity under the insurance company. Furthermore, zero value is attributed to intangible assets including goodwill and costs of obtaining investment management service contracts (other than investment in “Insurtech”as defined in the Solvency Circular in accordance with the approval issued to the Company by the Commissioner for that purpose).

As aforesaid, 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 due to the Deduction Amount will be deducted gradually, until 2032 (hereinafter - the “**Deduction during the Transitional Period**” or the “**Deduction during the Transitional Period**”). The Deduction during the Transitional Period through December 31, 2024 was calculated in accordance with the principles set forth in the letter sent to insurance company managers - Principles for Calculating Deduction During the Transitional Period in a Solvency II-Based Economic Solvency Regime (hereinafter - the "**Letter of Principles**"). According to the Letter of Principles, the Deduction during the Transitional Period shall be calculated as the difference between insurance reserves (retention) as per the economic balance sheet including the risk margin attributed thereto (without adjusting the fair value of designated bonds) and the insurance reserves (retention) as per the Financial Statements (according to IFRS 4). This difference was calculated by dividing insurance policies issued through December 31, 2016 into homogeneous risk groups. This difference is deducted on a linear basis until December 31, 2032.

In accordance with the Deduction Revision Circular, the Deduction Rates which were set constitute the maximum rates, and the requirements as to the recalculation of the Deduction and the capping of the Deduction Amount by the Commissioner were cancelled. However, it was determined that the Company and the Board of Directors are required to periodically assess the appropriateness of the Deduction Amount and ensure that its value is calculated in a prudent and conservative manner, while complying with the covenants set forth in the Commissioner's Letter of Principles.

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 June 30, 2025). In accordance with the guidance, the ratio between the calculated 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 - the “**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 for each reporting period will be equal to the Deduction Amount of all homogeneous risk groups, amortized, on a straight line basis, between December 31, 2019 and the end of 2032.

Regarding the Deduction Value during the Transitional Period as of June 30, 2025 - see Section 3.1.2 below.

1.4.3 Solvency capital requirement (SCR)

The calculation of the solvency capital requirement is based on an assessment of the economic shareholders' equity’s exposure to the 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 shareholders' 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 in respect of the risk-weighted components and risk-weighted sub-components, as stated above, in accordance with the partial correlations assigned to them. The calculation of the solvency capital requirements also includes calculation of the capital requirement components for operational risk and operational risk-weighted capital requirements in respect of management companies, net of the loss absorption adjustment due to deferred tax, as detailed by the Provisions of the Economic Solvency Regime.

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 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.
- Future income will arise only from property and casualty insurance or from Not Similar to Life Techniques (NSLT) health insurance.

It should be emphasized that the results of the models used in the calculation of the eligible own funds and the solvency capital requirement are highly sensitive to the forecasts and assumptions included therein, as well as to the manner by which the Provisions of the Economic Solvency Regime are implemented. The economic solvency ratio is highly sensitive to market variables and other variables and accordingly may be volatile.

The capital requirement in respect of each of the risks is calculated in accordance with the Company's exposure to that risk, taking into account the parameters set in the Provisions of the Economic Solvency Regime. In accordance with the Directives, the capital 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.

1.5 Comments and clarifications

1.5.1 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 report as of June 30, 2025 (hereinafter - the "**Semi-Annual Report**"). Any information or studies subsequent to the publication date of the Company's periodic report as of June 30, 2025 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 June 30, 2025. Accordingly, this Report has not been revised to reflect the events which occurred subsequent to this date, except for equity transactions, in accordance with the Commissioner's Directives. For additional information on effects on the Company subsequent to this date and through the report publication date, see Sections 2.1 and 2.2 to the Report of the Board of Directors and Note 13 to the Interim Financial Statements as of September 30, 2025.

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

The model, in its present form, is highly sensitive to changes in market variables and other variables and specifically changes in the interest rate curve; therefore, the solvency ratio reflected therefrom may be very volatile.

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

1.5.2.1. The insurance sector has been subject to frequent changes in relevant legislation and frequent regulatory guidance. Legislation and regulatory measures affect the Company's profitability and its cash flows and consequently - its economic solvency ratio.

1.5.2.2. 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.

1.5.2.3. For details regarding key regulatory changes, the future effect of which is highly uncertain, see, among other things, Sections: 2.5.2, 2.5.3, 2.5.4, 2.5.5, 2.5.6, 6.2, 7.1.1, 8.1.2.1, 8.1.2.2, 8.2, 10.13 in the Company's Report on the Corporation's Business as of December 31, 2024, and in Section 4 to the Company's Report of the Board of Directors as of September 30, 2025.

1.5.2.4 In accordance with the Provisions of the Economic Solvency Regime, 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. For information regarding the exposure to contingent liabilities and its measurement, see Note 38 to the Company's Consolidated Financial Statements for December 31, 2024, Note 9 to the financial statements as of September 30, 2025, and immediate reports published as from that date. The settlement or extinguishment of these contingent liabilities may involve amounts which are materially higher than their amounts as per the economic balance sheet. It is impossible to assess the effect of the uncertainty arising from the exposure to contingent liabilities described.

1.5.2.5 We note that with regard to the new accounting standard (IFRS 17), which will applied in Israel as from January 2025, there is still some uncertainty, primarily regarding the lack of clarity regarding taxation. For further details, see Note 11 to the Interim Financial Statements dated September 30, 2025.

2. Economic solvency ratio and minimum capital requirement (MCR)

2.1 Solvency ratio

In NIS thousand	As of June 30, 2025 Unaudited	As of December 31, 2024 Audited
Own funds for SCR purposes - see Section 4	**16,042,870**	14,705,646
Solvency capital requirement (SCR) - see Section 5	**10,040,057**	9,623,568
Surplus	**6,002,813**	5,082,078
Economic solvency ratio (in %)	**160%**	153%
Effect of material equity transactions taken in the period between the calculation date and the publication date of the Economic Solvency Ratio Report:		
Redemption of capital instruments - see Section 8.3	**(495,885)**	-
Raising of capital instruments - see Section 8.3	**594,210**	500,000
Own funds for SCR purposes	**16,141,195**	15,205,646
Surplus	**6,101,138**	5,582,078
Solvency ratio (in %)	**161%**	158%

For details regarding the solvency ratio without applying the Provisions for the Transitional Period and regarding the target solvency ratio and restrictions applicable to the Company in connection with dividend distribution, see Section 8 below.

Key changes in the capital surplus and in the economic solvency ratio compared to December 31, 2024:

- The run-off of the risks arising from a previously sold insurance activity in the field of life and health insurance led to an increase in the economic capital and a decrease in the capital requirements and the risk margin (RM), and overall - to an increase in the capital surplus and solvency ratio.
- Operating profitability in Property and Casualty Insurance resulted in an increase in capital and solvency ratio.

Implications of the War of Revival (formerly - the “Iron Swords War”) and Operation Rising Lion

In October 2023, the Iron Swords War broke out (hereinafter - the “**War**”) in Israel. 2025 started with ceasefire agreements on the northern front and the Gaza Strip front, which led to a relative calm. In March 2025, the temporary ceasefire between Israel and Hamas ended and the IDF resumed fighting in the Gaza Strip. This move led to increased tensions at the national and security levels, including, among other things, the resumption of missile attacks on Israel by the Houthis in Yemen. At the early hours of June 13, 2025, Operation Rising Lion (hereinafter - the "**Operation**”) - a direct military conflict between Iran and Israel - began. This was a 12-day War, whose objective was to remove the Iranian nuclear threat and reduce strategic threats to Israel’s security. The Operation ended on June 24, 2025, when the ceasefire agreed upon by Israel and Iran and brokered by the United States came into effect.

In the Gaza Strip front, since the collapse of the ceasefire in March 2025 fighting has continued throughout the period under Operation Gideon’s Chariots. At the end of September 2025, a proposal to end the War was presented by the President of the United States, and on September 9, 2025, a ceasefire agreement was signed under the “20-Point” agreement of the Trump-Netanyahu plan. Under the agreement, fighting in Gaza has largely stopped, all living hostages and the bodies of most deceased hostages were returned, a gradual reconstruction of the infrastructures in Gaza commenced and humanitarian aid has increased. The plan is designed to serve as a framework for ending the war between Hamas and Israel, including the demilitarization of Gaza, which will no longer be controlled by Hamas, and a change in the future governance structure in the Gaza Strip.

It is noted that there is uncertainty regarding the further development of the War, its scope and duration. In addition, there is uncertainty as to the impact of the War on fluctuations in the financial markets, including, among other things, with regard to the risk-free interest rate curve and the inflation rate, which continued in the period between the calculation date of the Company's solvency ratio as of June 30, 2025 and the publication date. Accordingly, there is uncertainty regarding the future effects of the War on The Company's solvency ratio.

For further information about the consequences of the Iron Swords War, see Section 10 to the Consolidated Interim Financial Statements as of September 30, 2025, and the Report of the Board of Directors for the period ended September 30, 2025.

2.2 Minimum capital requirement (MCR)

In NIS thousand	As of June 30, 2025 Unaudited	As of December 31, 2024 Audited
Minimum capital requirement (MCR) - see Section 6.1.	**2,510,014**	2,405,892
Own funds for MCR purposes - see Section 6.2	**11,716,806**	10,975,011

3. Economic balance sheet

NIS thousand	Extension clause	As of June 30, 2025 Balance sheet according to accounting standards	As of June 30, 2025 Economic balance sheet	As of December 31, 2024 Balance sheet according to accounting standards *	As of December 31, 2024 Economic balance sheet**
		Unaudited	Unaudited	Unaudited	Audited
Assets:					
Cash and cash equivalents for yield-dependent contracts		**4,602,421**	**4,602,421**	4,451,179	4,451,179
Other cash and cash equivalents		**1,583,223**	**1,583,223**	1,752,135	1,752,135
Financial investments for yield-dependent contracts		**92,948,575**	**92,948,575**	88,801,636	88,801,636
Other financial investments:					
Deposits with banks and financial institutions	6	**375,532**	**375,532**	401,527	401,527
Designated bonds	7	**20,120,222**	**20,493,970**	18,680,004	19,153,651
Government bonds (excluding designated bonds)		**3,160,158**	**3,160,158**	3,269,115	3,269,115
Illiquid corporate bonds	6	**267,572**	**267,572**	284,635	284,635
Liquid corporate bonds		**2,444,452**	**2,444,452**	2,817,282	2,817,282
Illiquid shares		**806,991**	**806,991**	795,368	795,368
Liquid shares		**1,061,437**	**1,061,437**	939,976	939,976
Loans (including investees)	6	**8,449,765**	**8,449,765**	7,803,197	7,803,197
Other		**5,699,727**	**5,699,727**	5,794,262	5,794,262
Total other financial investments		**42,385,856**	**42,759,604**	**40,785,366**	**41,259,013**
Receivables and debit balances	13	**867,897**	**867,897**	558,421	558,421
Current tax assets		**41,999**	**41,999**	25,395	25,395
Insurance contract assets - see Section 3.2	1, 9, 10	**3,001,977**	**5,694,621**	2,653,036	5,170,521
Reinsurance assets - see Section 3.2	1	**2,585,944**	**1,783,547**	2,663,962	1,955,707
Investments in investees that are not insurance companies:					
Management companies	5	**896,803**	**355,037**	872,436	340,469
Other investees	5	**71,919**	**72,161**	71,728	72,525
Total investments in investees that are not insurance companies		**968,722**	**427,198**	**944,164**	**412,994**
Investment property in respect of yield-dependent contracts		**3,935,885**	**3,935,885**	3,924,263	3,924,263
Investment property - other		**1,519,235**	**1,519,235**	1,516,807	1,516,807
Property, plant and equipment	8, 14	**464,148**	**669,990**	479,217	705,495
Intangible assets and goodwill	3	**830,678**	**52,028**	812,422	63,428
Costs of obtaining investment management service contracts	4	**117,148**	**-**	136,250	-
Total assets		**155,853,708**	**156,886,223**	**149,504,253**	**150,596,994**
Of which: Risk adjustment (RA) / risk margin (RM)		**379,270**	**2,890,410**	**351,533**	**2,843,415**
Total assets for yield-dependent contracts		**101,936,163**	**102,617,466**	**97,329,147**	**98,061,644**

3. Economic balance sheet (cont.)

NIS thousand	Extension clause	As of June 30, 2025		As of December 31, 2024	
		Balance sheet according to accounting standards	Economic balance sheet	Balance sheet according to accounting standards*	Economic balance sheet**
		Unaudited	Unaudited	Unaudited	Audited
Equity:					
Basic Tier 1 capital		**7,180,237**	**10,778,595**	6,620,996	10,388,393
Total equity		**7,180,237**	**10,778,595**	**6,620,996**	**10,388,393**
Liabilities:					
Loans and credit	12, 14	**7,328,379**	**7,095,797**	6,758,302	6,423,727
Liabilities for derivative instruments		**563,877**	**563,877**	527,741	527,741
Payables and credit balances	13	**2,245,933**	**2,245,933**	912,636	912,636
Liabilities for current taxes		**166,406**	**166,406**	382	382
Liabilities in respect of investment contracts - see Section 3.2	1, 9, 10	**12,679,914**	**12,590,081**	12,546,889	12,431,213
Liabilities for insurance contracts - see Section 3.2	1, 9, 10	**125,129,019**	**122,493,107**	121,718,018	119,067,870
Liabilities for reinsurance contracts - see Section 3.2	1	**62,643**	**258,444**	61,611	250,202
Deduction during the Transitional Period	2	**-**	**(2,012,054)**	-	(2,063,487)
Liabilities in respect of deferred taxes, net	11	**454,937**	**2,663,674**	318,316	2,618,955
Liability for employee benefits, net		**42,363**	**42,363**	39,362	39,362
Total liabilities		**148,673,471**	**146,107,628**	**142,883,257**	**140,208,601**
Total equity and liabilities		**155,853,708**	**156,886,223**	**149,504,253**	**150,596,994**
Of which: Risk adjustment (RA) / risk margin (RM)		**1,967,231**	**4,275,010**	**1,906,411**	**4,141,422**

* The accounting balance sheet as of December 31, 2024 has been restated to reflect the effect of the application of the New Standards. For additional information, see Note 11 to the Company's Consolidated Interim Financial Statements as of September 30, 2025.

** The format of the economic balance sheet as of December 31, 2024 was revised in accordance with the provisions of the abovementioned circular of July 2025.

Key changes compared with December 31, 2024:

For explanations regarding main changes in Tier 1 capital and significant effects on the economic solvency ratio's components, see Sections 2.1 above.

3.1 Information about 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 measurement of assets and liabilities for financial statements purposes in the Consolidated Circular (Chapter 1, Part 2 of Section 5) (hereinafter - the "**Measurement Chapter in the Consolidated Circular**"), except for items for which other provisions apply as per Part A of the Economic Solvency Regime, as follows:

3.1.1 Extension Clause 1 - Total liabilities and assets in respect of insurance contracts and investment contracts

The insurance liabilities were calculated based on a 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. The calculation of the insurance liabilities was carried out in accordance with the Provisions of the Economic Solvency Regime; generally, in relation to life and SLT health insurance liabilities, the calculation was carried out in accordance with EV calculation practice in Israel[1], and in relation to property and casualty insurance, it was carried out based on the part in the Measurement Chapter in the Consolidated Circular, which refers to best estimate.

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

The calculation of the liabilities in respect of life insurance contracts and long term health insurance (SLT) contracts was carried out by discounting the Company's estimate of expected future cash flows using a model applied to information available in the Company's operational systems as to insurance coverages. The assumptions used in the model include, among other things, assumptions in respect of lapses, operating expenses, mortality and morbidity, and they are set based on past experience and other relevant studies.

The calculation of the liabilities does not include cash flows in respect of future sales; however, it does include an assumption that the Company will continue receiving premiums from existing businesses (excluding in respect of 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 1.6 above.

3.1.1.1 Limitations and qualifications with regard to calculation of the best estimate

3.1.1.1.1 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. It should be noted that there is a possibility of extreme scenarios, the probability of the occurrence of which is very low and cannot be estimated by the Company, and the effects of which cannot be estimated by the Company. Such events were not taken into account in the determination of the models' underlying assumptions.

3.1.1.1.2 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 and assumptions pertaining to market conditions (such as the interest rate), which may materially affect the BE.

3.1.1.1.3 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, except for the estimated asymmetrical insurance liabilities (including imputing future variable management fees), for which the Company implements a stochastic model based on an economic scenario generator,2 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.

3.1.1.1.4 In many cases, the future cash flows refer to periods of tens of years into the future. The underlying assumptions of the cash flows rely are based on studies, mainly in accordance with recent years' experience, and management's best knowledge. It is highly uncertain whether the underlying cash flow assumptions will, indeed, materialize.

3.1.1.1.5 In that context, it should be emphasized that the stress scenarios calculated as part of the solvency model (the standard model) and the correlations on which the model for capital requirements is based, were defined by the Commissioner, and do not reflect the Company's actual experience.

1. EV (embedded value) is calculated in Israel in accordance with the rules and principles set by the Commissioner, who adopted the rules and principles of the report of the joint committee of insurance companies and the Commissioner, which worked with the guidance of consultants from Israel and abroad.
2. As defined in the provisions of Section B, Chapter 5 (Part 2, Section 2) of the Provisions of the Economic Solvency Regime.

3.1.1.2 Assumptions underlying the insurance liabilities calculation

3.1.1.2.1 Manner of determining the 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 in respect of these factors. The demographic assumptions included in the calculation were taken from Company's internal studies, if any, and conclusions reached as a result of exercising professional judgment, based on relevant experience and 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 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 various segments and activities (issuance, current management, investments, etc.) and assumptions regarding their future development (in accordance with the CPI, scope of premiums and assets under management, etc.).

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

3.1.1.2.2 Economic assumptions

- Discount rate - adjusted risk-free interest rate curve for solvency. This curve is based on the yield to maturity of bonds of the Government of Israel (hereinafter - "**risk-free interest rate**"), up to the last liquidity point in the 10th year (hereinafter - "**LLP**"), with convergence in the long-term to a real fixed rate of 2.6% (UFR) plus a margin (VA) - all as set by the Commissioner.
- The yield on the assets backing the yield-dependent life insurance products is identical to the discount rate.
- 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.
- 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.

3.1.1.2.3 Operational assumptions (for life and health insurance)

Insurance contract fulfillment 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 and more. 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.

3.1.1.2.4 Demographic assumptions

- Lapses (discontinuation of premium payments, settlement of policies, withdrawals).
- Mortality of pensioners and planholders.
- Morbidity (rate and length of claims) in long-term care, income protection and health products.
- Takeup rates, retirement age distribution and pension tracks.

- Real wage increase.
- Conservative assumptions.

3.1.1.2.5 **Assumptions underlying property and casualty insurance**

The cost of claims in respect of future damages and damages that had already occurred but claims for which have not yet been paid - based on the Company's past experience in the different subsegments in connection with the rate of claims, the amounts of claims, and the rate of claim payouts in long-tail subsegments.

3.1.1.2.6 **Classification of liabilities and insurance assets**

The insurance contracts were classified into liabilities or assets according to the estimate of the coverages and sub-coverages.

3.1.2 Extension Clause 2 - Deduction during the Transitional Period

As mentioned above, the Company calculated the Deduction Amount after applying IFRS 17, the Deduction Amount 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 said Deduction is amortized on a straight line between December 31, 2019 and December 31, 2032, such that the amortized balance as of June 30, 2025 totaled approx. NIS 2,012 million (as of December 31, 2024, approx. NIS 2,063 million).

In accordance with the guidance, the Company assessed the need to reduce the value of the reduced Deduction balance, which is deducted to reflect the expected increase in the solvency ratio, calculated without the Deduction.

Accordingly, the Company did not deem it necessary to amortize the value of the amortized deduction balance as of June 30, 2025.

The future Deduction during the Transitional Period is subject to the above changes in assumptions, the developments of the businesses and a periodic approval by the Commissioner.

3.1.3 Extension Clause 3 - Intangible assets and goodwill

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.

3.1.4 Extension Clause 4 – Costs to Obtain an Investment Management Service Contract

Valued at zero, consistently with the assessment of the insurance liabilities as described in Section (1) above.

3.1.5 Extension Clause 5 - Investment in investees that are not insurance companies

Investees that are not insurance companies are valued in accordance with the adjusted equity method. That is to say, the proportionate share of the insurance company in the excess of assets over liabilities of the investee, without taking into consideration intangible assets. In management companies of pension and provident funds, 35% of the balance of the goodwill that has arisen upon acquisition was added to the economic value. The economic value of the investees does not include the profits implicit in those companies.

3.1.6 Extension Clause 6 - Illiquid debt assets other than designated bonds

Presented at fair value in the economic balance sheet in accordance with Note 3 to the Company's Consolidated Interim Financial Statements as of June 30, 2025.

3.1.7 Extension Clause 7 - 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, based on the assumptions used in the calculation of the best estimate of the insurance liabilities in respect of which the Company is entitled to designated bonds.

3.1.8 Extension Clause 8 - Property, plant, and equipment

Assets for which there is an active market, revalued in accordance with the fair value. Assets for which there is no active market in the Company's opinion are valued at zero.

3.1.9 Extension Clause 9 - Risk margin

In addition to the insurance liabilities based on a best estimate, a component of the risk margin is calculated which reflects the total cost of capital that another insurance company would be expected to require in order to receive the insurance company's total insurance liabilities, calculated on the basis of a best estimate. The risk margin is calculated in accordance with the Commissioner's Directives, based on a capital cost rate of 6%, and is discounted at an adjusted risk-free interest rate, but excluding the VA component. The future capital requirement is calculated in accordance with the "risk factor method", by changing the capital requirement components calculated as of the reporting date in accordance with the projected development of the risk factors attributed thereto. These factors are designed to reflect the development of the standard model risks over time. The calculation does not take into account the capital requirement in respect of market risks.[2]

3.1.10 Extension Clause 10 - Contingent liabilities

As to the value of contingent liabilities in the economic balance sheet, see Section 1.6.2.4 above.

3.1.11 Extension Clause 11 - Liabilities in respect of deferred taxes, net

The calculation is based on the difference between the value attributed to assets and liabilities in the economic balance sheet, including in respect of 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 guidance, in addition to the criteria included in the abovementioned accounting standard.

3.1.12 Extension Clause 12 – Loans and Credit – Subordinated Notes

Revalued in accordance with risk-free interest plus the margin on issuance date, without recognizing changes in the Company’s credit risk.

3.1.13 Extension Clause 13 - Other receivables and payables with average duration of less than one year

According to the guidance, the Company did not calculate fair value of items with average duration of less than one year.

3.1.14 Extension Clause 14 – Right-of-Use Assets and Lease Liability

Assets and liabilities accounted for according to IFRS 16 are revalued at fair value.

2. In accordance with the guidance, it should be assumed that the acquiring company will select assets that will reduce the solvency capital requirement in respect of market risks.

3.2 Composition of liabilities, net in respect to insurance contracts and investment contracts

	As of June 30, 2025			
	Best estimate (BE) of liabilities			Risk margin
	Gross	Reinsurance	Retention	(RM)
In NIS thousand	Unaudited			
Liabilities for insurance contracts and non-yield-dependent investment contracts:				
Life insurance contracts	24,308,792	(11,406)	24,320,198	545,567
Long-term health insurance contracts (SLT)	(4,242,376)	(314,551)	(3,927,825)	4,611,551
P&C insurance contracts	6,590,015	2,627,856	3,962,159	26,403
Short-term health insurance contracts (NSLT)	97,991	25	97,966	2,040
Total liabilities for insurance contracts and non-yield-dependent investment contracts	**26,754,422**	**2,301,924**	**24,452,498**	**5,185,561**
Liabilities for yield-dependent insurance contracts - Life insurance and long-term health insurance contracts (SLT)	83,175,800	711,205	82,464,595	1,967,530
Investment contracts	12,590,081	-	12,590,081	12,329
Total liabilities for insurance contracts and yield-dependent investment contracts	**95,765,881**	**711,205**	**95,054,676**	**1,979,859**
Total liabilities for insurance contracts and investment contracts	**122,520,303**	**3,013,129**	**119,507,174**	**7,165,420**

	As of December 31, 2024			
	Best estimate (BE) of liabilities			Risk margin
	Gross	Reinsurance	Retention	(RM)
In NIS thousand	Audited			
Liabilities for insurance contracts and non-yield-dependent investment contracts:				
Life insurance contracts	24,119,615	(13,099)	24,132,714	517,399
Long-term health insurance contracts (SLT)	(4,040,095)	(297,057)	(3,743,038)	4,425,827
P&C insurance contracts	6,465,975	2,656,860	3,809,115	24,999
Short-term health insurance contracts (NSLT)	106,406	14	106,392	2,000
Total liabilities for insurance contracts and non-yield-dependent investment contracts	26,651,901	2,346,718	24,305,183	4,970,225
Liabilities for yield-dependent insurance contracts - Life insurance and long-term health insurance contracts (SLT)	80,334,348	625,949	79,708,399	2,002,047
Investment contracts	12,431,213	-	12,431,213	12,565
Total liabilities for insurance contracts and yield-dependent investment contracts	92,765,561	625,949	92,139,612	2,014,612
Total liabilities for insurance contracts and investment contracts	119,417,462	2,972,667	116,444,795	6,984,837

Key changes compared with December 31, 2024:

The decrease in the risk-free interest rate curve, the effective inflation rate in the first half, and positive returns in planholders' portfolios increased the Company's insurance liabilities. For more information about the changes, see Section 2.1 above.

4. Own funds for SCR purposes

In NIS thousand	As of June 30, 2025			
	Unaudited			
	Tier 1 capital			
	Basic Tier 1 capital	Additional Tier 1 capital	Tier 2 capital	Total
Shareholders' equity	**10,778,595**	**481,727**	**4,828,067**	**16,088,389**
Deductions from Tier 1 capital (a)	**(45,519)**	**-**	**-**	**(45,519)**
Deductions (b)	**-**	**-**	**-**	**-**
Own funds for SCR purposes (d)	**10,733,076**	**481,727**	**4,828,067**	**16,042,870**
Of which - expected profits in future premiums (EPIFP) after tax	6,152,863			6,152,863

In NIS thousand	As of December 31, 2024			
	Audited			
	Tier 1 capital			
	Basic Tier 1 capital	Additional Tier 1 capital	Tier 2 capital	Total
Shareholders' equity	10,388,393	462,901	4,211,813	15,063,107
Deductions from Tier 1 capital (a)	(357,461)	-	-	(357,461)
Deductions (b)	-	-	-	-
Deviation from quantitative limitations (c)	-	-	-	-
Own funds for SCR purposes (d)	10,030,932	462,901	4,211,813	14,705,646
Of which - expected profits in future premiums (EPIFP) after tax	6,222,834			6,222,834

Key changes compared with December 31, 2024:

- The run-off of the cost of capital for an existing business triggered an increase in the Company’s Tier 1 capital.
- Financial effects offset by a decrease in the risk-free interest rate curve resulted in an increase in the Company's Tier 1 capital.
- Operating profitability in Property and Casualty Insurance resulted in an increase in the Company’s capital.

(a) **Amounts deducted from Tier 1 capital** - in accordance with the definitions 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 in respect of 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.

(b) **Deductions** - in accordance with the provisions of Chapter 6 in Part B - “Directives regarding Insurance Companies’ Shareholders’ Equity” to the Economic Solvency Regime Appendix.

Composition of own funds for SCR purposes -

In NIS thousand	As of June 30, 2025 Unaudited	As of December 31, 2024 Audited
Tier 1 capital:		
Basic Tier 1 capital net of deductions	**10,733,076**	10,030,932
Additional Tier 1 capital:		
Additional Tier 1 capital instruments (See Section 8.3.3)	**481,727**	462,901
Less deduction due to deviation from quantitative limit	**-**	-
Additional Tier 1 capital	**481,727**	462,901
Total Tier 1 capital	**11,214,803**	10,493,833
Tier 2 capital:		
Additional Tier 1 capital not included in Tier 1	**-**	-
Tier 2 capital instruments	**4,828,067**	4,211,813
Less deduction due to deviation from quantitative limit	**-**	-
Total Tier 2 capital	**4,828,067**	4,211,813
Total own funds for SCR purposes	**16,042,870**	14,705,646

For an explanation about key changes compared with last year see Section 4 above.

4.1 Composition of eligible capital

The Provisions of the Economic Solvency Regime set guidance regarding the composition of the eligible own funds on an economic basis, whereunder the eligible own funds shall be the total of Tier 1 capital and Tier 2 capital, as defined above:

The rate of components included in Tier 1 capital, after amortization, shall not fall below 60% of the SCR at any time.

The rate of components included in Tier 1 capital, after amortization, shall not fall below 80% of the MCR at any time.

The rate of components included in Tier 2 capital, after amortization shall not exceed 40% of the SCR, but under the Transitional Provisions, during the period through December 31, 2032, the Tier 2 capital shall not exceed 50% of SCR.

The rate of components included in Tier 2 capital, after amortization, shall not exceed 20% of the MCR at any time.

5. Solvency capital requirement (SCR)

In NIS thousand	As of June 30, 2025 Unaudited	As of December 31, 2024 Audited
	Capital requirement	
Basic solvency capital requirement (BSCR):		
Capital requirement in respect of market risk-weighted component	**7,318,755**	7,112,731
Capital requirement in respect of counterparty risk-weighted component	**350,759**	320,626
Capital requirement in respect of underwriting risk-weighted component in life insurance	**4,291,170**	4,167,176
Capital requirement for underwriting risk-weighted component in health insurance (SLT+NSLT)	**5,378,539**	5,085,971
Capital requirement in respect of underwriting risk-weighted component in P&C insurance	**1,160,235**	1,136,628
Total	**18,499,458**	17,823,132
Effect of diversification of risk-weighted components	**(5,972,147)**	(5,750,306)
Capital requirement in respect of the intangible assets risk-weighted component	**26,014**	31,715
Total basic solvency capital requirement (BSCR)	**12,553,325**	12,104,541
Capital requirement in respect of operational risk	**392,364**	388,953
Loss absorption adjustment due to deferred tax asset	**(3,166,916)**	(3,122,196)
Capital requirement in respect management companies:		
Clal Pension and Provident Funds Ltd.	**252,601**	243,704
Atudot Pension Fund for Salaried Employees and Self Employed Ltd.	**8,683**	8,566
Total capital requirement in respect management companies	**261,284**	252,270
Total solvency capital requirement (SCR)	**10,040,057**	9,623,568

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

- Increase in capital requirements in respect of market risks arising mainly due to the positive returns and increase in the stock scenario SA.
- The increase in capital requirements due to the health underwriting risk-weighted component stems from higher turnovers.

5.1 Underlying principles of the calculation of solvency capital requirement (SCR)

- The Company operates as a going concern;
- Relates to risks arising from existing assets and businesses and from the property and casualty insurance and NSLT health insurance businesses that are expected to be signed within 12 months subsequent to the reporting date;
- With regard to existing businesses, it will only cover unexpected losses;
- Reflects the scope of equity that will allow the insurance company to absorb unexpected losses and meet its obligations to policyholders and beneficiaries on time, and constitutes the VaR of Basic Tier 1 capital of the Company with 99.5% certainty over a 12-month period;
- Covers the following risk-weighted components: Life insurance, health insurance, property and casualty insurance, market risk, counterparty risk, operational risk, and controlled management companies;
- Takes into consideration risk mitigation means and methods in accordance with the guidance;
- The calculation of the scenarios is based on the estimated deviation from an estimated value of Basic Tier 1 capital, on the basis of the estimated deviation in the value of assets and liabilities in the economic balance sheet upon the materialization of the scenario. Specifically, in the life and SLT health risk-weighted components, the estimated results of the scenarios are based on the results of the models used to calculate best estimates, and subject to the limits and conditions as detailed above.

6. Minimum capital requirement (MCR)

6.1. Minimum capital requirement (MCR)

In NIS thousand	As of June 30, 2025 Unaudited	As of December 31, 2024 Audited
Minimum capital requirement according to MCR formula	**2,139,271**	2,088,014
Lower band (25% of solvency capital requirement in the Transitional Period)	**2,510,014**	2,405,892
Upper band (45% of solvency capital requirement in the Transitional Period)	**4,518,025**	4,330,606
Minimum capital requirement (MCR)[3]	**2,510,014**	2,405,892

6.2 Eligible own funds for MCR purposes

	As of June 30, 2025		
	Unaudited		
In NIS thousand	Tier 1 capital	Tier 2 capital	Total
Own funds for SCR purposes according to Section 4	11,214,803	4,828,067	16,042,870
Deviation from quantitative limitations due to minimum capital requirement *)	-	(4,326,064)	(4,326,064)
Eligible own funds for MCR purposes	**11,214,803**	**502,003**	**11,716,806**

	As of December 31, 2024		
	Audited		
In NIS thousand	Tier 1 capital	Tier 2 capital	Total
Own funds for SCR purposes according to Section 4	10,493,833	4,211,813	14,705,646
Deviation from quantitative limitations due to minimum capital requirement *)		(3,730,635)	(3,730,635)
Eligible own funds for MCR purposes	**10,493,833**	**481,178**	**10,975,011**

*) 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.

3. If this amount is lower than the Tier 1 capital according to Regulation 2 to the Capital Regulations, the minimum capital requirement will be the Tier 1 capital.

7. Effect of the application of the Provisions for the Transitional Period

For a description of the Transitional Provisions applicable to the Company during the Transitional Period see Section 1.3 “Provisions during the Transitional Period” and Section 3.1.2 “Deduction During the Transitional Period” above.

	As of June 30, 2025			
	Unaudited			
NIS thousand	Including applying the Provisions for the Transitional Period for the Transitional Period	Effect of Deduction during the Transitional Period	Effect of a 50% rate Tier 2 capital during the Transitional Period	Excluding applying the Provisions for the Transitional Period
Total insurance liabilities, including risk margin (RM)	**127,376,512**	**(2,012,054)**	**-**	**129,388,566**
Basic Tier 1 capital	**10,733,076**	**1,312,866**	**-**	**9,420,210**
Own funds for SCR purposes	**16,042,870**	**1,033,190**	**812,044**	**14,197,636**
Solvency capital requirement (SCR)	**10,040,057**	**(699,188)**	**-**	**10,739,245**

	As of December 31, 2024			
	Audited			
NIS thousand	Including applying the Provisions for the Transitional Period for the Transitional Period	Effect of Deduction during the Transitional Period	Effect of a 50% rate Tier 2 capital during the Transitional Period	Excluding applying the Provisions for the Transitional Period
Total insurance liabilities, including risk margin (RM)	124,338,813	(2,063,487)	-	126,402,300
Basic Tier 1 capital	10,030,932	1,346,426	-	8,684,506
Own funds for SCR purposes	14,705,646	1,059,600	362,386	13,283,660
Solvency capital requirement (SCR)	9,623,568	(717,062)	-	10,340,630

8. Restrictions on Dividend Distribution

The Company's policy is to have a solid capital base to ensure its solvency and ability to meet its liabilities to policyholders, to preserve the Company's ability to continue its business activity such that it is able to provide returns to its shareholders and support future business activity. In its capacity as an institutional entity, the Company is subject to the capital requirements set by the Commissioner.

8.1 Dividend

According to the letter published by the Authority, 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 Economic Solvency Circular - of at least 100%, calculated without taking into account the Provisions for the Transitional Period and subject to the solvency ratio target set by the Company's Board of Directors. The aforesaid ratio shall be calculated without the relief granted in respect of the original difference attributed to the acquisition of the provident funds and management companies. In addition, the letter set out provisions for reporting to the Commissioner.

8.2 Capital management and dividend distribution policies

The Company's Capital Management Policy stipulates that the Company's solvency ratio shall be in the range of 150%-170%. In addition, the minimum economic solvency ratio target for prudential purposes is set at 135%. These targets relate to a solvency ratio taking into account the Deduction during the Transitional Period until the end of 2032 and thereafter.

In addition, the Board of Directors of the Company approved a policy for the distribution of a dividend at a rate of 30%-50% of the Company’s comprehensive income. The distribution is subject to the Company’s complying with a minimum capital target - in accordance with the economic solvency regime, without taking into account the transitional provisions - of 115%, post-distribution. The distribution is also subject to the Company's complying with its capital targets, taking into consideration the Transitional Provisions during and after the Transitional Period.

It is hereby clarified that this policy should not be viewed as an undertaking by the Company to distribute dividends.

It is noted that in February 2025, the Commissioner issued a letter regarding capital adequacy targets, which clarifies the appropriate practices for setting the capital targets. The Company is reviewing its targets in light of the Commissioner's letter.

Additionally, on May 28, 2025, Clal Insurance’s Board approved a dividend distribution totaling approx. NIS 300 million, which constitutes approx. 46% of Clal Insurance’s comprehensive income in 2024, having considered all aspects, including Clal Insurance’s compliance with the economic solvency ratios detailed above. This dividend distribution was taken into account in the calculation of the solvency ratio as of December 31, 2024.

8.3 Solvency ratio without applying the Provisions for the Transitional Period:

In NIS thousand	As of June 30, 2025 Unaudited	As of December 31, 2024 Audited
Own funds for SCR purposes	**14,197,636**	13,283,660
Solvency capital requirement (SCR)	**10,739,245**	10,340,630
Surplus	**3,458,391**	2,943,030
Economic solvency ratio (in %)	**132%**	128%
Effect of material equity transactions made in the period between the calculation date and the publication date of the Solvency Ratio Report:		
Raising of capital instruments	**594,210**[(2), (3)]	[(1)]-
Own funds for SCR purposes	**14,791,846**	13,283,660
Surplus	**4,052,601**	2,943,030
Economic solvency ratio (in %)	**138%**	128%
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		
The Board of Directors' economic solvency ratio target (percentages)	**115%**	115%
Capital shortfall in relation to the target (NIS thousand)	**2,441,714**	1,391,935

1. On April 24, 2025, Notes (Series 14) were issued for a total of approx. NIS 500 million. This issuance did not affect the capital surplus and economic solvency ratio as of December 31, 2024, since as of that date, there was an unutilized Tier 2 capital balance of approx. NIS 76 million in excess of the Tier 2 capital cap (40% of the capital requirements in a calculation without the Transitional Period).
2. On July 31, 2025, early redemption of Notes (Series I) was carried out, for a total of approx. NIS 496 million.This redemption does not reduce the eligible capital and the capital surplus since, as of June 30, 2025, there is an unutilized Tier 2 capital balance of approx. NIS 532 million in excess of the Tier 2 capital cap (40% of the capital requirements net of the Transitional Period).
3. In October 2025, Clal Capital Raising issued approx. NIS 594 million p.v. in Notes (Series O) to the public - which affected the own funds for SCR purposes - and approx. NIS 555 million p.v. in Notes (Series O) to Clal Holdings by way of private placement - which had no effect on the own funds for SCR purposes. The private placement proceeds were used to cancel a NIS 450 million CPI-linked capital note, which was issued by Clal Insurance to Clal Holdings on October 29, 2020, and which was recognized by Clal Insurance as an additional Tier 1 capital instrument. The Bonds (Series O) issued to the public and to Clal Holdings under a private placement constitute a single series for all intents and purposes and were recognized as Additional Tier 1 capital.

Material changes compared with December 31, 2024:

For an explanation of main changes, see Section 2.1 above.

November 25, 2025				
Approval date of the financial statements	**Haim Samet** Chairman of the Board	**Yoram Naveh** CEO	**Eran Czerninski** Executive VP Head of the Finance Division	**Avi Ben Noon** Executive VP Chief Risk Officer

Clal Insurance Enterprises Holdings Ltd. | Raoul Wallenberg St. 36 | Kiryat Atidim, Tower 8, Tel-Aviv, Israel

Tel. +972-3-6387777 | *5454 | Fax. +972-6387676

Clal.co.il