



Q1/2025

Investor Presentation |
May 2025



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- While the information included in this presentation is based on data from I.D.I. Insurance Company Ltd's (hereinafter: "The Company") periodic report as of March 31, 2025, as well as previous presentations and reports published by the Company, it is not a substitute for reviewing these reports. The presentation also includes data and information presented in a different format, arrangement, or segmentation than in the aforementioned reports, including those derived from the data in the Company's reports.
- This report is prepared for the first time in accordance with IFRS17 and the directives of the Capital Market, Insurance and Savings Authority regarding its implementation. To understand the report, readers need to be familiar with the changes in the accounting standard and their implications for the manner in which the Company's data are presented. It should also be clarified that the changes in the accounting standard are significant - both in the manner of measurement and the manner in which data are presented; this is the first time the new standard is applied after many years of reporting according to the previous standard.
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- Therefore, readers of this presentation are cautioned that the Company's actual future results and achievements may differ materially from those presented in the forward-looking information, if applicable.
- Furthermore, the forward-looking forecasts and assessments are based on data and information available to the Company as of the publication date of this presentation. The Company is not obligated to update or revise any forecast or assessment to reflect events or circumstances that may arise after the presentation date..

The Iron Swords War

We bow our heads in memory of the citizens of Israel, its soldiers and employees of the Company who were murdered or fell in the Iron Swords War and wish for peace and security in our region.

The Iron Swords War continued during the first quarter of 2025 and as of the publication date of the report. Many employees of Direct Insurance continue to take part in the war effort as reservists, while the other employees continue to serve our customers with dedication and provide backup and support to the reservists and their families as well as solutions tailored to people living near the southern and northern fronts.

Above all, we call for the swift return of all the hostages and hope for a speedy recovery of all those wounded in body and soul.



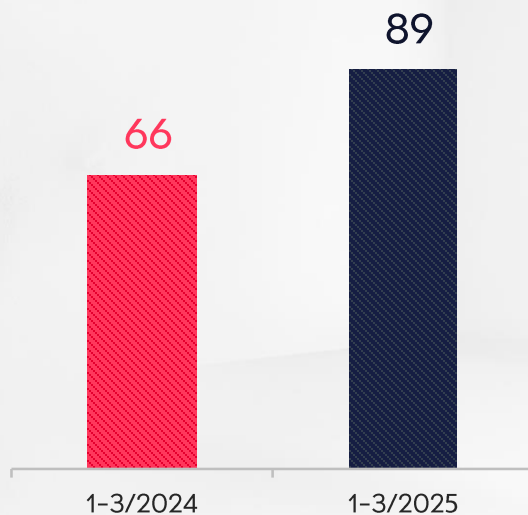
May we soon have days of peace, tranquility and routine



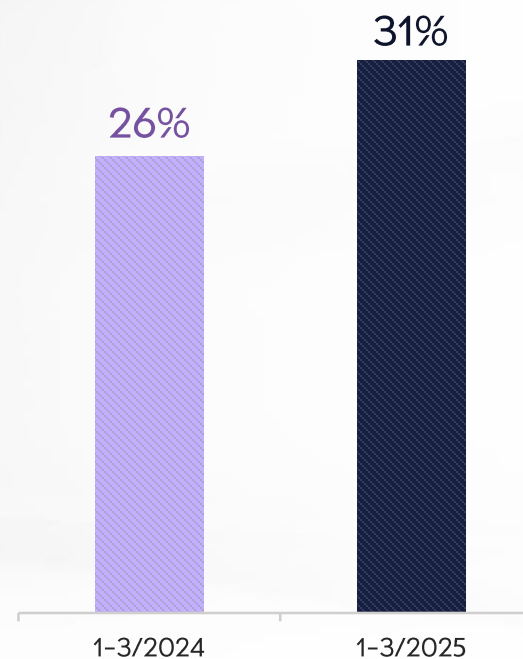
Income and Return on Equity Comprehensive

Q1

Comprehensive Income*



Return on equity**



* After tax. In NIS million
** Return on equity, annualized
All figures are adjusted to IFRS17

A Quarter of Achievements



Continued high-quality growth in the number of customers and scope of premiums in the various subsegments



Improved profitability across all subsegments, achieving adequate balance between profitability and growth



Boosted the scope of business collaborations



Technology
Completed the upgrading of most core infrastructure in P&C and Life while creating an advanced user experience



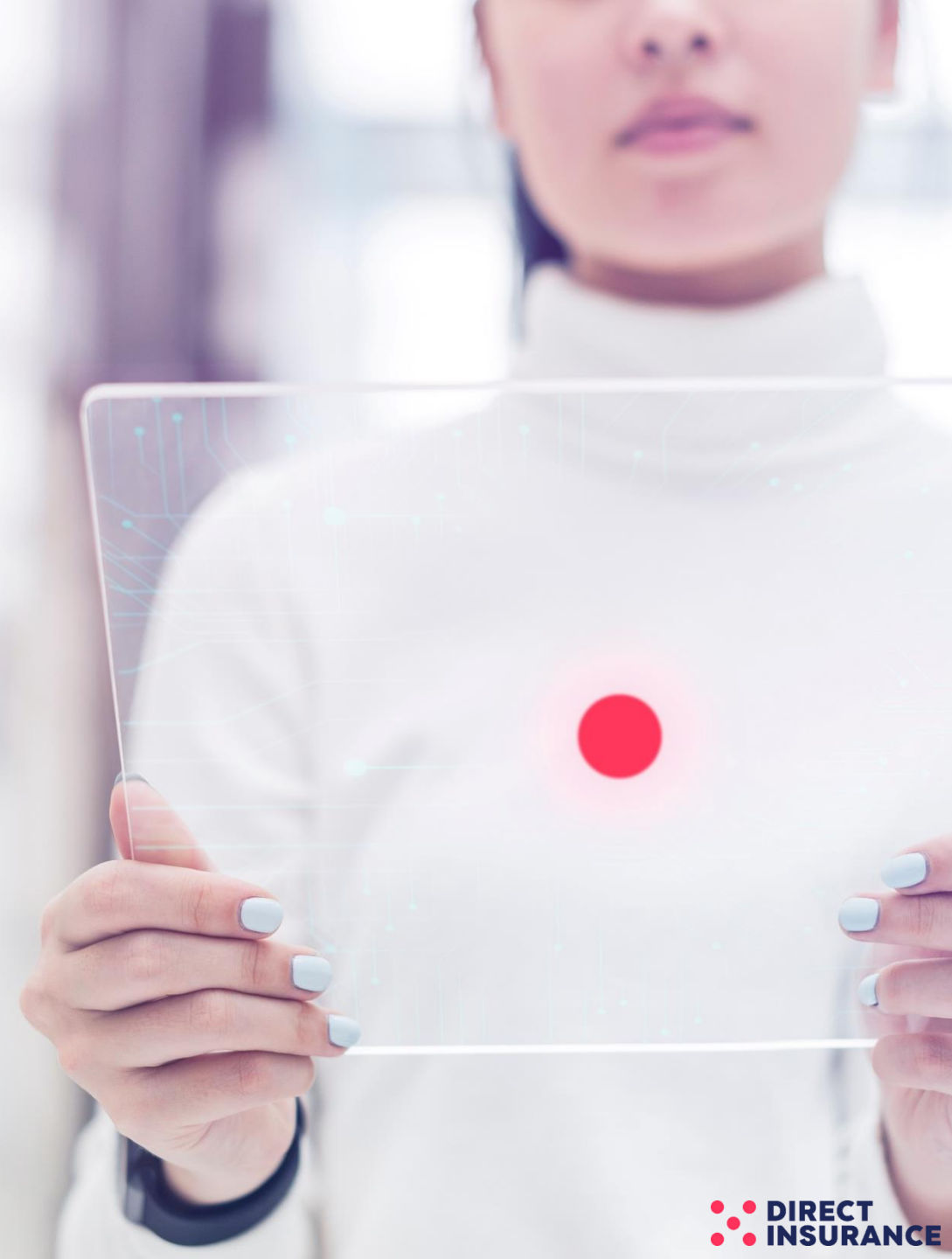
Adhering to strict underwriting, with differential pricing and smart claim management



Investments
Managing a diversified, solid portfolio with a healthy return



First-Time Application of IFRS17



IFRS 17

A new accounting standard for measuring and presenting the results of insurance companies

First Reporting: Q1 2025

Changes in the measurement and recognition of profits in long-term life and health insurance products



A limited impact on general Insurance



A one-time effect on equity at transition date, as of January 1, 2024.



No direct impact on the Solvency Ratio and equity management



IFRS 17

Primary Changes

Presentation & Disclosure

More extensive presentation and disclosure, with a clear separation of underwriting profits from investment/finance profits.

Comparison & Monitoring

Improved comparative and monitoring ability following the anticipated development of the underwriting profit.

Changes in Assumptions

Changes in actuarial assumptions are spread over the policy duration. With exposure to shifts in the interest rate curve.

Measurement

Profit is measured at initial recognition and spread over the coverage period. Losses are recognized in full upfront.

New Terms

(Best Estimate) (BE)

Expected cash flows (premiums minus claims and expenses) are discounted at a risk-free rate plus illiquidity premium

Contractual Service Margin (CSM)

The anticipated margin from insurance coverage is recognized as profit over the contract period

Risk Adjustment (RA)

The risk premium for uncertainty regarding the amount and timing of the cash flows. The RA is recognized as profit as the associated risk is released

IFRS 17

The transition date: January 1, 2024

- The transition to reporting under IFRS 17 requires adjustment of the balance sheet balances as if they have always been measured according to this standard.
- The change in assets/liabilities measurement (net of tax effect) is recorded in equity as of the transition date.

Equity

An increase of ILS **84**
millions

*CSM in Retention

Contractual Service Margin
Balance
ILS **877** millions

*RA in Retention

Risk Adjustment Balance
ILS **216** millions

- 90% of the CSM balance in retention is calculated using the retroactive application approach (MRA), which primarily relies on the cash flows of the Company's portfolio, rather than the fair value (FV) approach, which incorporates financial and general assumptions from the perspective of market participants.
- 70% of the CSM balance in retention pertains to products that continue to be sold, and future sales of these products will generate new CSM (in addition to releasing CSM to current profits).
- 40%-50% of the CSM retention transition are expected to be recognized as profit over the five years following the transition date. **

All balances are as of the transition date, January 1, 2024

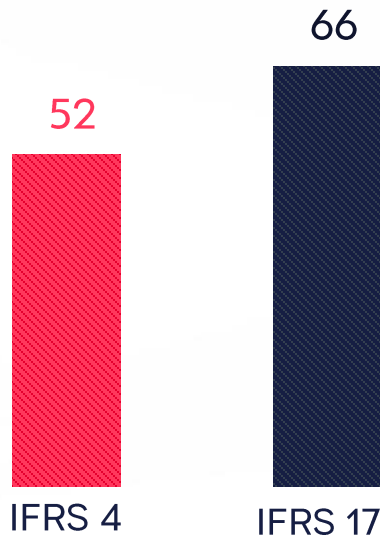
*The risk adjustment balance (conservative margin) relates to the existing portfolio in the Life and Health sectors. This balance does not include the risk adjustment balance in the general insurance sector, which amounts to ILS 83 million on a retention basis.

**The pace and amount of CSM recognition in profit are not definitive and are subject to changes in assumptions and estimates, if any.

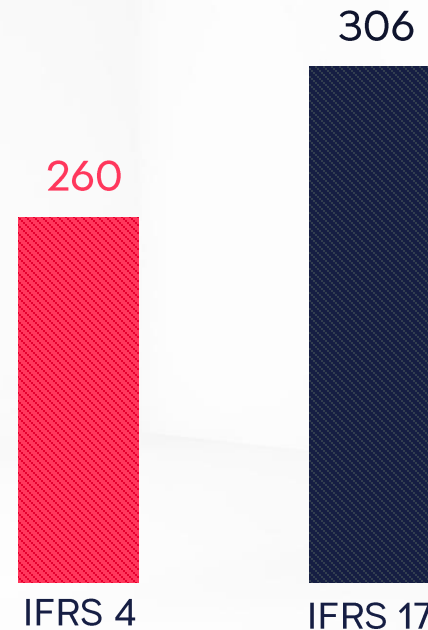
Effects of IFRS 17 Application

In 2024

Income* for Q1/2024



Income* for 2024



Most of the difference between the methods is caused by changes in measuring profitability in Life and Health segments

In NIS million | *Comprehensive income, after tax



Q1/2025 Results

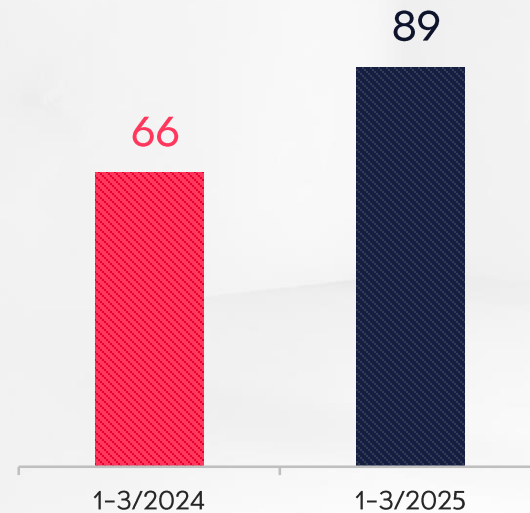
All data, including
comparative figures,
are presented
according to IFRS17



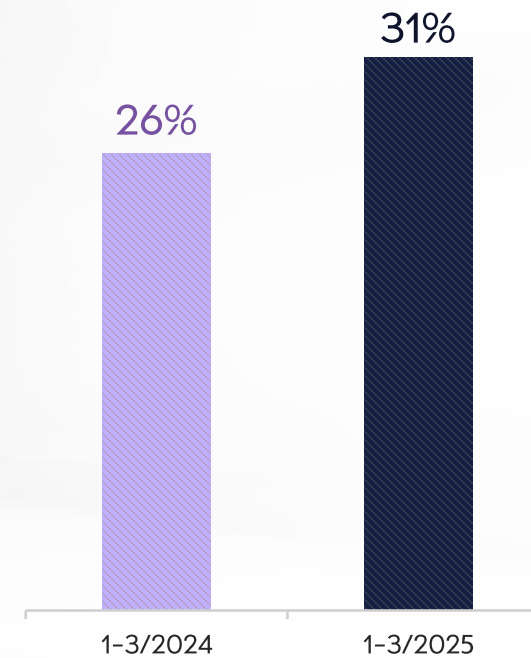
Comprehensive Income and Return on Equity

Q1

Comprehensive Income*



Return on equity**



* After tax. In NIS million

** Return on equity, annualized

Income from Insurance Services and Investment Income

Q1

	2025	2024
Income from insurance services - entire company	131.4	83.7
Operating expenses from operating segments	(17.9)	(17.0)
Total income from insurance services, net of operating expenses	113.5	66.7
Finance expenses resulting from insurance contracts	(25.3)	(15.6)
Investment revenue attributed to operating segments	31.3	30.8
Revenue from investments and financing, net	5.9	15.2
Investment revenue not attributed to operating segments	22.0	24.2
Expenses not attributed to operating segments	(4.1)	(4.4)
Other revenue (expenses)	(0.3)	0.1
Comprehensive income, before tax	137.0	101.8
Tax effect	48.0	36.2
Comprehensive income	89.0	65.6

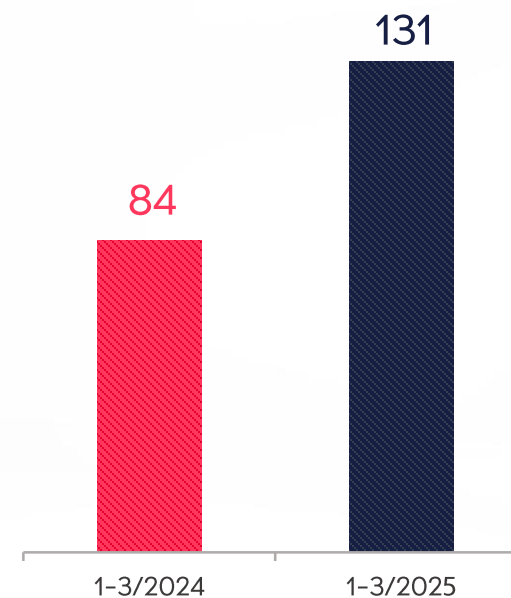
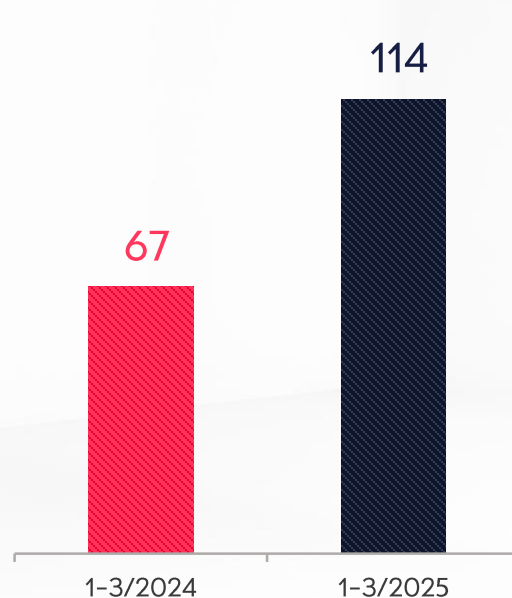


Income from Insurance Services

Q1

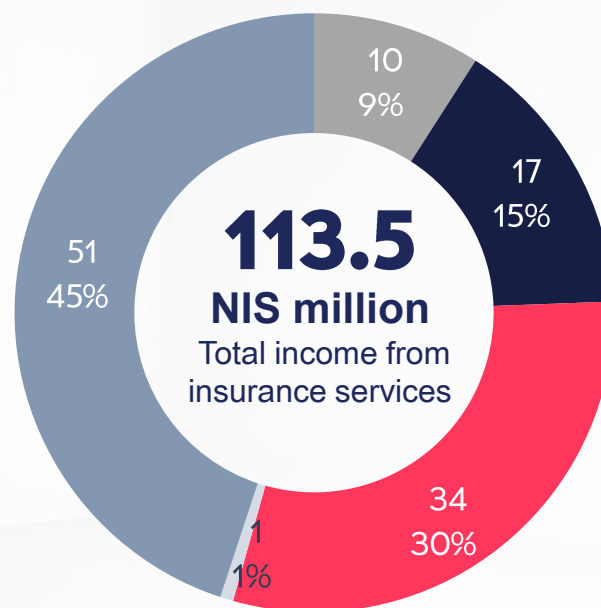
Income from insurance services,
net of operating expenses

Income from
Insurance Services



In NIS million, before tax
The data are attributed to operating segments

Income from Insurance Services, Net of Operating Expenses



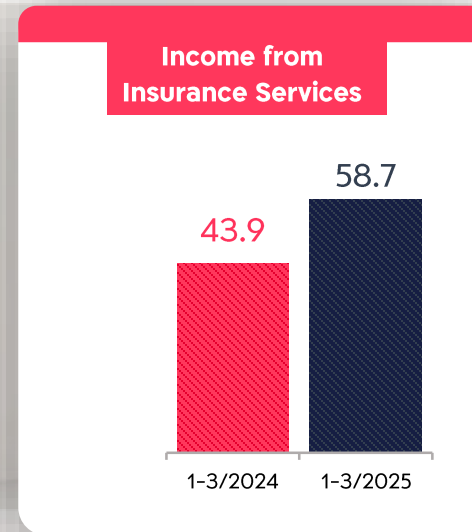
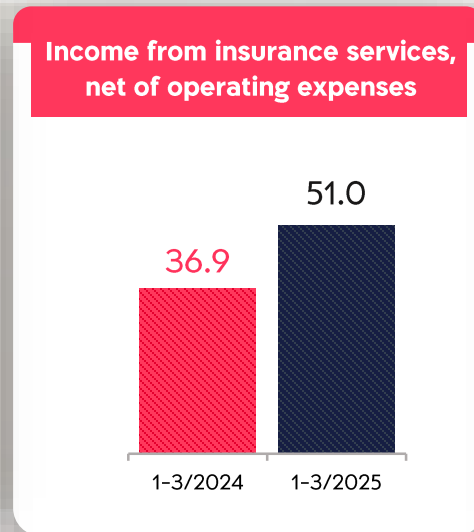
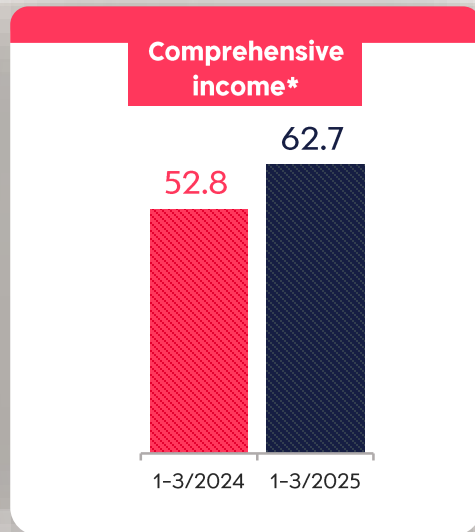
113.5
NIS million
Total income from
insurance services

■ Casco ■ MBI ■ Life ■ Health ■ Other Property and Liabilities

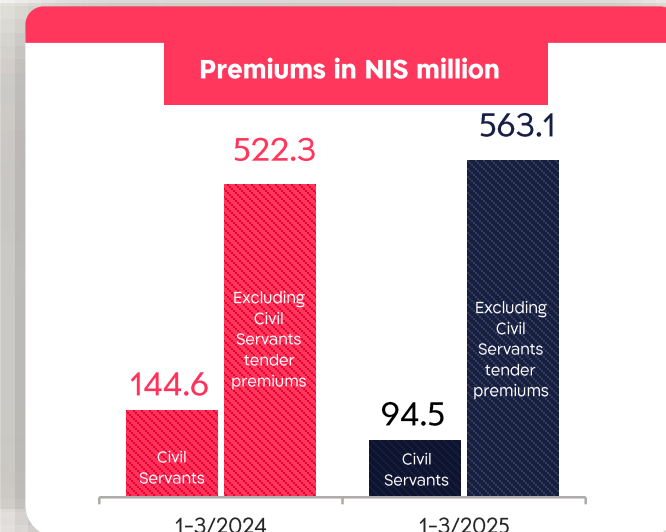
In NIS million, before tax

Casco

Q1 - IFRS 17



↑
8%
Growth in premiums compared to last year, excluding Civil Servants tender premiums



* Including investment and financing revenue, net and other expenses totaling approx. NIS 11.7 million in 2025 and approx. NIS 15.9 million in 2024

All data are in NIS million | Comprehensive income and income from insurance services before tax

MBI

Q1

3%
↑
Growth
Excluding Civil
Servants tender
premiums

2025	2024
222.2	238.9
Premiums	Premiums
3.6	2.1
Income from insurance services	Income from insurance services
0.8	(0.5)
Income from insurance services, net of operating expenses	Loss from insurance services, net of operating expenses
(3.5)	(10.9)
Finance expenses	Finance expenses
*13.2	*8.8
Investment revenue	Investment revenue
10.4	(2.7)
Comprehensive income	Comprehensive loss

* The line item includes other finance expenses.

All data are in NIS million | Comprehensive income/loss and income from insurance services before tax

Other property and liability subsegments

Q1

13%
↑
Growth

2025	2024
102.2	90.7
Premiums	Premiums
12.0	4.1
Income from insurance services	Income from insurance services
10.3	2.3
Income from insurance services, net of operating expenses	Income from insurance services, net of operating expenses
*1.8	*2.0
Revenue from investments and financing, net	Revenue from investments and financing, net
12.0	4.3
Comprehensive income	Comprehensive income

* The line item includes other finance expenses.

All data are in NIS million | Comprehensive income and income from insurance services before tax

Life Insurance

Q1

5%
↑
Growth

2025	2024
91.6	87.3
Premiums	Premiums
37.4	16.2
Income from insurance services	Income from insurance services
34.1	13.0
Income from insurance services, net of operating expenses	Income from insurance services, net of operating expenses
(6.3)	0.4
Finance expenses	Finance income
*0.7	*0.9
Other revenue	Investment revenue
28.5	14.3
Comprehensive income	Comprehensive income

* Including revenue from management fees, investment revenue (which, under IFRS 17, attributed minimum investment revenue to the Life Segment) and other expenses.

All data are in NIS million | Comprehensive and underwriting income before tax

Health

Q1

16%
↑
Growth in premiums
Health and critical illness

6%
↑
*** Growth in Premiums**
Entire Health Insurance Segment

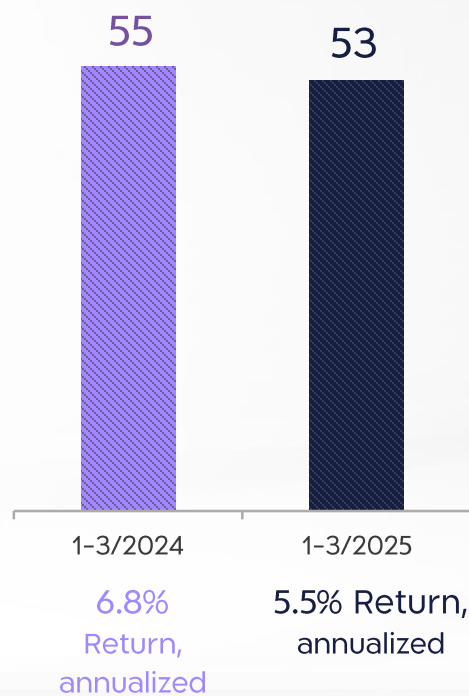
2025	2024
73.7	69.3
Premiums	Premiums
19.7	17.5
Income from insurance services	Income from insurance services
17.4	15.0
Income from insurance services, net of operating expenses	Income from insurance services, net of operating expenses
(11.9)	(1.9)
Finance expenses	Finance expenses
**0.1	**0.1
Investment revenue	Investment revenue
5.6	13.2
Comprehensive income	Comprehensive income

* The growth in premiums in the Health Segment was achieved despite a business decision to reduce the scope of activity in the personal accidents subsegment in light of the reform led by the regulator, which reduced its profitability.

** Under IFRS 17, minimum investment revenue is attributed to the Health Subsegment; the line item includes other finance expenses.

Investment Income - Nostro

Q1

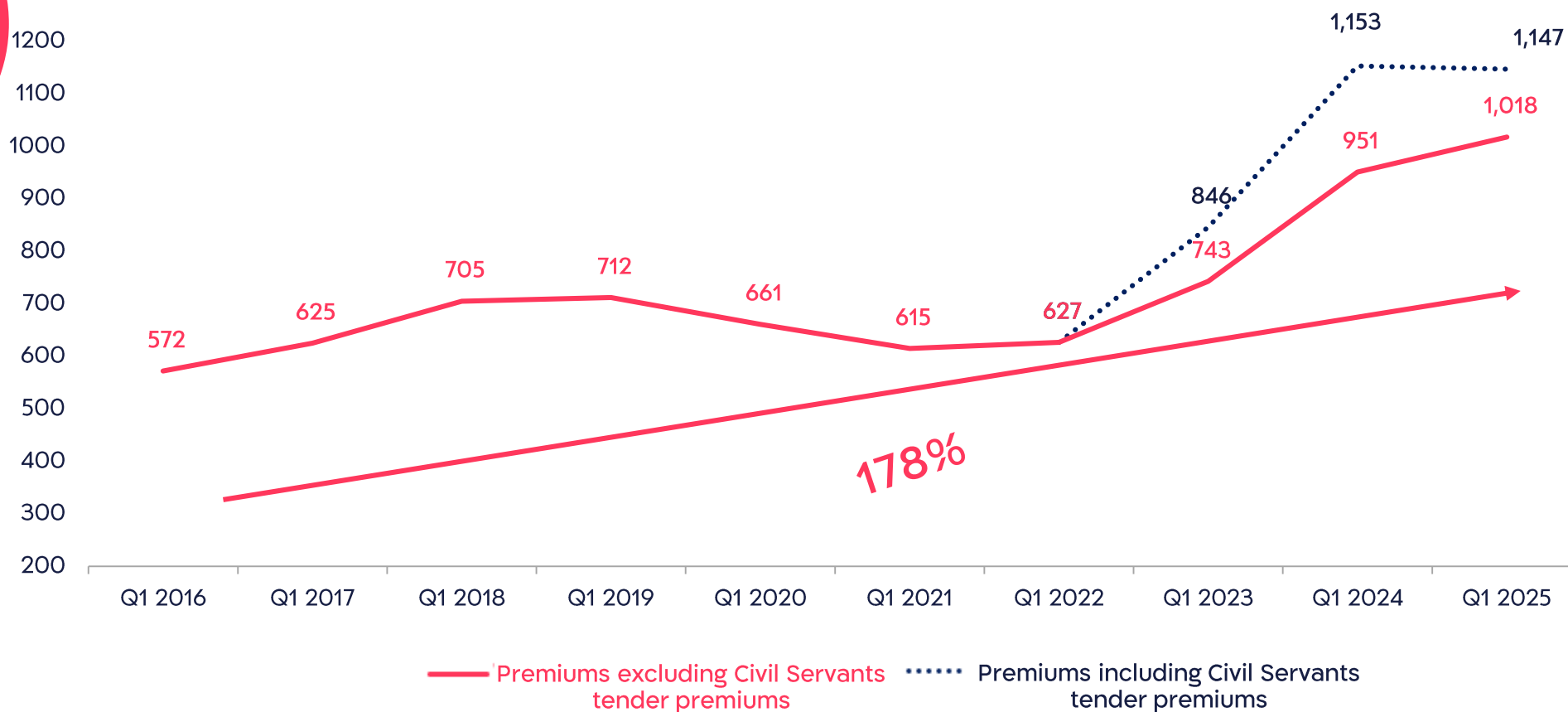


Excluding income from profit-sharing policies; based on a solid, diversified investment portfolio

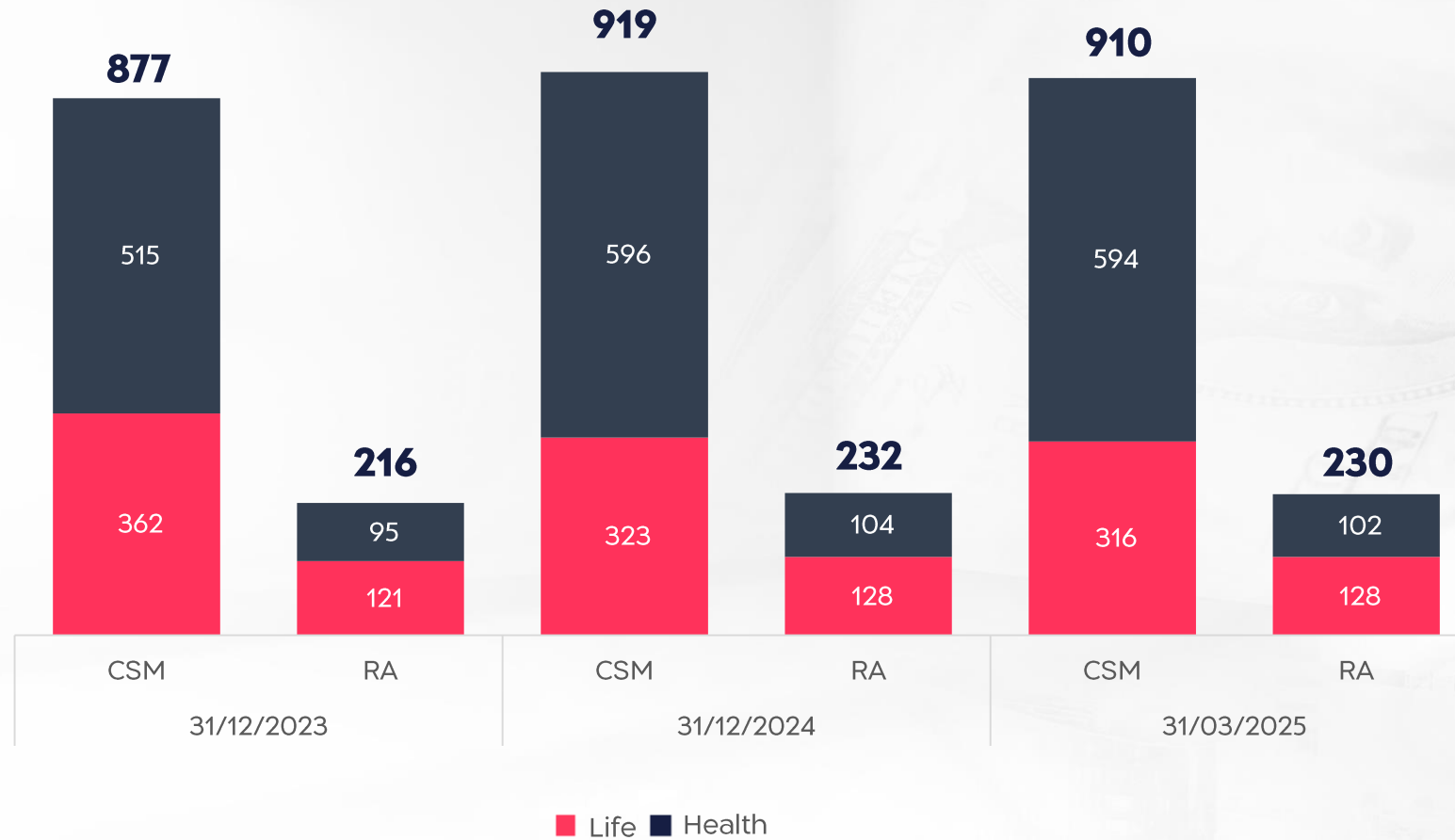
Growth in Total Premiums

7%

Growth in
premiums
compared to last
year, excluding
Civil Servants
tender premiums



CSM* & RA**



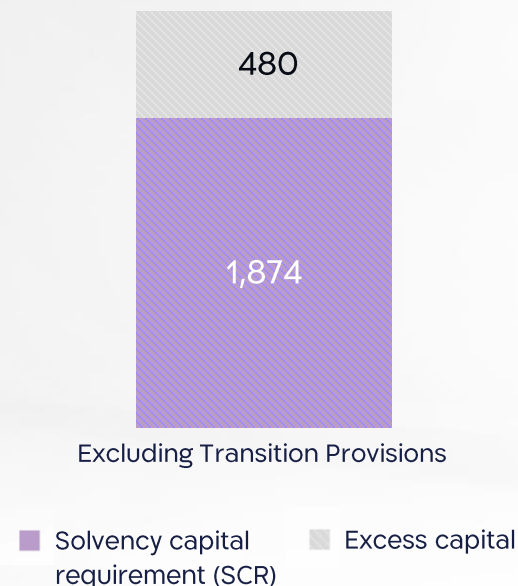
*Contractual service margin (CSM) - Expected income from provision of insurance coverage. Attributed to income across the insurance contract coverage period.

** Risk adjustments (RA) - The risk premium for uncertainty regarding the amount and timing of the cash flows is charged to income upon release from the risk.

Solvency Ratio

As of December 31, 2024*

134%
Solvency ratio



Excluding Transition Provisions

The model in its present form is highly sensitive to changes in market and other variables.

* As reported on April 27, 2025. Including a dividend of NIS 60 million declared subsequent to the annual reporting period and a Tier 2 capital instrument issued between the calculation date and solvency ratio publication date.

Dividend

Dividend for Q1/2025
Declared subsequent to
the balance sheet date

**Approx.
NIS 55
million**

Which
constitute **62%**
of the income
for the period

Average 5-year
dividend yield

7.55%

Dividend
distribution
policy

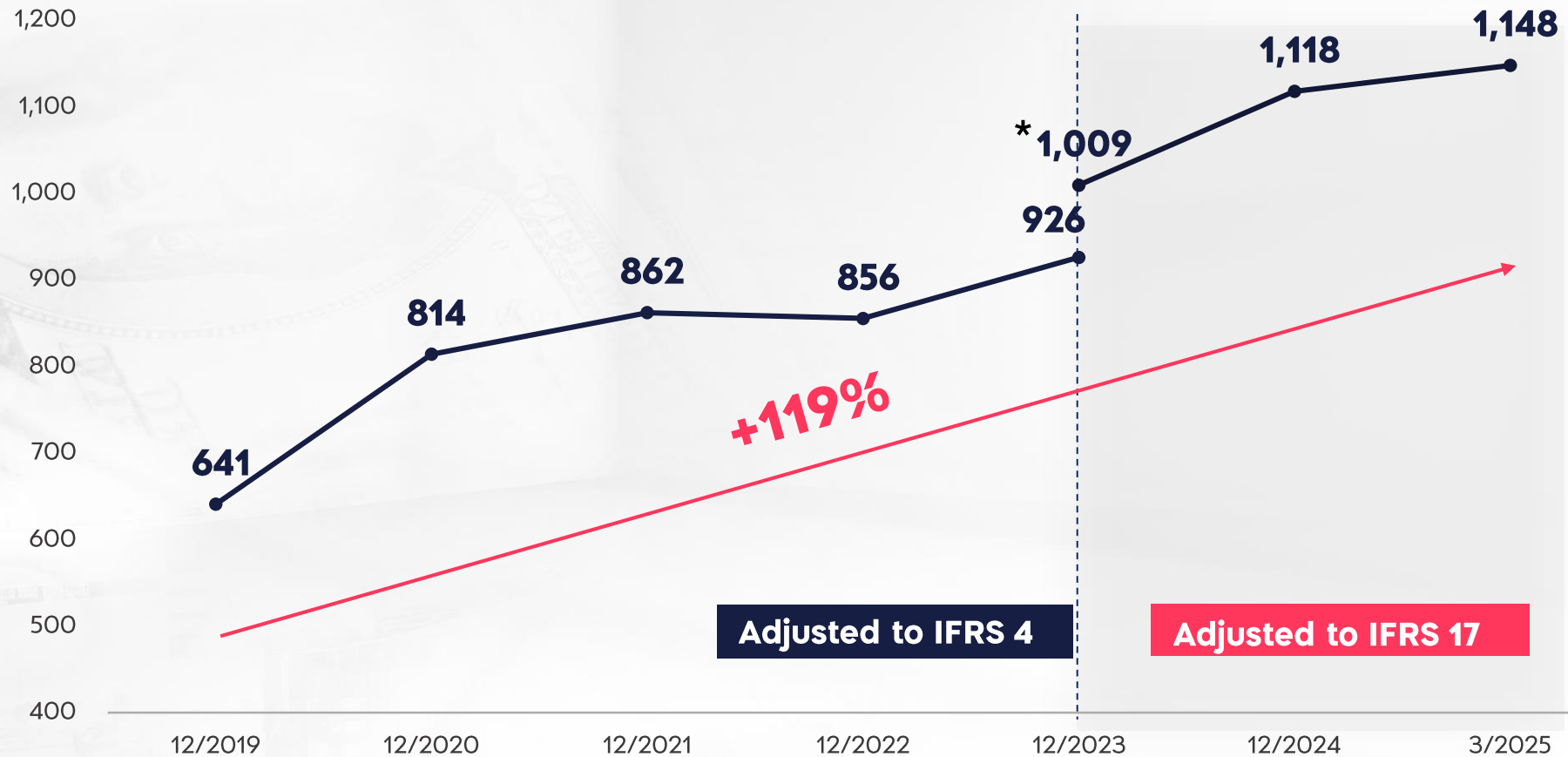
At least **50%**
of the annual
income

Distribution
threshold
conditions

120%
solvency

Since 2018, a total of approx. NIS 938 million has been declared as dividend for a cumulative profit of NIS 1.27 billion

Capital Development



* Including the effect of the first-time application of IFRS 17 on January 1, 2024, totaling approx. NIS 84 million.

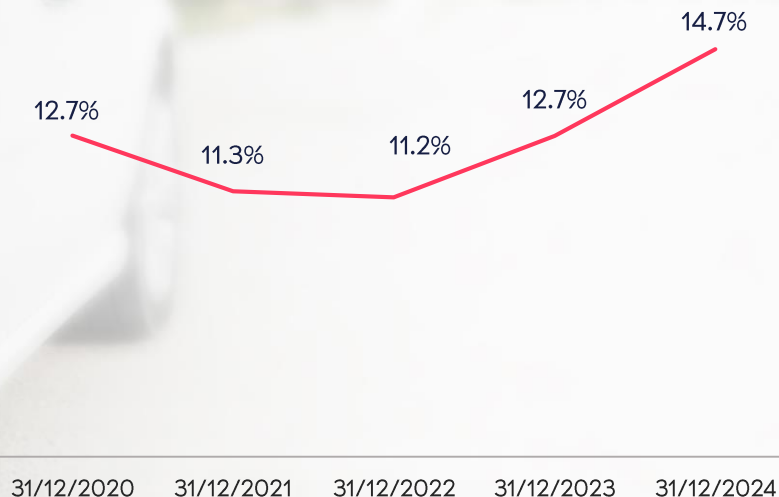
Additional Achievements and Business Focal Points



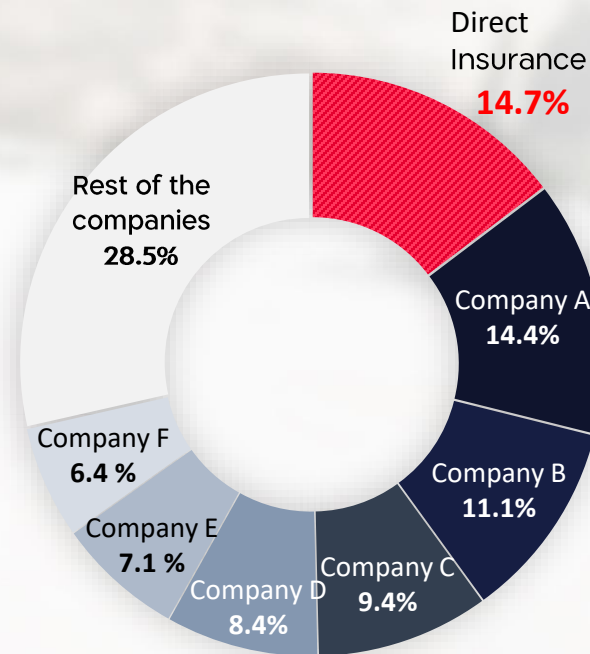
Continued Growth

In Motor & Homeowners Market Share

Market share over time*



Leading in the market share*

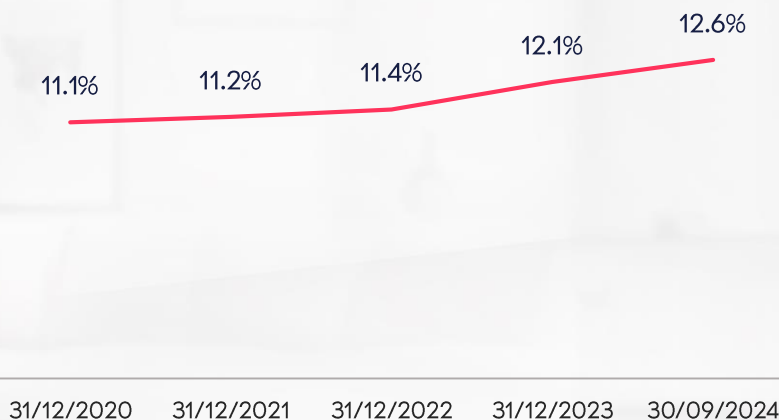


*The motor market share by premiums, based on companies' reports as of 31.12.2024
(supervisory data not yet published)

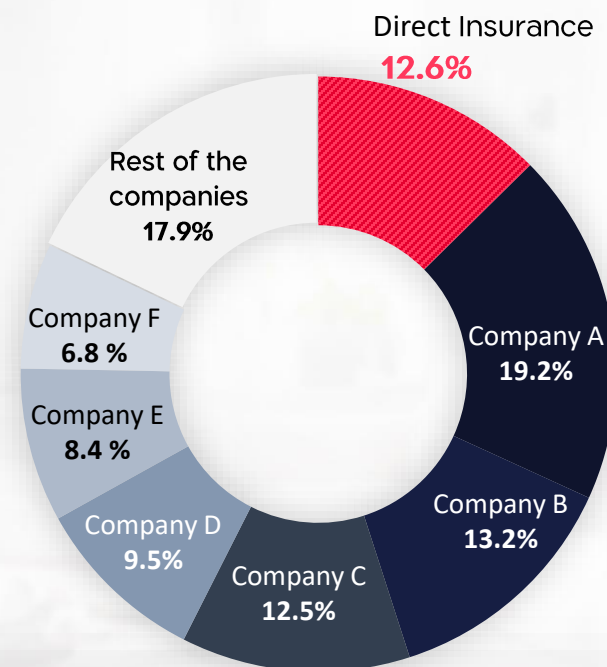
Growth Over Time

Homeowners Market Share

Market share over time



Market Share



* Market share - Homeowners and mortgage banks in premium terms, according to the Capital Market, Insurance and Savings Authority as of September 30, 2024

Leaders in Mortgage Insurance

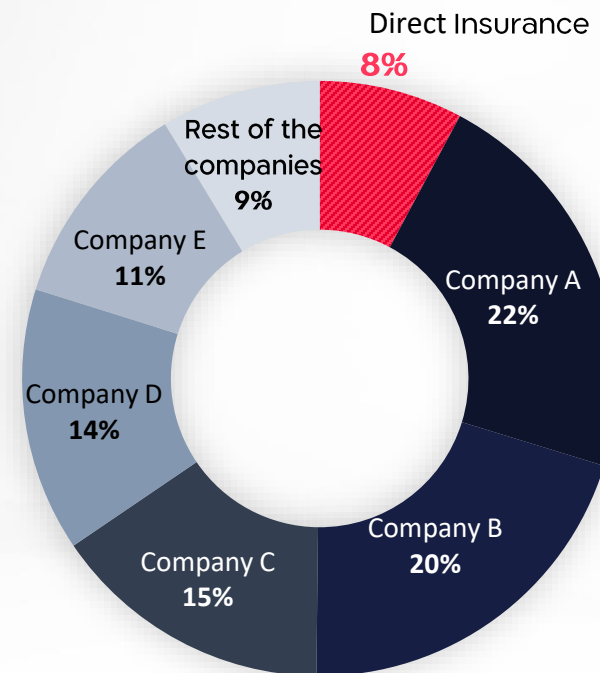


Approx. **17%**

of the insured mortgage
amounts in the market
are Insured at IDI

The rate is based on Direct Insurance's insured mortgage sums as a share of the total outstanding credit balance in the economy (lenders' portion), after a provision for doubtful debts, per the Bank of Israel. As of September 2024.

Life branch market



Pure risk market share (excluding savings) – Accumulated individual death risk, according to the Capital Market, Insurance and Savings Authority , as of September 30, 2024

Expansion of Distribution Channels

Record in number of Strategic Partnerships



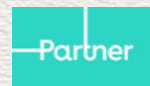
צ'מפיון מוטורס



כדור



Talma



MAX



אוטודיל



A Leading Company for Individual and Family

A Multiproduct Company



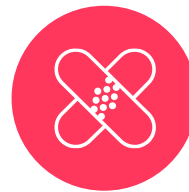
Motor



**Homeowners
and business**



Mortgage



Health



Savings



**Personal
Accidents**



**Pure
Risk**



**Travel
Insurance**



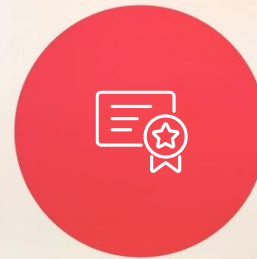
**Critical
Illness**

Business Focus

in 2025



**Organic &
Profitable
Growth**



**Competitive
Advantage
through
Organizational
excellence**



**Innovation
at the core of
our Business
Pushing
boundaries**



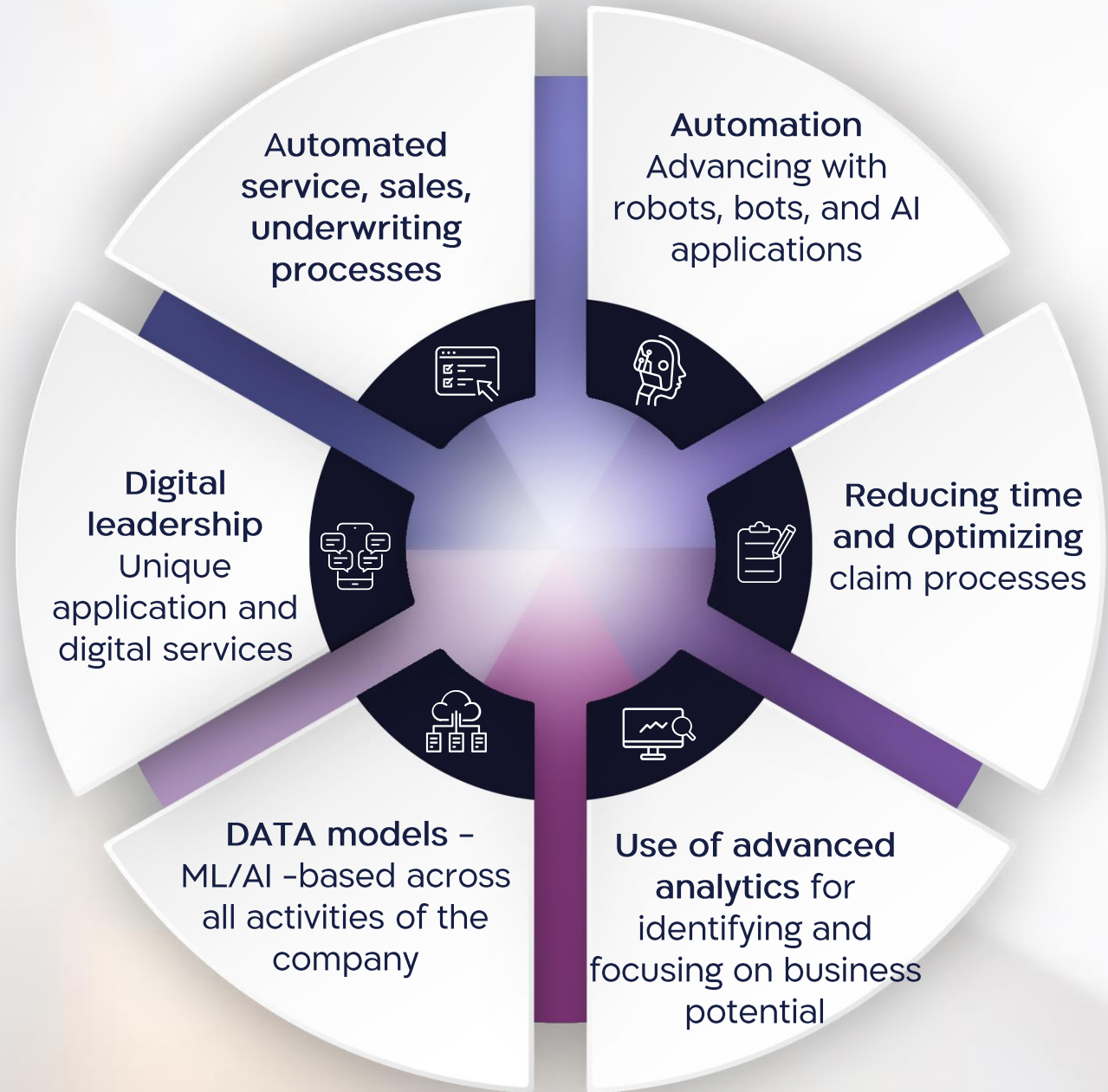
**Maximizing
Customer
Engagement
Excellent
service**



**Exploring
Opportunities
Horizontal &
Vertical**

A significant advantage in efficiency rates

Via advanced technology and high operational optimization





Innovation as a Core Value

Innovation Enabling Competitive Offering
Pricing and Enhanced value for Customers



Value Offers to customers
club benefits,
bundles, etc.



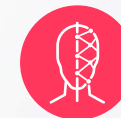
Innovation HUB
DIRECT**LAB** ::



Embedding dozens of innovative applications
in business processes



Cross Company organizational innovation

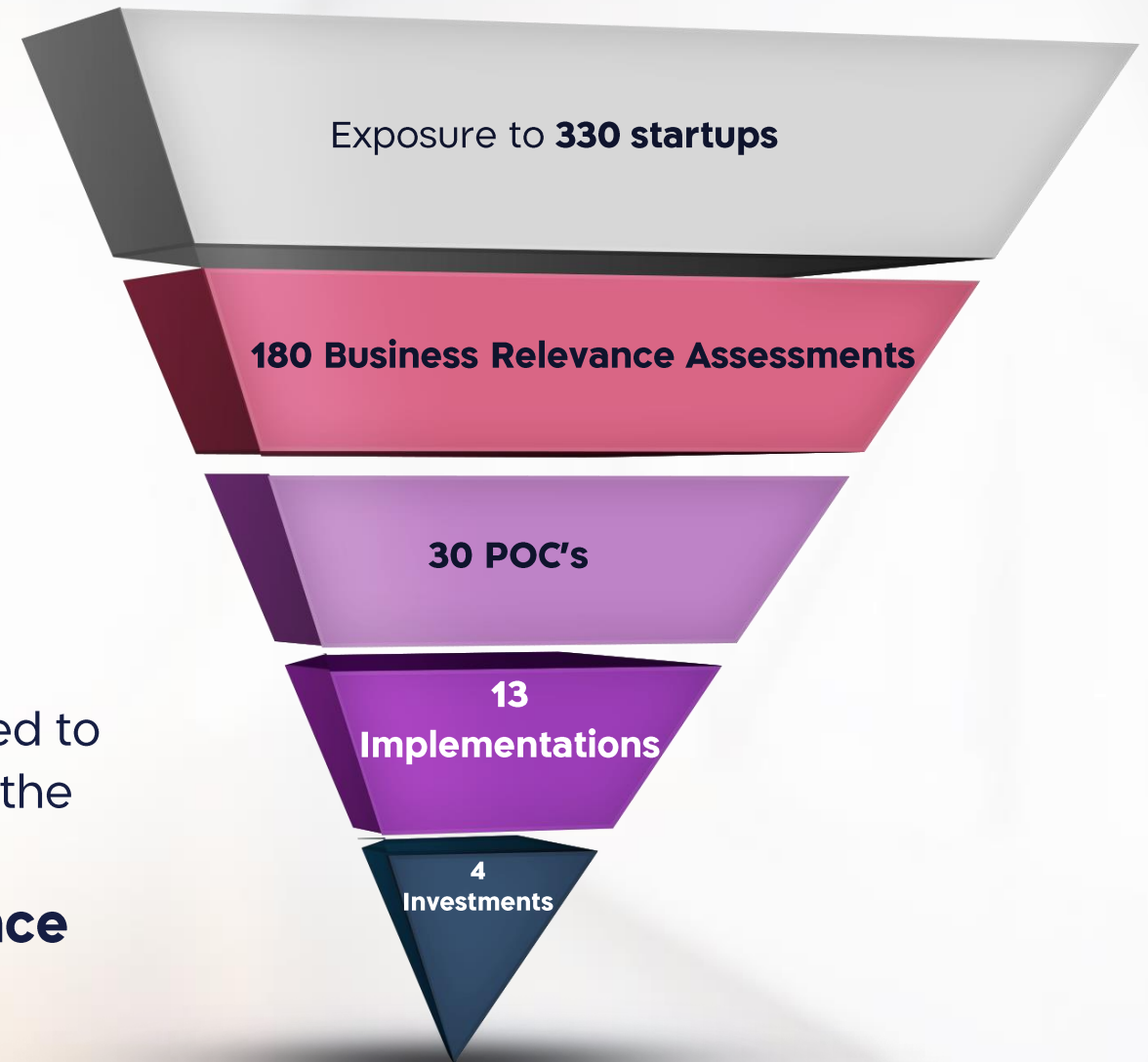


GEN AI applications

DIRECTLAB:: **Direct Insurance's** **innovations**

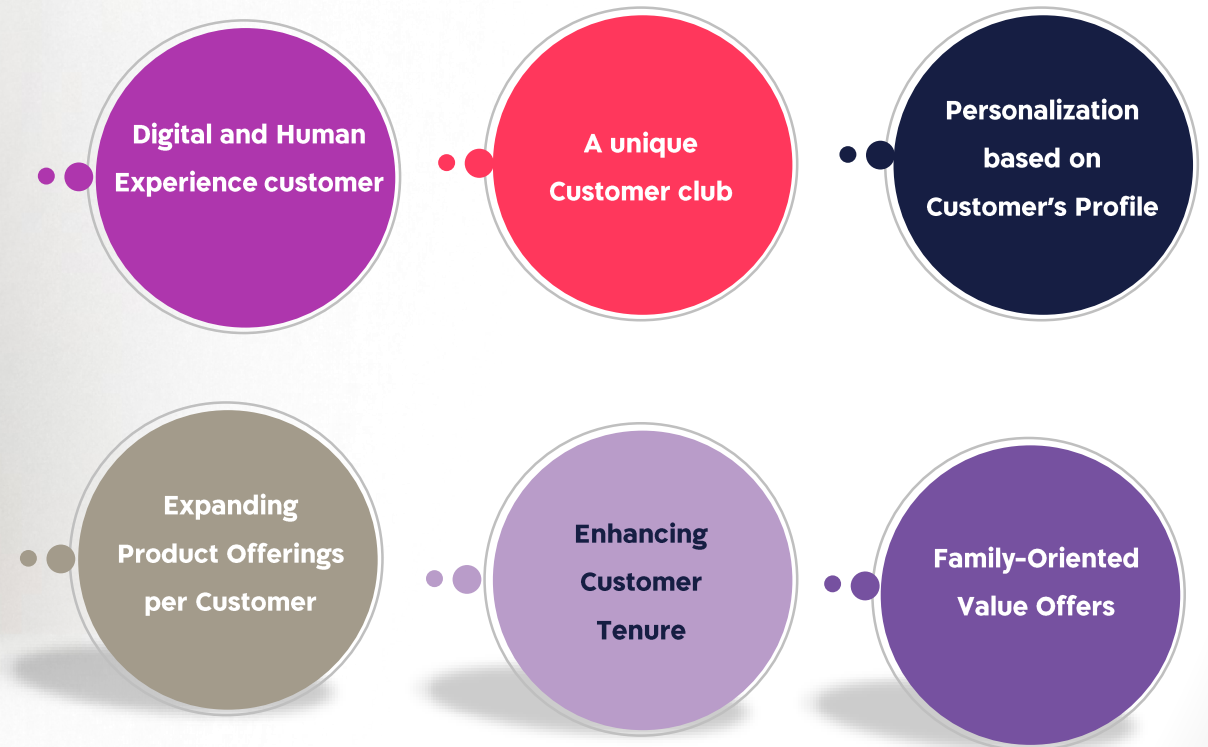
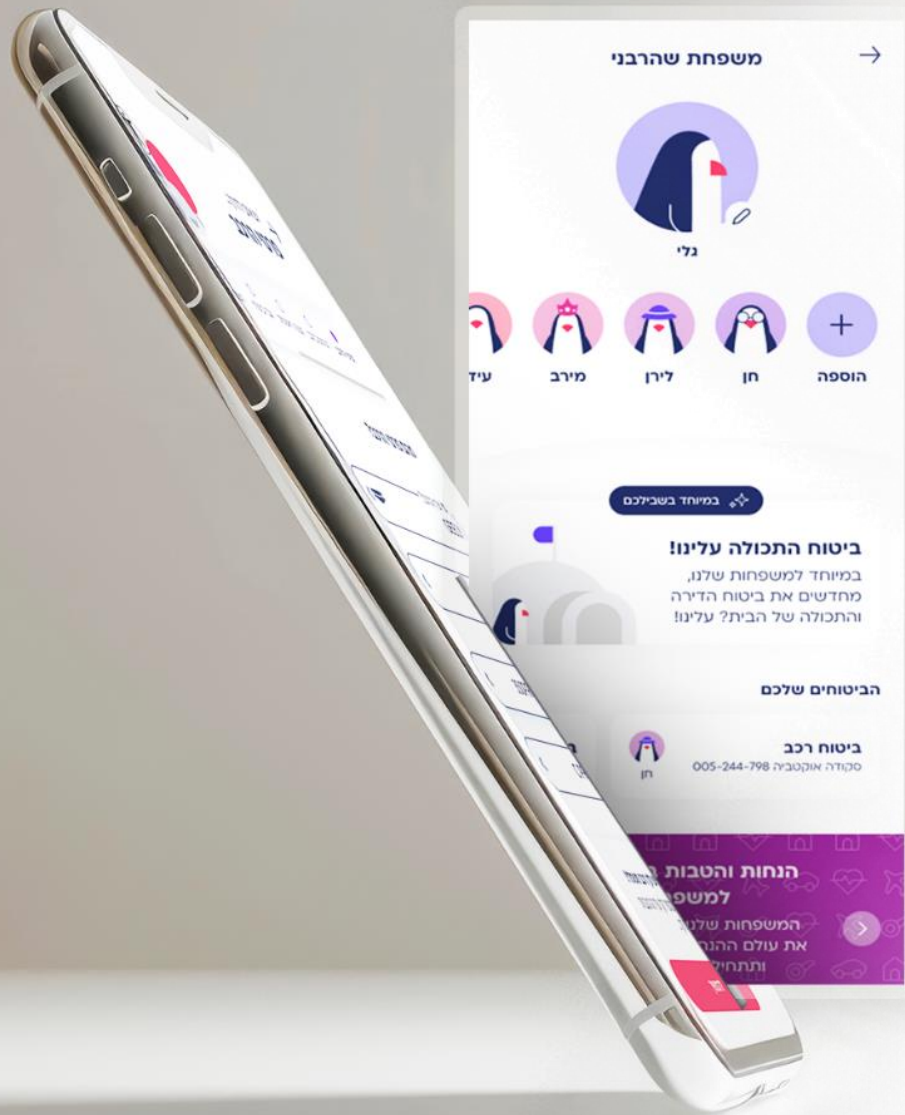
We have developed a
Structured and Focused screening process designed to
identify startups with higher potential to enhance the
value chain

**In cooperation with the Japanese insurance
giant MSI**



Customer Centric Approach











Maximizing Customer Engagement



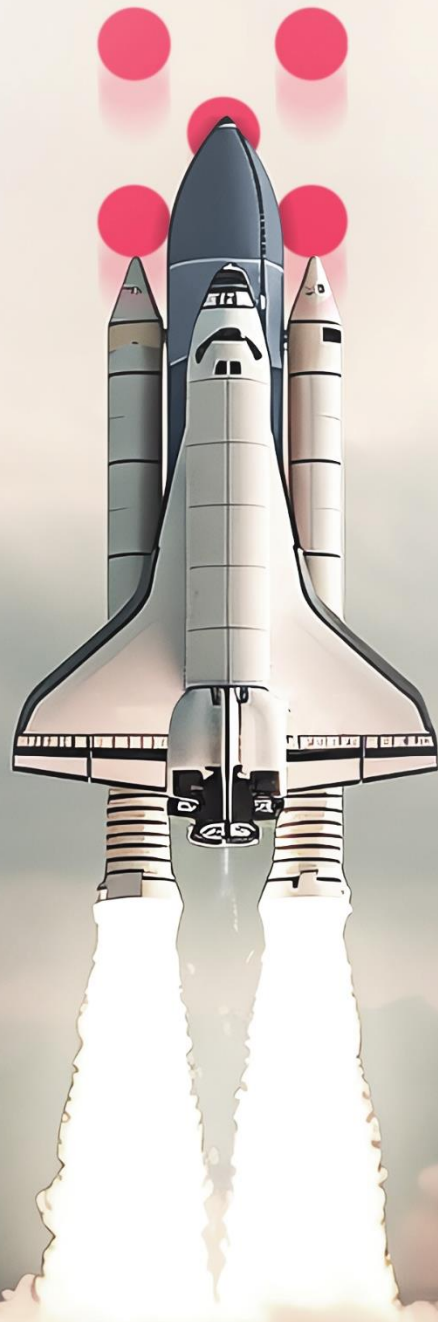
Direct Insurance Ranked First in Finance and Insurance Category in the BDI Survey

High-Quality, committed and satisfied workforce

Consistently Ranked Among Top High-Tech Companies and First in the Financial Sector for Several Years*

 NVIDIA	Nvidia	1
 Google	Google	2
 Microsoft	Microsoft	3
 Check Point <small>SOFTWARE TECHNOLOGIES LTD.</small>	Check Point	4
 APPLIED MATERIALS	Applied Materials	5
 ביטוח ישיר	Direct Insurance	6
 IAI	Israel Aircraft Industries	7
 intel	Intel	8
 בנק הפועלים	Bank Hapoalim	9
 CYBERARK	Fiberark Software	10

* According to the most recent TheMarker and BDI Survey– Sep 2024



Thank you.
The future
moves fast
and so do we.