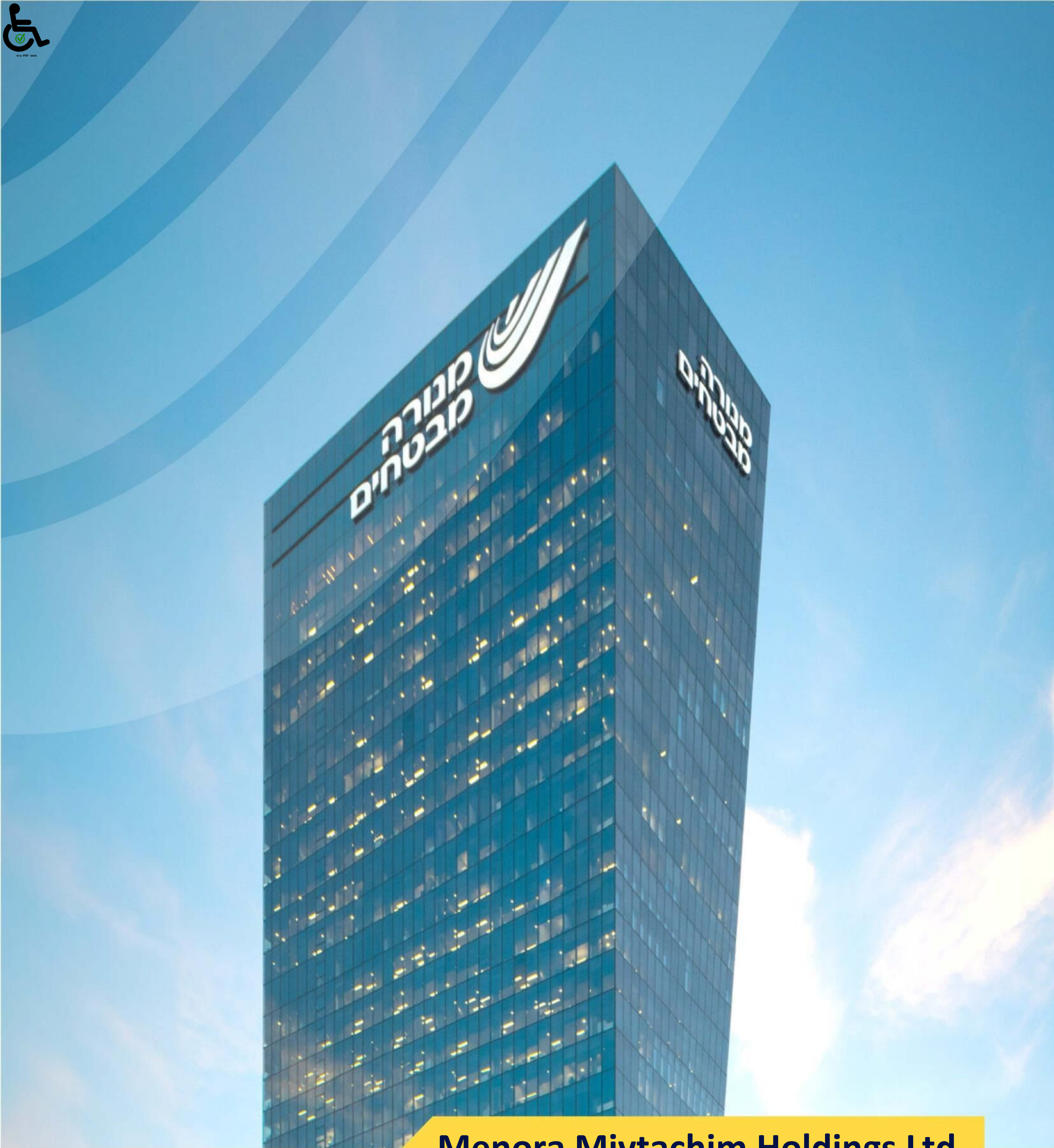

Menora Mivtachim Holdings Ltd.

Financial Statements as of June 30, 2024

Interim Financial Statements as of June 30, 2024

IMPORTANT

This document is an unofficial translation for convenience only of the Hebrew original of the June 30, 2024, financial report of Menora Mivtachim Holdings Ltd. that was submitted to the Tel-Aviv Stock Exchange and the Israeli Securities Authority on August 29, 2024.

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

Chapter A

Report of the Board of Directors

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Menora Mivtachim Holdings Ltd.

Report of the Board of Directors as of June 30, 2024

The following Report of the Board of Directors reviews the activity of Menora Mivtachim Holdings Ltd. (hereinafter - the "**Company**") for the six months ended June 30, 2024 (hereinafter - the "**Reporting Period**"). The report was prepared in accordance with the Securities Regulations (Periodic and Immediate Reports), 1970, assuming that the reader also has at his/her disposal the Company's full Periodic Report of 2023, which was published on March 31, 2024 (hereinafter - the "**Periodic Report**").

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

1. Company description

1.1 The Company's shareholders

The Company is a publicly-traded company, whose shares are traded on the Tel Aviv Stock Exchange. The Company's principal shareholders are Palamas Establishment and Najaden Establishment (foreign corporations), which hold jointly in trust approx. 63.17%[1] of the Company's shares for Mss. Niva Gurevitch and Tali Griffel, respectively. The foreign corporations awarded Ms. Tali Griffel and Ms. Niva Gurevitch powers of attorney to vote on behalf of each of them (respectively) at general meetings of the Company, and accordingly Ms. Tali Griffel and Ms. Niva Gurevitch are considered as the Company's controlling shareholders (hereinafter - the "**Controlling Shareholders**"). As of the report date, the Company's CEO, Mr. Ari Kalman, holds - through an employee trust company - approx. 2.77%[2] of the Company's shares. The remaining Company shares are widely held.

1.2 The Company's areas of activity

As of the report date, the Company is engaged, through subsidiaries under its control, in all of the key insurance segments, including Life Insurance and Long-Term Savings, which includes pension and provident funds, property and casualty insurance, which includes motor insurance (compulsory and property), other property and casualty insurance and health insurance. The Company is also engaged, through subsidiaries under its control, in other activities (which do not constitute an "**operating segment**" as this term is defined in the Securities

[1] After deduction of the dormant shares acquired within the share buyback plan, as of the report publication date - 63.12%.

[2] After deduction of the dormant shares acquired within the share buyback plan, as of the report publication date - 2.77%.

Regulations (Details of a Prospectus and Draft Prospectus - Structure and Format), 1969), such as the provision of securities distribution services and underwriting obligations, investments in real estate, financing and credit to SMEs, and provision of an undertaking for repayment of means of payments, through associates and investees.

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

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

2. Events and developments since the latest annual report

2.1 The Iron Swords War - consequences and effects

On October 7, 2023, a surprise attack was launched on the State of Israel from the Gaza Strip, following which the Israeli government declared a state of war (hereinafter - the "**Iron Swords War**" or the "**War**"). In view of the above and further to the letters issued on October 17 and November 8, 2023 by the Commissioner of the Capital Market, Insurance and Savings Authority (hereinafter - the "**Commissioner**") to the Group's institutional entities regarding "Guidelines to Institutional Entities in View of the Iron Swords War" and "The Effects of the Iron Swords War on the Financial Statements, respectively, and further to points of emphasis published by the Israel Securities Authority to reporting corporations regarding a disclosure in connection with the Iron Swords War, the boards of directors of the companies and the Group's institutional entities held meetings in which, among other things, they analyzed the potential exposure to the effects of the War, and discussed the business continuity plan, the Company's preparedness to emergency scenarios, and the tools through which the Group can mitigate the risk, including from a financial perspective.

Following are the details of the main effects:

- **On the operational level:**

  Upon the outbreak of the War, Group companies took action to facilitate remote work for most of their employees, with an emphasis on continuous provision of services to customers and employers in connection with essential process, specifically those listed in the Commissioner's letter, while monitoring different business parameters through relevant reporting mechanisms; enhancing the capability to provide services through digital channels - all, to the extent possible, while ensuring work safety, and mitigating the risks of remote working, including cyber and information security risks, and refreshing the business continuity procedures. Towards the end of 2023, and during the first quarter of 2024, a gradual process of returning to work full time at the Group's offices has started, aiming to return to the work format which was in place prior to the outbreak of the War.

- **At the business level:**

  Life insurance and long-term savings - most of the exposure in this segment stems from life insurance, permanent health insurance, and disability insurance. The Group has in place reinsurance coverage for catastrophe events, which is supposed to absorb some of the exposure; in the opinion of the Group, based on the information available to date, the effect of the War on retention in the fourth quarter of 2023 amounts to approx. NIS 42 million (before tax) and during the reporting period totals approx. NIS 11 million (before tax) (a total of approx. NIS 3 million before tax during the second quarter). It is noted that following the war in Ukraine and the Iron Swords War, the reinsurers excluded war risks from catastrophe coverage in life and health insurance.

  Health insurance (including long-term care insurance) - the exposure as a result of the War on the Health and Long-Term Care Insurance operating segment is not expected to be material.

  Property and casualty insurance - Generally, damage to property due to a war event is not covered under a property insurance policy, and therefore the exposure as a result of the War is immaterial.

  Non-banking credit - the credit granting activity in the Group is carried out mostly by the subsidiary ERN (hereinafter - "**ERN**") and the sub-subsidiary (Mimun Click). Most of the effects of the War were felt in October and November 2023, and were reflected in a decline in transaction turnover and in income, and in an increase in default rates. As from December 2023, the effects of the War moderated. In addition, the direct effect of the War on the business results of the subsidiary and the sub-subsidiary is immaterial.

- **On the financial level:**

  Assets under management - the Iron Swords War triggered declines in capital markets in Israel (both in share prices and in bond prices), which moderated beginning in November 2023 and even changed course to hikes during December 2023 and during the reporting period. As a result of the above, the value of the Group's nostro assets and assets under management increased.

  Changes in the risk-free interest and the illiquidity premium (hereinafter - the "**Interest Rate Curve**") - as a result of the War there was an increase in the Interest Rate Curve, and as from November 2023, the trend changed and the risk-free interest decreased, and in the short term the decrease was even higher than the said increase. It is noted that in the second quarter the there was an increase in the Interest Rate Curve, which has partially subsided after the reporting date.

- **In the regulatory environment:**

  On October 23, 2023, the Commissioner published a number of directives regarding regulatory changes and expedients which will apply during the period declared as a special situation on the home front due to the War (as of the date of this report - until May 31, 2024) whose objective is, among other things, to facilitate the activity of the institutional entities, and in particular the investing activity of institutional entities (in order, among other things, to facilitate the activity of the capital market), and in order to support those entities' customers.

  Thus, among other things, with respect to investments, expedients were provided regarding analyses in connection with the acquisition of corporate bonds, while giving the option to acquire bonds even without an up-to-date economic analysis as is currently required, provided that there is an independent and comprehensive economic analysis that will be approved by the Investment Committee. In addition, directives were prescribed that are designed to facilitate the activity of the institutional entities by postponing the dates on which various regulatory directives will come into force, including the amendment of the Investment Tracks Circular, amendment of the Uniform Format for Transferring Information and Data in the Pension Savings Market, the manner of making contributions, Own Risk and Solvency Assessment of an insurance company (ORSA), amendment of the Supervising Actuary and Chief Actuary circular.

  In addition, directives were prescribed that are designed to give expedients to policyholders and planholders, including amendment of the renewal circular while giving policyholders the flexibility to stop insurance coverages, and giving insurers the option to extend the term of the policy beyond the date set in the renewal notice if it did not manage to contact the policyholder. In addition, the Knesset legislated the Deadline Postponement Law, which stipulates that an entity/person entitled to postpone a deadline as defined in the law will be allowed to notify the Company about the postponement of the set deadline for executing an action by virtue of a contract or a ruling by the earlier of 60 days or through February 29, 2024.

  The term of the abovementioned directives was limited in time through the date set in each directive, on a case by case basis.

The War's effects on the Group's results constitute forward-looking information, as defined in the Securities Law, 1968, which is based, among other things, on the Company's assessments and estimates as of this reporting date, and are based on the publications and on the guidance of the competent parties in Israel and abroad, which might change from time to time, and whose materialization is uncertain and is outside the Group's control. The Company's assessments may not materialize, or materialize in a manner that is materially different, due to, among other things, in view of the development of the War, and specifically as a result of the government's actions in response to those developments.

2.2 The legal reform

During January 2023, the government began promoting a plan to make fundamental changes in Israel's judiciary, which led to controversy and widespread public protests. The legal reform and the uncertainty it gives rise to might impact the economic environment in which the Group operates, including the cost of capital raising, the returns in the capital market, the credit rating of Israel, and more. At this stage the Company is unable to assess future developments, or the effect of those events on the Israeli economy in general and the Group's activity in particular.

2.3 Market volatility

In 2022, there were declines in the financial markets due to the increase in the interest rate curve and due to the conflict between Russia and Ukraine. In view of the above, the slumps in financial markets increased, specifically due to the hikes in interest rates across the world and in the USA, and the concern that a global recession will occur. Further to the above, the participating life insurance policies marketed through 2004 achieved negative real returns. Therefore, Menora Mivtachim Insurance did not record variable management fees since the beginning of 2022; rather, it only recorded fixed management fees. In 2023 and in the first half of 2024, there was a positive return, which partially offset the negative real return as stated above. Accordingly, the estimated management fees that will not be collected due to the negative real return until a cumulative positive return is achieved amounted, as of the report date, to approx. NIS 144 million before tax. Immediately prior to the financial statements publication date the management fees that will not be collected due to the negative real return were estimated at approx. NIS 123 million.

Furthermore, and in view of the War in Ukraine that is still raging, some western countries decided to collaborate and impose some significant financial and economic sanctions on Russia, as well as various trade restrictions on Russian entities (including financial institutions and various corporations, politicians, Russian businessmen, etc.); these sanctions and restrictions include a prohibition on trade, investment, and on maintaining economic relations, as well as the disconnection of some Russian banks from international financial systems. At the same time, the Russian government-imposed restrictions on the transfer of capital to destinations outside Russia. Menora Mivtachim group invested - together with partners - in assets located in Russia; the amount of the investment is immaterial compared to the Group's total assets; in view of the above, the Group's ability to dispose of the assets is limited, and so is its ability to transfer funds to destinations outside the Russian Federation.

2.4 Rating reiteration

In January 2024, Midroog announced that it reiterates the rating of the Company's Bonds (Series C) at Aa2 with a stable outlook. For further details, see the Company's immediate report dated January 10, 2024 (Ref. No. 2024-01-004998).

2.5 Dividend distribution

In March 2024, and in accordance with the dividend distribution policy, the Company declared the distribution of approx. NIS 175 million in dividend, which was distributed in April 2024. For further details, see the Company's immediate report dated March 31, 2024 (Ref. No. 2024-01-035040), and in relation to a NIS 170 million dividend distribution subsequent to the balance sheet date, see Section 14.4 below.

2.6 Dividend distribution by subsidiaries

In March 2024, Menora Insurance distributed a NIS 200 million dividend to the Company. Furthermore, Shomera distributed a NIS 50 million dividend to the Company.

In May 2024, subsidiary Menora Mivtachim Pension and Provident Funds distributed a NIS 50 million dividend (the Company’s share is NIS 45 million).

For further details regarding a NIS 100 million dividend distribution by Menora Insurance subsequent to the balance sheet date, see Section 14.5 below.

2.7 Signing an operating agreement with Maccabi

In December 2023, an agreement in principle was signed with Maccabi Healthcare Services (hereinafter - “**Maccabi**”) for the operation of long-term care insurance for Maccabi members, as from January 1, 2024, for a period of one year, with an extension option subject to meeting the terms and conditions detailed in the agreement in principle. The agreement in principle shall constitute the basis for a detailed agreement that will be signed between the parties in the forthcoming period, the key points of which are: Operation of the long-term care insurance of Maccabi members without bearing the insurance risk, against a consideration comprising management fees and reimbursement of expenses; dealing with long-term care insurance claims in accordance with the terms and conditions of the policy; management of the investments of the “Policyholders’ Fund”, all based on the revised legislative arrangement that was published in December 2023 by the Capital Market Authority regarding collective long-term care insurance to members of health maintenance organizations; and arrangements and agreements regarding other operational and service-related issues, as will be agreed between the parties under the Detailed Agreement. On December 26, 2023, the Commissioner’s approval to operate the health insurance plan was received, thereby fulfilling the conditions precedent for the coming into effect of the agreement in principle.

2.8 Collective long-term care insurance - Leumit Health Services

Menora Insurance is the insurer in a collective long-term care insurance policy for members of the Leumit Health Services HMO. On March 26, 2024, the parties signed an addendum to the agreement such that from April 2024, the agreement with Leumit will be converted to an agreement for the operation of long-term care insurance claims for Leumit members in return for management fees as detailed in the addendum to the agreement.

2.9 Quality investment agreement

In September 2022, a collaboration agreement was signed for the provision of reverse mortgage loans by Menora Insurance to borrowers located by Quality Credit Holdings Ltd. (hereinafter - "**Quality**" and the "**Original Agreement**"). On March 7, 2024, an agreement was signed between Menora Finance and Quality regarding an addendum to the original agreement in which it was agreed that Menora will exercise the call option granted to it to purchase shares in Quality at a rate not exceeding 27.5% of the issued and paid up share capital of Quality against payment to Quality of an amount based on a value of approx. NIS 70 million for the Company with respect to Quality Holdings. In June 2024, the approval of the Israel Competition Authority and the Capital Market, Insurance and Savings Authority was received, and this fulfilled the conditions precedent for the coming into force of the agreement.

2.10 Investment in Ampa Capital

In March 2024, the Company's Board of Directors approved an investment in Ampa Capital in the amount of approx. NIS 50 million. The investment was made in two stages, half in April 2024 and the second half on December 31, 2024. The purpose of the investment is to increase the shareholders' equity to support the growth of Ampa Capital's activities. It is noted that the above investment will not change the Company's holding rate in Ampa.

2.11 Collective agreement subsidiary - Menora Mivtachim Pension and Provident Funds

In April 2024, Menora Mivtachim Pension and Provident Funds Ltd. (hereinafter - "**Mivtachim Pension and Provident**") signed a collective agreement with the Histadrut and Mivtachim Pension and Provident workers' committee (hereinafter - the "**New Agreement**"), further to a previous collective agreement, which was in effect through the end of 2023 (but continued to apply to the parties for an unlimited period thereafter). The term of the New Agreement starts on January 1, 2024 and ends at the end of 2027. The New Agreement will apply to all Mivtachim Pension and Provident's employees, except for managers and employees serving in specific roles, which were defined in the agreement. The New Agreement revises the existing arrangements and does not have a material effect on Mivtachim Pension and Provident's salary expenses.

2.12 Extraordinary annual general meeting

In May 2024, an extraordinary annual meeting of the Company was held, in which the Periodic Report of 2023 was approved; the independent auditor was reappointed and the Board of Directors was authorized to set its fees; the term in office of the following directors was renewed: Eran Griffel, Yonel Cohen, Yoav Kremer, Shai Feldman, and Orly Yarkoni; and the compensation payable to directors other than EDs or controlling shareholders of the Company was approved. In addition, the Company's Compensation Policy was approved for a period of three years. For further details, see the immediate report dated May 6, 2024 (Ref. No.: 2024-01-044032).

2.13 Rating - subsidiary

In May 2024, Midroog published a tracking report of Menora Mivtachim Insurance Ltd. a company subsidiary, which reiterated the rating of the subsidiary and that of the notes issued by it and by Menora Mivtachim Capital Raising Ltd., a sub-subsidiary of the Company (hereinafter - "**Capital Raising**"). Accordingly, the subsidiary's rating is Aa1 with a stable outlook, the rating of the notes included in the Tier 2 and Tier 3 Capital is Aa2 with a stable outlook, and the rating of the notes comprising the hybrid Tier 2 Capital is Aa3 with a stable outlook. for further details, see the Company's immediate report dated May 29, 2024 (Ref. No. 2024-01-054253).

2.14 Mortality tables and a study on retirement age and pension uptake rates

In July 2024, the Capital Market, Insurance and Savings Authority (hereinafter - the "**Authority**") published the **Consolidated Circular Provisions on Measuring Liabilities - Revising the Demographic Assumptions in Life Insurance and Pension Funds**, which includes a revision of the default assumptions used in calculating the liabilities and the conversion factors in life insurance policies and pension funds (hereinafter - the "**Circular**"). In addition, Menora Insurance completed as study on retirement age and pension uptake rates (hereinafter - the "**Study**").

The provisions of the Circular and Study results revise the assumptions underlying the calculations of liabilities and coefficients in life insurance policies and work in opposite manners, offsetting each other, such that the Circular has an adverse effect on the Company's financial results and economic solvency ratio of the Company, and the Study has a positive effect thereon. Based on estimates made by the Company as of the publication date of this report with regard to the provisions of the Circular and the effect of the Study, the total post-tax comprehensive income of Menora Insurance declined by approx. NIS 25 million (of which approx. NIS 60 million of the decrease in post-tax comprehensive income are in respect of the provisions of the Circular, and - on the other hand - an approx. NIS 34 million increase in post-tax comprehensive income are in respect of the results of the Study). The effect on the economic solvency ratio without applying the Transitional Provisions for the Transitional Period is not expected to be material. It is emphasized that one may not draw from the above conclusions as to the change in the economic solvency ratio, due to other changes, which may also affect this ratio, such as, among other things, capital market effects and changes in the risk-free interest rate curve.

The above assessments by the Company as to economic solvency constitute forward-looking information as defined in the Securities Law, 1968, which is based on non-final interim assessments of the Company, which are known as of this date, and actual results may vary compared to Menora Insurance's economic solvency as of June 30, 2024.

2.15 Legal proceedings

For a description of legal and administrative proceedings, as well as regarding developments in the exposure to class actions and the approval of lawsuits which were filed against the Company and/or its consolidated companies, as class actions and other contingent claims, see Note 6 to the financial statements.

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

3.1 Solvency ratio and minimum capital requirement

A. Solvency ratio

Menora Insurance	As of December 31, 2023 Audited*	As of December 31, 2022 Audited*
	NIS thousand	
Without taking into account the Provisions for the Transitional Period and after adjusting the stock scenario:		
Shareholders equity in respect of SCR	7,042,994	6,616,988
Solvency capital requirement (SCR)	4,473,864	4,578,909
Surplus	2,569,130	2,038,079
Solvency ratio (%)	157.4%	144.5%
Effect of material equity transactions taken in the period between the calculation date and the publication date of the Solvency Ratio Report		
Capital raising		-
Shareholders' equity for solvency purposes	7,042,994	6,616,988
Surplus	2,569,130	2,038,079
Solvency ratio (%)	157.4%	144.5%
The Board's target for the period (in %)	114.3%	113.6%
Capital surplus over target	1,930,007	1,416,655
Meeting milestones taking into account the Provisions for the Transitional Period and after adjusting the stock scenario:**		
Shareholders equity in respect of SCR	7,524,516	7,200,873
Solvency capital requirement (SCR)	4,306,029	4,207,916
Surplus	3,218,487	2,992,957
Solvency ratio (%)	174.7%	171.1%
Effect of material equity transactions taken in the period between the calculation date and the publication date of the Solvency Ratio Report		
Capital raising	-	-
Shareholders' equity for solvency purposes	7,524,516	7,200,873
Surplus	3,218,487	2,992,957
Solvency ratio (%)	174.7%	171.1%

B. Minimum capital requirement (MCR)

	As of December 31, 2023	As of December 31, 2022
	Audited*	Audited*
	NIS thousand	
Minimum capital requirement (MCR)	1,315,136	1,267,822
Solvency capital requirement (SCR)	5,839,516	5,797,315

(*) The solvency ratio was reviewed by the Company's independent auditors, in accordance with International Standard on Assurance Engagements (ISAE 3400) - The Examination of Prospective Financial Information. See Note 5 to the Consolidated Interim Financial Statements and the Economic Solvency Ratio Report on the Company's website.

(**) Solvency calculation as of December 31, 2023; in the Transitional Period, the adjustment period of the stock scenario ended, i.e., capital requirement in respect of equity risk is calculated in full. The Company recalculated the value of the Deduction as of December 31, 2023 mainly due to the increase in the interest rate. The post-deduction balance amounts to approx. NIS 491 million, compared to deductible balance of approx. NIS 887 million in December 2022

C. Solvency ratio

	As of December 31, 2023	As of December 31, 2022
	Audited*	Audited*
Shomera Insurance	NIS thousand	
Without taking into account the Provisions for the Transitional Period and after adjusting the stock scenario:		
Shareholders equity in respect of SCR	627,488	629,276
Solvency capital requirement (SCR)	462,009	475,975
Surplus	165,479	153,300
Solvency ratio (%)	135.8%	132.2%
The Board's target for the period (in %)	110.9%	108.8%
Excess capital over target (in NIS thousand)	115,186	111,551
Meeting milestones taking into account the Provisions for the Transitional Period and after adjusting the stock scenario: **		
Shareholders equity in respect of SCR	627,488	629,276
Solvency capital requirement (SCR)	438,908	420,253
Surplus	188,580	209,023
Solvency ratio (%)	143.0%	149.7%

D. Minimum capital requirement (MCR)

	As of December 31, 2023	As of December 31, 2022
	Audited*	Audited*
	NIS thousand	
Minimum capital requirement (MCR)	138,093	165,648
Solvency capital requirement (SCR)	627,488	629,276

(*) The solvency ratio was reviewed by the Company's independent auditors, in accordance with International Standard on Assurance Engagements (ISAE 3400) - The Examination of Prospective Financial Information. See Note 5 to the Consolidated Interim Financial Statements and the Economic Solvency Ratio Report on the Company's website.

(**) Solvency calculation as of December 2023; in the Transitional Period, the adjustment period of the stock scenario ended, i.e., capital requirement in respect of equity risk is calculated in full.

The Solvency Ratio Report was prepared on the basis of the terms and conditions and the best estimate as known to the companies as of the December 31, 2023.

According to the Supervision of Financial Services Regulations (Provident Funds) (Minimum Equity Required from a Provident Fund or a Pension Fund's Management Company), 2012, and the circulars by virtue of the said regulations, as of the report date, Menora Mivtachim Pension and Provident Funds has excess capital of approx. NIS 462 million.

As of the approval date of the financial statements, all Group companies comply with the capital requirements that were set for them, as the case may be (see also Note 5 to the Financial Statements).

3.2 Economic solvency regime based on Solvency II of an insurance company

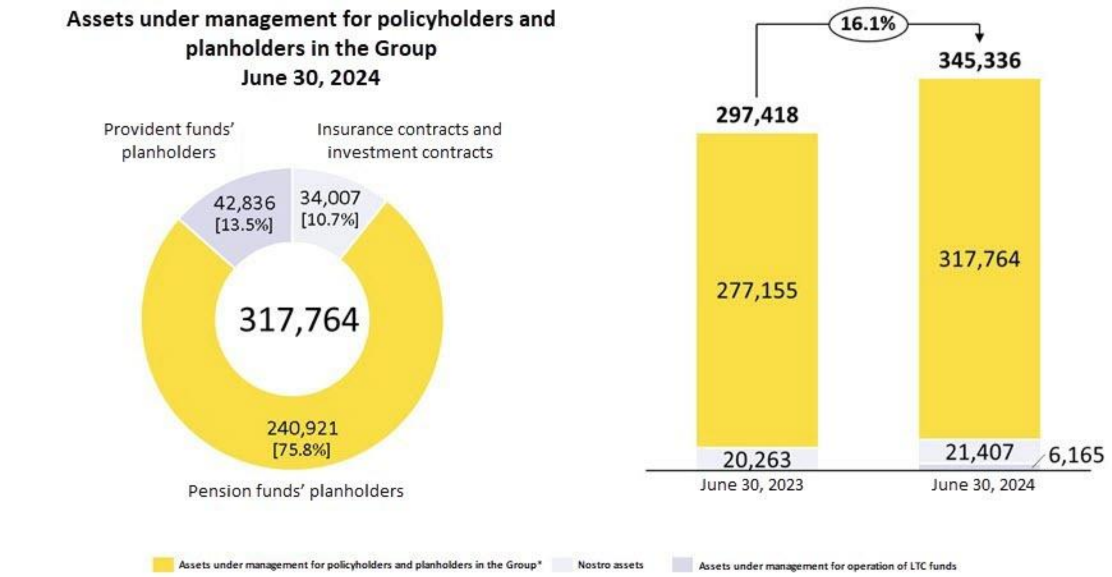
The target capital set by the consolidated insurance companies for the purpose of dividend distribution will be formed gradually. In November 2021, Shomera updated the target capital for dividend distribution purposes, such that it will increase gradually until reaching 113% (in lieu of the previous 110%) by approx. 2.1% per year through the end of the Transitional Period in 2024. Menora's target capital was set at 115% through the end of 2024. In November 2023, Menora Insurance updated the target capital, such that as from the end of 2024 the target capital will increase linearly from 115% as stated above to 130% in 2032. As of December 31, 2023, the target capital stands at approx. 114.3% and approx. 110.9% in Menora Insurance and Shomera Insurance, respectively.

It is hereby clarified that there is no certainty that the Consolidated Insurance Companies will meet this solvency ratio at each point in time.

For further details, see Section 7.1.2.2 (d)-(h) and Note 5 to the Financial Statements.

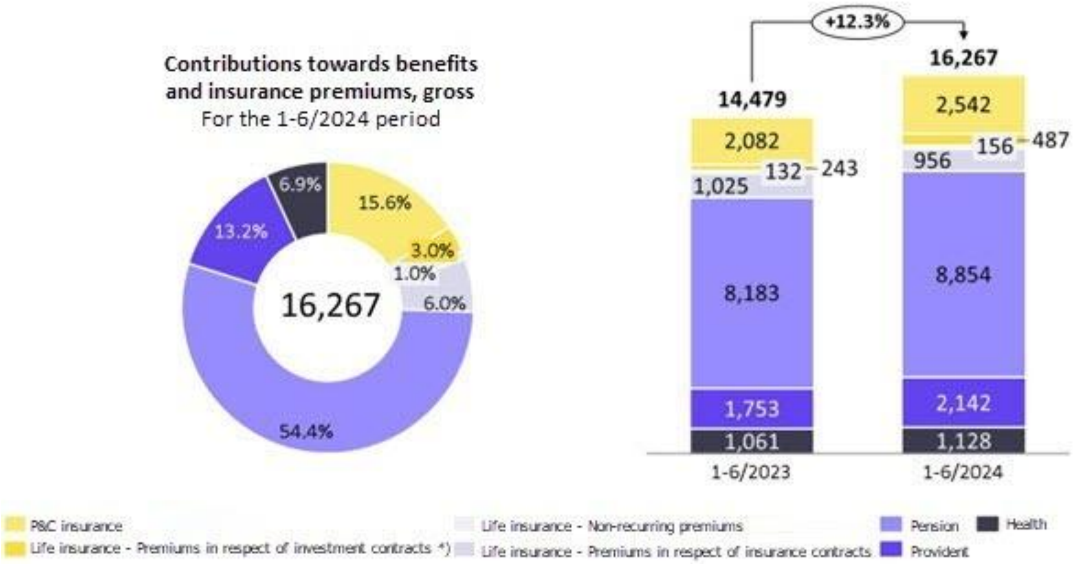
4. Assets under management and premiums

4.1 Assets under management (in NIS million)



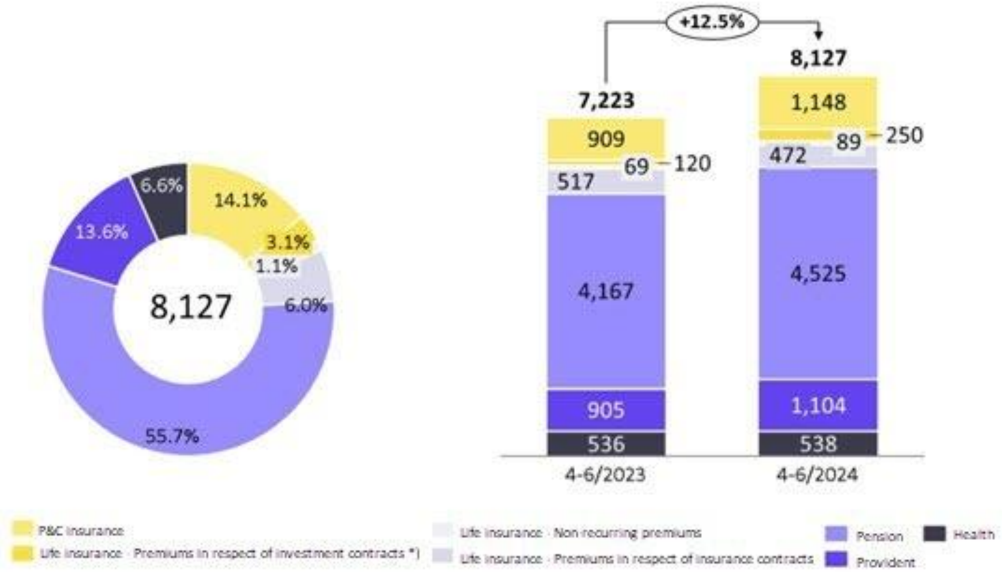
*) The consolidated financial statements do not include the assets under management in the pension funds and provident funds (except for guaranteed return provident fund tracks).

4.2 Contributions towards benefits and insurance premiums, gross in the Reporting Period (in NIS million)



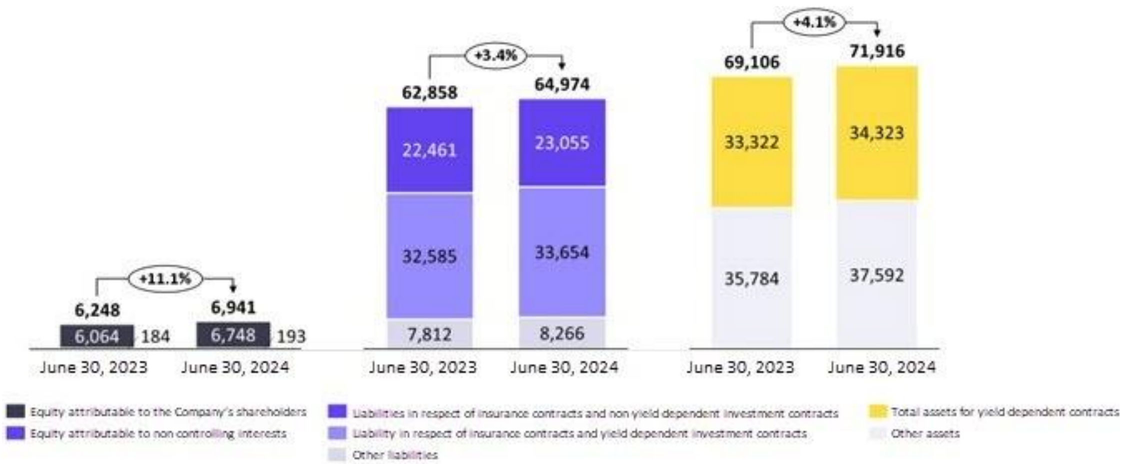
*) The Consolidated Financial Statements do not include the contributions towards benefits deposited with pension funds and provident funds (excluding guaranteed return provident funds tracks) as well as proceeds in respect of investment contracts which are recognized directly in insurance liabilities, and not recognized as premiums in the financial statements.

4.3 Contributions towards benefits and insurance premiums, gross in the quarter (in NIS million)



*) The Consolidated Financial Statements do not include the contributions towards benefits deposited with pension funds and provident funds (excluding guaranteed return provident funds tracks) as well as proceeds in respect of investment contracts which are recognized directly in insurance liabilities, and not recognized as premiums in the financial statements.

4.4 Key data from the consolidated balance sheets



Some of the liabilities in respect of yield-dependent insurance contracts are presented in the "other liabilities" and "financial liabilities" line items.

The increase in assets (approx. NIS 2.8 billion) and in liabilities (approx. NIS 2.1 billion) in the Reporting Period stemmed mainly from positive return on the assets and growth in the business. Accordingly, the equity attributable to the shareholders increased by approx. NIS 684 million.

4.5 Changes in the shareholders' equity

The equity attributable to the Company's shareholders amounted to approx. NIS 6,748 million as of June 30, 2024, compared to approx. NIS 6,431 million as of December 31, 2023. The increase in equity stems mainly from comprehensive income attributable to the shareholders in the period of approx. NIS 490 million, and on the other hand from distributed dividends of approx. NIS 175 million.

5. Operating results

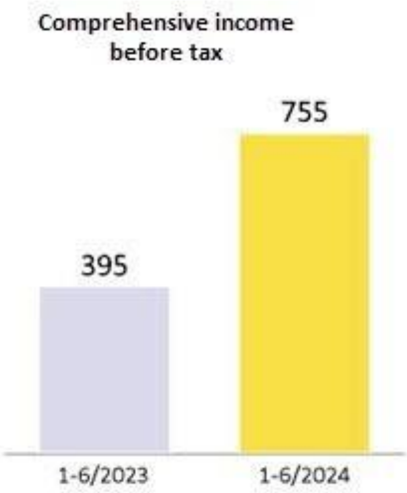
In the Reporting Period and in the second quarter the nostro portfolio achieved real returns, which are lower than those achieved in the corresponding periods last year. Concurrently, the Interest Rate Curve, which decreased in the corresponding periods last year, increased in the second quarter and in the Reporting Period.

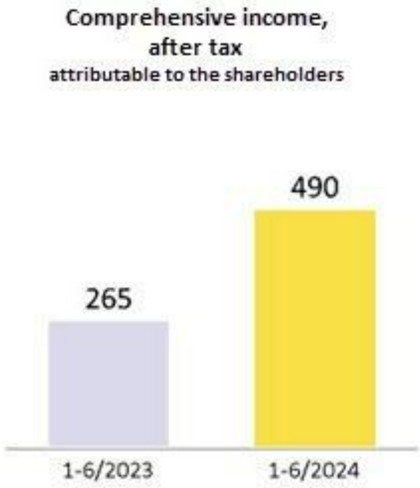
In the Reporting Period, the Company recorded a significant improvement in underwriting profitability in all operating segments. The improvement in underwriting profitability in Property and Casualty Insurance, arises mainly from Motor Property Subsegments and Other Property Subsegments, and - on the other hand - a decrease in underwriting income in Compulsory Motor Insurance. The underwriting improvement in Long-Term Savings arises from continued growth in the Retirement (Pension and Provident) Subsegments alongside a decline in expenses.In Life Insurance, the improvement arises mainly from savings and collectives, and was partially offset against individual insurance results.The improvement in Health Insurance arises from most of the products, including the breaking even in the Collective Long-Term Care Subsegment. It is noted that part of the underwriting improvement arises from a decrease in expenses in the Reporting Period compared to the previous period, together with an increase in activity. Furthermore, the results of the period were affected by Special Items (as defined in Section 5.2 below); for further details see Section 5.2.2 below.

In the second quarter, the Company recorded a significant improvement in underwriting profitability in the Property and Casualty Segment and in the Health Insurance Segment, and a decrease in underwriting income in the Long-Term Savings Segment. The improvement in underwriting profitability in Property and Casualty Insurance arises mainly from Motor Property and Compulsory Subsegments and Other Property Subsegments, and - on the other hand - a decrease in underwriting in Other Liability Subsegments. The underwriting improvement in Health Insurance in the second quarter arises from an improvement in the individual insurance results, breaking even in Collective Long-Term insurance, and a decrease in loss from collective insurance in the Medical Expenses Subsegment. The decrease in underwriting income in the Long-Term Savings Segment in the second quarter arises mainly from a decrease in profitability in the individual insurance products in the Life Insurance Subsegment, and - on the other hand - from continued growth in the Retirement (Pension and Provident) Subsegments alongside a decline in expenses. It is noted that part of the underwriting improvement arises from a decrease in expenses in the quarter compared to the previous period, together with an increase in activity. Furthermore, the results of the quarter were affected by Special Items (as defined in Section 5.2 below); for further details see Section 5.2.3 below.

5.1 Data from the Consolidated statements of income data

5.1.1 Comprehensive income before tax and comprehensive income after tax in the Reporting Period (NIS million)

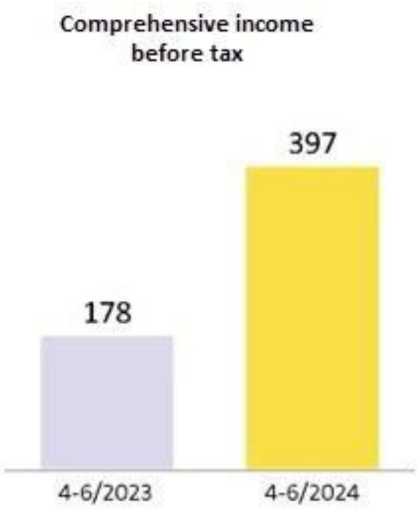


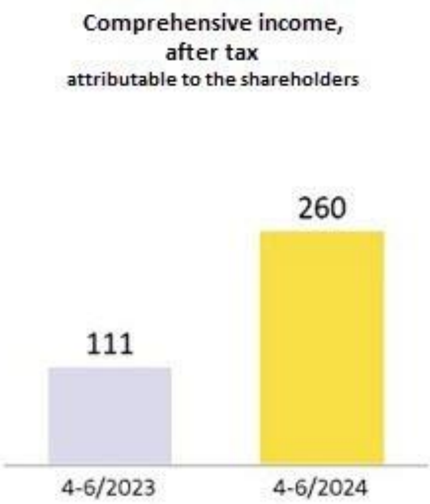


Return on equity

9.0%	15.3%

5.1.2 Comprehensive income before tax and comprehensive income after tax for the quarter (NIS million)





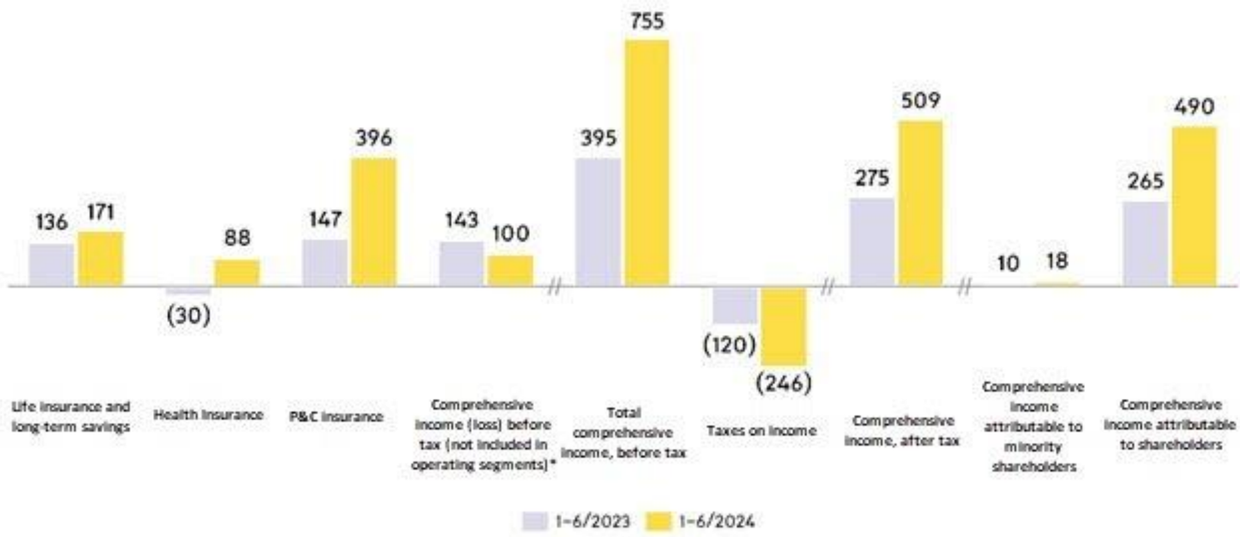
Return on equity

7.5%	16.2%

5.2 Comprehensive income (loss) from operating segments during the Reporting Period

The Group assesses the results of the insurance business while separating the operating results of underwriting activities from those of the financial activities. When measuring the underwriting operating results,[3] the Company charges a real normative return of 3%[4] (annualized) in respect of the liability component that is not backed by Hetz bonds, and also for the purpose of calculating variable management fees (hereinafter- "**underwriting income**")[5]. The difference between the actual return and the abovementioned normative return is presented as financial income (hereinafter - "**Investment Income**"). Also detailed are the effects of changes in the risk-free interest rate curve adapted to the illiquid nature of the insurance liabilities, and changes in the fair value of the illiquid assets compared to their amortized cost against health and P&C insurance liabilities (hereinafter - the "**change in the interest rate curve**"), Special Items - which include model revisions and actuarial assumptions, and non-recurring effects due to regulation and other significant events outside the ordinary course of business, at management's discretion (hereinafter jointly - "**Special Items**").

5.2.1 Comprehensive income (loss) from operating segments during the Reporting Period (NIS million)



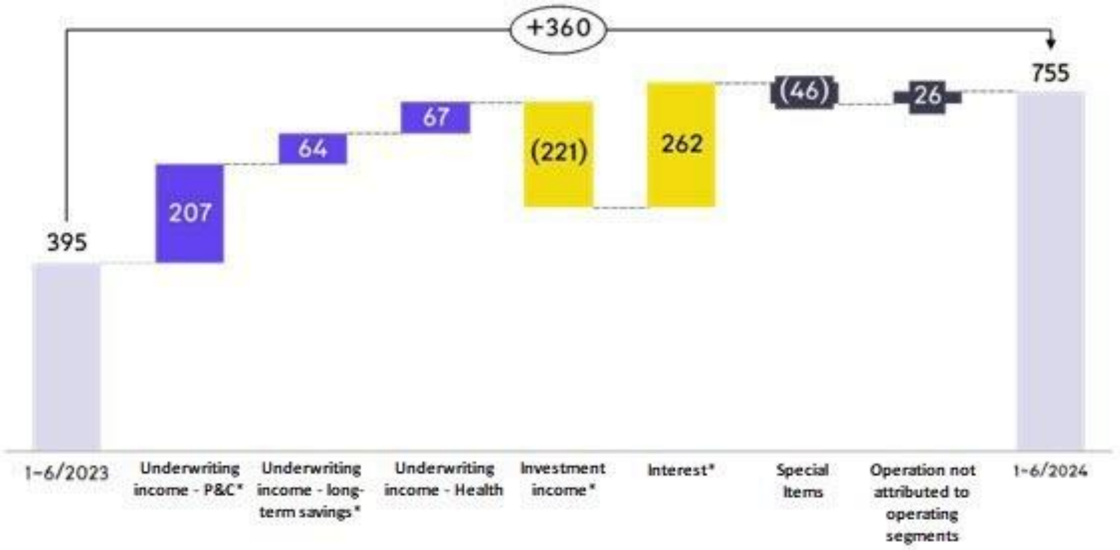
*) Mainly includes the results of an operation which is not defined as an operating segment, and investment income which is not allocated to a defined operating segment, net of finance expenses.

[3] Including regarding current business activity of pension and provident funds.

[4] Except for a liability in respect of unearned premium reserve, in respect of which a return was credited at a nominal rate of 3%.

[5] Without adjustment of expenses in respect of changes in return and interest.

5.2.2 Changes in the operating results during the Reporting Period (before tax, in NIS million)



1-6/2024	352	258	91	(120)	229	(60)	5
1-6/2023	145	194	24	101	(32)	(14)	(21)
Reference	(a)	(b)	(c)	(d)	(e)	(f)	

*) The data for the corresponding period last year included immaterial changes in order to better reflect the interest rate effect, investment income, and Special Items which were previously recorded under underwriting income.

Financial effects and other Special Items in the Reporting Period:

A. **Underwriting income in Property and Casualty Insurance**: The increase in underwriting income in the Reporting Period compared to the corresponding period last year arises mainly from a significant improvement in the results of the Motor Property Segment, and from an improvement in the underwriting income in other Liability and Property Subsegments alongside a decrease in underwriting income in the compulsory motor subsegment. For further details, see Section 5.6.3 below.

B. **Underwriting income Long-Term Savings:** The increase in underwriting income in the Reporting Period compared to the corresponding period last year arises mainly from a significant improvement in the profitability of the Retirement (Pension and Provident) Subsegments as a result of an increase in activity alongside a decrease in expenses; in Life Insurance, the increase in underwriting income arises mainly from an improvement in the Savings and collective insurance policies alongside a decrease in profitability in the individual insurance products. For further details, see Sections 5.3.6, 5.4.1 and 5.5.1 below.

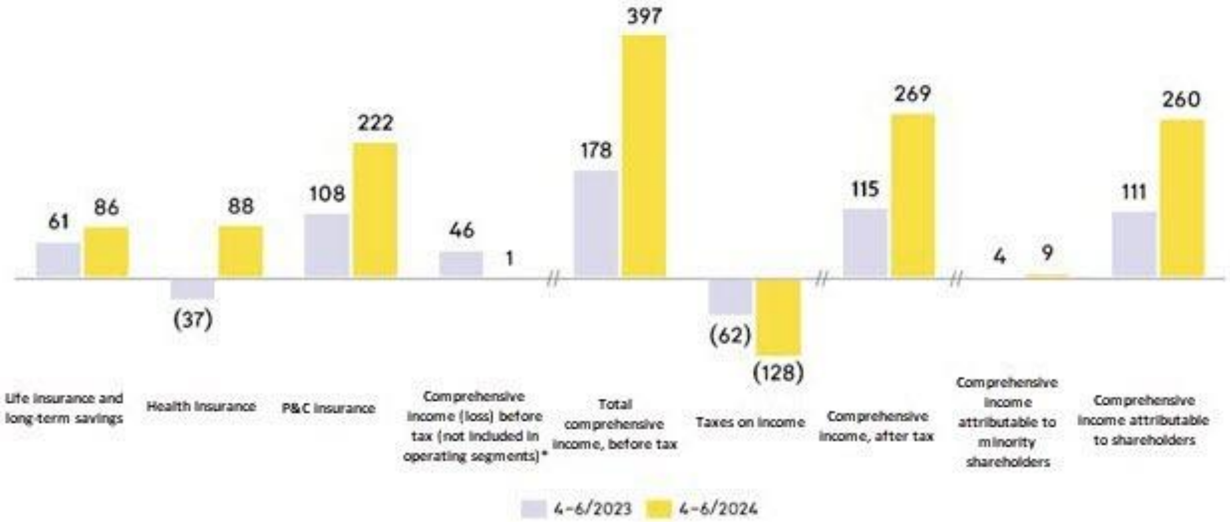
C. **Underwriting income in health insurance**: The increase in underwriting income in the Reporting Period compared to the corresponding period last year arises mainly from an improvement in the results of individual and collective long-term care insurance. For further details, see Section 5.7.1 below.

D. **Investment income/losses** (as defined in Section 5.2 above): The real return in the Reporting Period was lower than the normative return, whereas in the corresponding period last year it was higher than the normative return as stated in Section 5.2 above. Investment losses in the reporting period amounted to approx. NIS 120 million, compared to income of approx. NIS 101 million in the corresponding period last year.

E. **Interest rate curve effect:** The interest rate effect in the Reporting Period triggered an approx. NIS 229 million decrease in insurance liabilities. The interest rate curve effect in the corresponding period last year increased the insurance liabilities by approx. NIS 32 million.

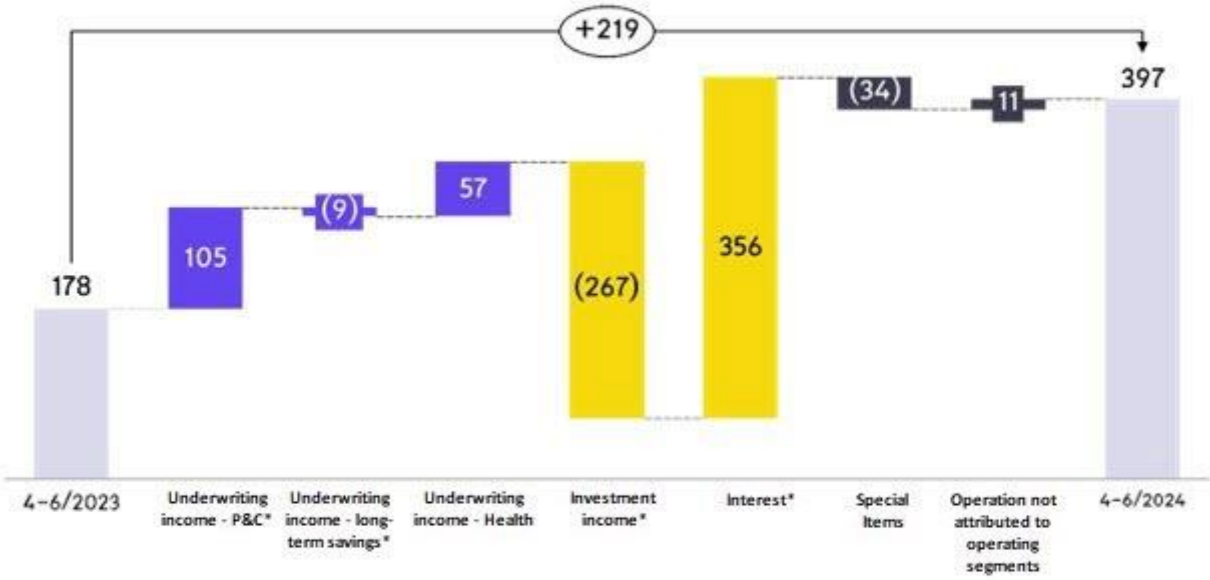
F. **Special Items**: Special Items in the Reporting Period include mainly the effect of the publication of mortality tables at the total amount of approx. NIS 88 million, and on the other hand the effect of a study regarding the retirement age and the pension uptake rates at the total amount of approx. NIS 55 million, whose overall effect led to an approx. NIS 34 million decrease in income from Life Insurance (see also Section 2.14 above), the approx. NIS 11 million effect of the Iron Swords War on the results of the Life Insurance Segment, and - on the other hand - the effect of revisions to cancellation and expense assumptions, which decreased the life insurance reserves by approx. NIS 3 million. Special Items in the Health Insurance Segment include the effect of the revisions to morbidity, cancellations, and expenses assumptions, which increased the insurance liabilities by approx. NIS 18 million. Special Items in the corresponding period last year include revisions to morbidity and cancellations assumptions in the Health Insurance Segment, which increased the insurance liabilities by approx. NIS 14 million.

5.2.3 Comprehensive income (loss) from operating segments during the quarter (NIS million)



*) Mainly includes the results of an operation which is not defined as an operating segment, and investment income which is not allocated to a defined operating segment, net of finance expenses.

5.2.4 Changes in the operating results during the quarter (before tax, in NIS million)



4-6/2024	210	107	72	(209)	268	(48)	(3)
4-6/2023	105	116	15	57	(87)	(14)	(14)
Reference	(a)	(b)	(c)	(d)	(e)	(f)	

*) The data for the corresponding period last year included immaterial changes in order to better reflect the interest rate effect, investment income, and Special Items which were previously recorded under underwriting income.

Financial effects and other Special Items in the quarter:

A. **Underwriting income in Property and Casualty Insurance**: The increase in underwriting income in the second quarter compared to the corresponding quarter last year arises mainly from a significant improvement in the underwriting income of the Motor Property Subsegment, and from an improvement in Other Property and Compulsory Motor Subsegments alongside a decrease in underwriting income in the Other Liability Subsegments. For further details, see Section 5.6.7 below.

B. **Underwriting income in Long-Term Savings**: The decrease in underwriting income in the second quarter arises mainly from a decrease in profitability of the individual insurance products, and - on the other hand - an improvement in underwriting profitability in the Retirement (Pension and Provident) Subsegments. For further details, see Sections 5.3.10, 5.4.2 and 5.5.2 below.

C. **Underwriting income in Health Insurance:** The increase in underwriting income in the second quarter arises from an improvement in the individual insurance results, breaking even in the Collective Long-Term Care Subsegment and a decrease in loss from collective insurance in the Medical Expenses Subsegment. For further details, see Section 5.7.3 below.

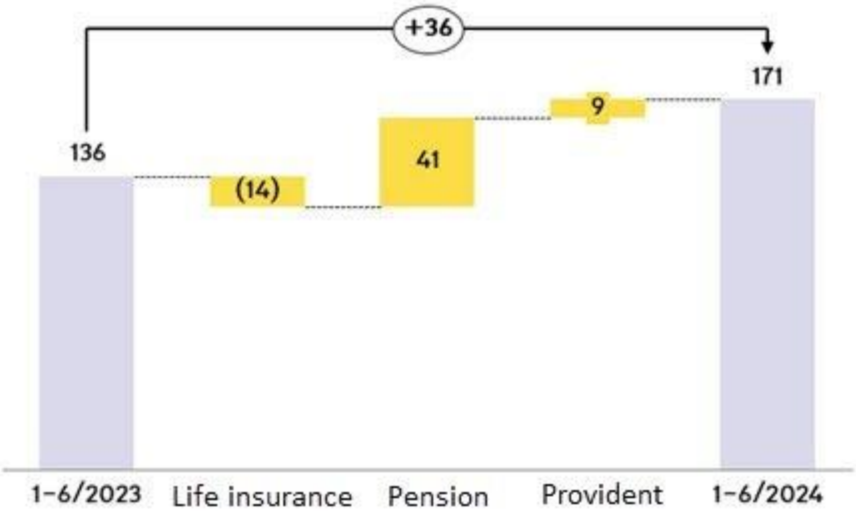
D. **Investment income/losses** (as defined in Section 5.2 above): The real return in the second quarter was lower than the normative return, whereas in the corresponding quarter last year it was higher than the normative return as stated in Section 5.2 above. Investment losses in the second quarter amounted to approx. NIS 209 million, compared to income of approx. NIS 47 million in the corresponding quarter last year.

E. **Interest rate effect:** The interest rate effect in the second quarter triggered an approx. NIS 268 million decrease in insurance liabilities. The interest rate effect increased the insurance liabilities by approx. NIS 87 million.

F. **Revision of actuarial assumptions and other Special Items**: Special Items in the second quarter include mainly the effect of the publication of mortality tables at the total amount of approx. NIS 88 million, and on the other hand the effect of a study regarding the retirement age and the pension uptake rates at the total amount of approx. NIS 55 million, whose overall effect led to an approx. NIS 34 million decrease in income from Life Insurance (see also Section 2.14 above), the approx. NIS 3 million effect of the Iron Swords War on the results of the Life Insurance Segment, and the effect of revisions in cancellation and expense assumptions, which decreased the life insurance reserves by approx. NIS 3 million. Special Items in the Health Insurance Segment include the effect of revisions to morbidity and cancellations assumptions, which increased the insurance liabilities by approx. NIS 14 million. Special Items in the corresponding period last year include revisions to morbidity and cancellations assumptions in the Health Insurance Segment, which increased the insurance liabilities by approx. NIS 14 million.

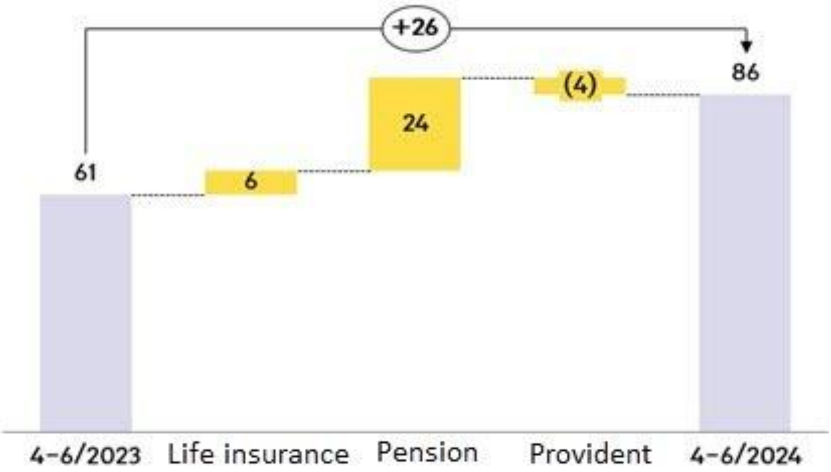
5.3 Life Insurance and Long-Term Savings

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



1-6/2024	27	129	15
1-6/2023	41	88	7

5.3.2 Key results of the Life Insurance and Long-Term Savings Subsegments in the quarter (before tax, in NIS million)

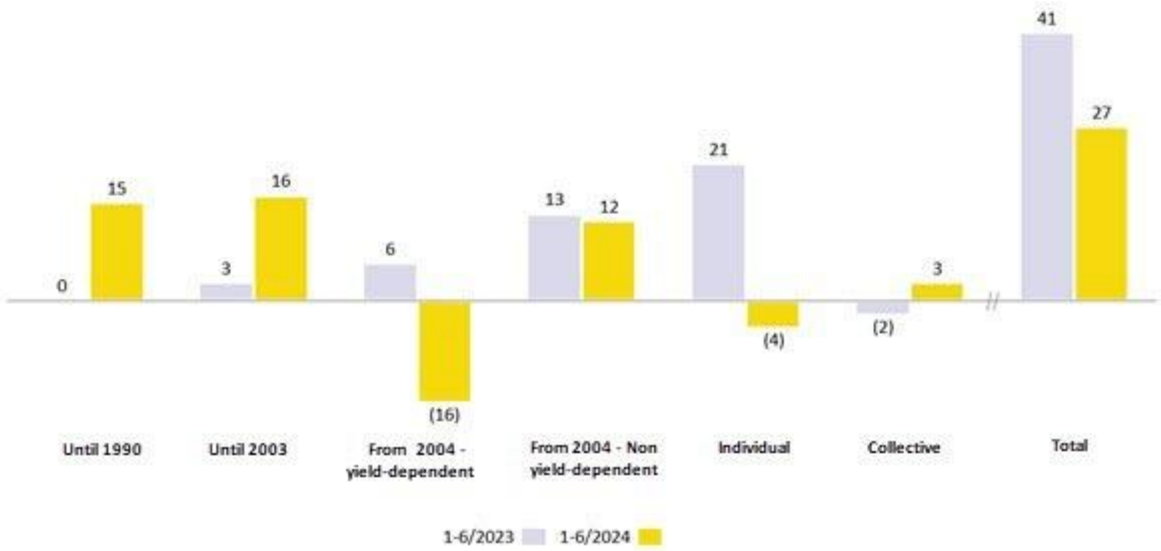


4-6/2024	18	67	1
4-6/2023	11	44	5

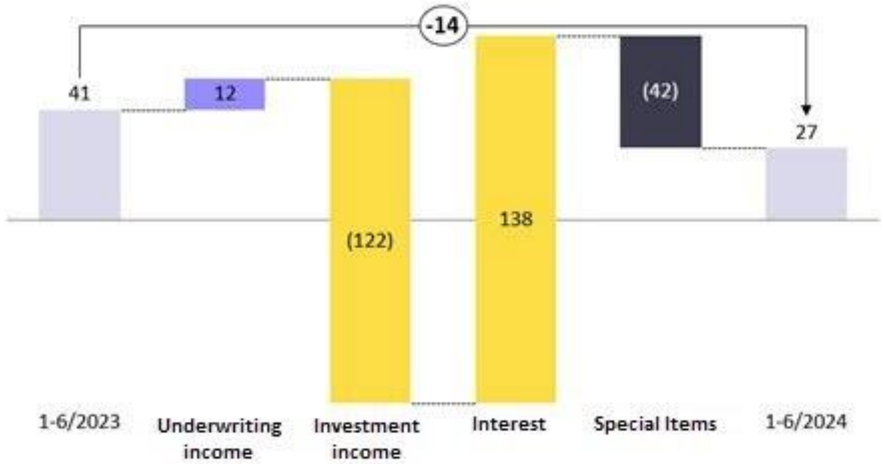
5.3.3 Operating results of the Life Insurance and Long-Term Savings Subsegments

The profitability of the Long-Term Savings Subsegment is affected by the changes in the capital market, which impact the guaranteed-return policies (which are backed mainly by designated bonds) and the variable management fees in respect of yield-dependent policies which were issued in 1991-2003. In addition, since the segment is characterized with high insurance reserves, changes in estimates of assumptions and actuarial assessments, and changes in interest rates and investment income/losses, had a marked effect on the activity's results.

5.3.4 Comprehensive income (loss) in life insurance during the Reporting Period (before tax) (in NIS million)



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



1-6/2024	103	(146)	112	(42)
1-6/2023	91	(23)	(26)	0

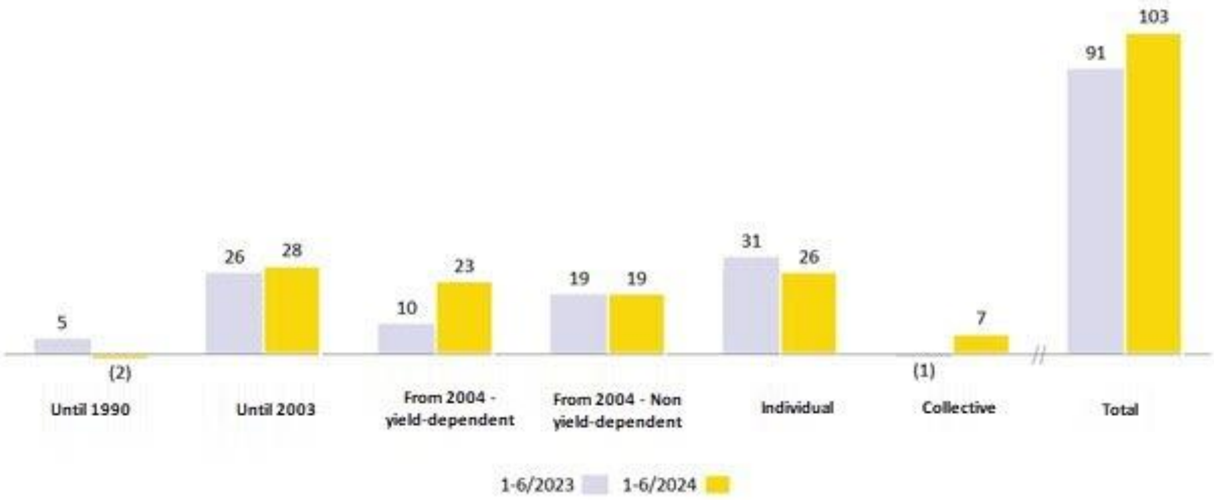
The decrease in comprehensive income in the Life Insurance and Long-Term Savings Segment in the Reporting Period compared to the corresponding period last year stems mainly from an increase in investment losses compared to last year (after charging a normative return to the underwriting income as stated in Section 5.2 above), which triggered an approx. NIS 146 million in investment losses in the Reporting Period compared to approx. NIS 23 million in investment losses in the corresponding period last year.

Furthermore, in the Reporting Period there was a negative effect due to Special Items amounting to approx. NIS 42 million. These effects arise from actuarial assumptions and revision of the mortality tables, which increased the Company's insurance liabilities in the amount of approx. NIS 31 million, and from an adverse effect on the back of the War totaling approx. NIS 11 million on the Company's results (for further details, see Note 5.2.2F above).

On the other hand, the interest rate curve effect in the Reporting Period reduced the insurance liabilities by approx. NIS 112 million, compared to an increase of approx. NIS 26 million in insurance liabilities in the corresponding period last year.

Furthermore, there was an increase in underwriting income, which arises mainly from an improvement in the profitability of the Savings and collective insurance products alongside a decrease in profitability in the individual insurance products.

5.3.6 Results of the underwriting income in the various Life Insurance Subsegments during the Reporting Period (pre-tax) (in NIS million)



- **Policies issued by 1990 -** the decrease in underwriting income in the Reporting Period compared to the corresponding period last year arises mainly from an increase in liabilities (retention). On the other hand, there was a decrease in expenses.

- **Participating policies issued by 2003 -** the increase in underwriting income in the Reporting Period compared to the corresponding period last year arises mainly from a decrease in expenses and an increase in collection of fixed management fees.
- **Policies issued as from 2004 yield dependent** - the increase in underwriting income arises mainly from a decrease in expenses and from a decrease in disability insurance claims.
- **Individual policies without a savings component** - the decrease in underwriting income in the Reporting Period compared to the corresponding period last year arises mainly from an increase in claims in the disability insurance products. On the other hand, there was a decrease in disability insurance claims.
- **Collective policies without a savings component** - the increase in underwriting income in the Reporting Period compared to the corresponding period last year arises mainly from ceded business and a decrease in disability insurance claims.

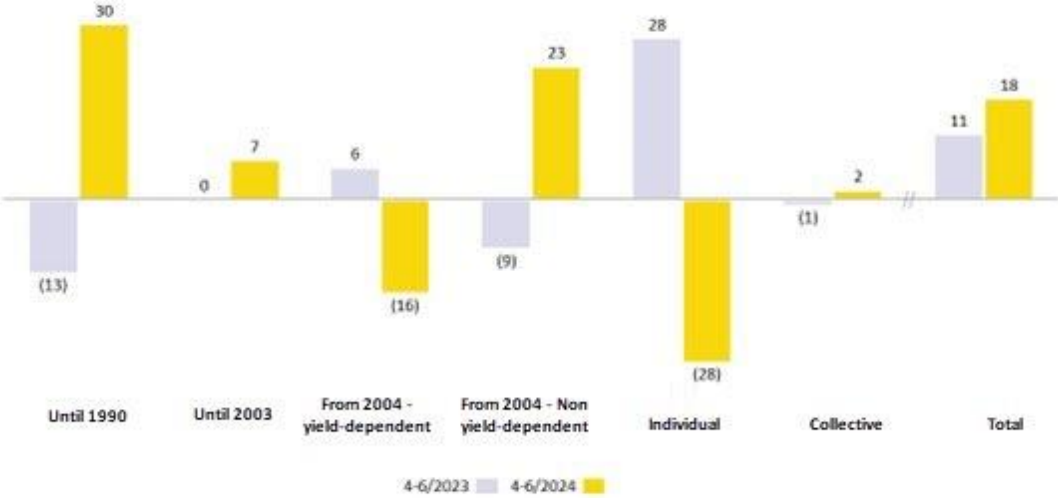
5.3.7 Gross insurance premiums and redemptions in the Reporting Period (in NIS million)

*) Proceeds in respect of investment contracts are recognized directly in insurance liabilities, and not recognized as premiums in the financial statements.

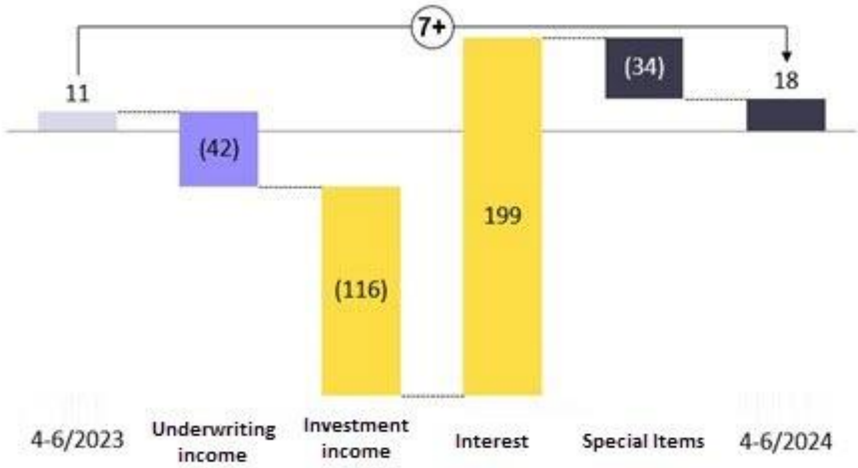
The policies which were redeemed during the Reporting Period amounted to approx. NIS 1,058 million, compared to approx. NIS 912 million in the corresponding period last year. The rate of redemptions out of the average reserve in the Reporting Period was approx. 6.44% compared to approx. 5.69% in the corresponding period last year.

Redemptions in respect of policies where premiums were charged directly to liabilities in respect of insurance contracts (without a significant insurance risk component) amounted to approx. NIS 423 million in the Reporting Period, compared to approx. NIS 527 million in the corresponding period last year.

5.3.8 Comprehensive income (loss) in life insurance during the quarter (before tax) (in NIS million)



5.3.9 Changes in the results of Life Insurance and Long-Term Savings in the quarter (before tax, in NIS million)



4-6/2024	23	(115)	145	(34)
4-6/2023	65	1	(54)	0

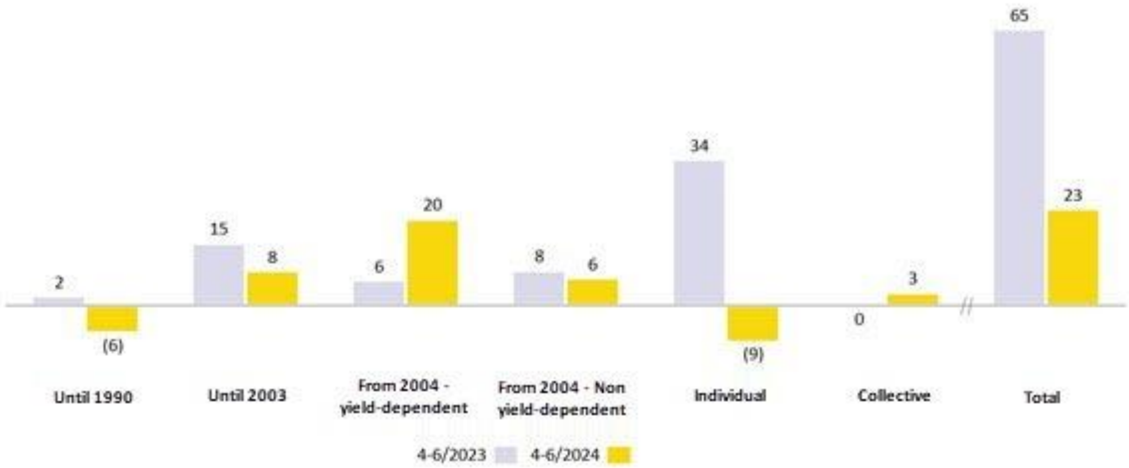
The increase in comprehensive income from the Life Insurance and Long-Term Savings Segment in the quarter compared to the corresponding quarter last year, arises mainly from the interest rate curve effect in the quarter, which led to a decrease in insurance liabilities by approx. NIS 145 million, compared to an increase of approx. NIS 54 million in insurance liabilities in the corresponding quarter last year.

On the other hand, investment income decreased (after charging a normative return to the underwriting income as stated in Section 5.2 above), which was reflected in approx. NIS 115 million in investment losses in the quarter compared to approx. NIS 1 million in investment income in the corresponding quarter last year.

Furthermore, in the quarter there was a negative effect due to Special Items amounting to approx. NIS 34 million. These effects arise from actuarial assumptions and revision of the mortality tables, which increased the Company's insurance liabilities in the amount of approx. NIS 31 million, and from an adverse effect on the back of the War totaling approx. NIS 3 million on the Company's results (for further details, see Note 5.2.4F above).

Furthermore, there was a decrease in underwriting income, which arises mainly from a decrease in the profitability of individual insurance products.

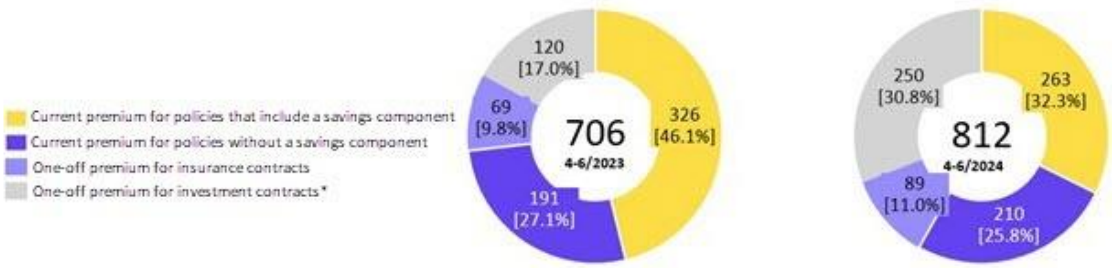
5.3.10 Results of the underwriting income in the various Life Insurance Subsegments during the quarter (before tax) (in NIS million)



- **Policies issued by 1990 -** the decrease in underwriting income in the second quarter compared to the corresponding quarter last year arises mainly from an increase in liabilities (retention). On the other hand, there was a decrease in expenses.
- **Participating policies issued by 2003** - the decrease in underwriting income in the second quarter compared to the corresponding quarter last year arises mainly from an increase in life insurance claims and a negative development in life insurance claims as part of the annuity reserve.
- **Policies issued as from 2004 yield dependent** - the increase in underwriting income in the second quarter compared to the corresponding quarter last year arises mainly from a decrease in expenses and from a decrease in disability and life insurance claims.

- **Policies issued as from 2004 non-yield-dependent** - the decrease in underwriting income in the second quarter compared to the corresponding quarter last year arises mainly from negative development in life insurance claims as part of the annuity reserve.
- **Individual policies without a savings component** - the decrease in underwriting income in the second quarter compared to the corresponding quarter last year arises mainly from an increase in life and disability insurance claims, and on the other hand from an improvement in disability insurance claims.
- **Collective policies without a savings component** - the increase in underwriting income in the Reporting Period compared to the corresponding period last year arises mainly from ceded business and a decrease in disability insurance claims.

5.3.11 Gross insurance premiums and redemptions in the quarter (in NIS million)



*) Proceeds in respect of investment contracts are recognized directly in insurance liabilities, and not recognized as premiums in the financial statements.

In the second quarter of the year, redemptions amounted to approx. NIS 500 million, compared to approx. NIS 433 million in the corresponding quarter last year. The rate of redemptions out of the average reserve in the second quarter is approx. 6.03% compared to approx. 5.41% in the corresponding quarter last year.

Redemptions in respect of policies where premiums were charged directly to liabilities in respect of insurance contracts (without a significant insurance risk component) amounted to approx. NIS 199 million, compared to approx. NIS 243 million in the corresponding quarter last year.

Yield-dependent policies

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

The liabilities arising from yield-dependent policies as of June 30, 2024 amounted to approx. NIS 31,978 million, compared to approx. NIS 30,951 million in the corresponding period last year, an increase of approx. 3.3%.

In yield-dependent insurance policies issued from 1991 to 2003, an insurer may collect fixed management fees and variable management fees at the rates set in the regulations and derived from the real return of the investment portfolio. The variable management fees are collected only in respect of positive real return. If a negative real return was achieved, the insurer can only collect the variable management fees once the return which is achieved covers the accumulated real loss. During the course of 2022, a negative real return, which has yet to be offset as of the report date, was achieved, and consequently, the Company is prevented from collecting variable management fees until a cumulative positive return is achieved. As of the report date, the potential loss of income from management fees amounted to approx. NIS 144 million. Immediately prior to the report publication date, the potential loss of income from management fees is estimated at approx. NIS 123 million. It is noted that in connection with yield-dependent insurance policies issued as from 2004, only fixed management fees are collected, and therefore real investment losses do not have a direct effect on the collection of those management fees as stated above.

In the reporting period, income from management fees in yield-dependent life insurance policies amounted to approx. NIS 116 million, compared to approx. NIS 114 million in the corresponding period last year.

Income from management fees in yield dependent life insurance policies amounted to approx. NIS 58 million in the second quarter, compared to approx. NIS 57 million in the corresponding quarter last year.

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

Policies issued in 1991-2003 (Fund J)

	1-6/2024	1-6/2023	4-6/2024	4-6/2023	1-12/2023
Real return before payment of management fees	3.08%	2.22%	(1.12%)	2.86%	4.70%
Real return after payment of management fees	2.78%	1.92%	(1.27%)	2.71%	4.08%
Nominal return before payment of management fees	5.05%	4.74%	0.47%	4.27%	8.20%
Nominal return after payment of management fees	4.73%	4.43%	0.32%	4.11%	7.55%

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

	1-6/2024	1-6/2023	4-6/2024	4-6/2023	1-12/2023
Real return before payment of management fees	3.08%	2.22%	(1.12%)	2.86%	4.70%
Real return after payment of management fees	2.64%	1.78%	(1.33%)	2.64%	3.81%
Nominal return before payment of management fees	5.05%	4.74%	0.47%	4.27%	8.20%
Nominal return after payment of management fees	4.60%	4.28%	0.26%	4.04%	7.28%

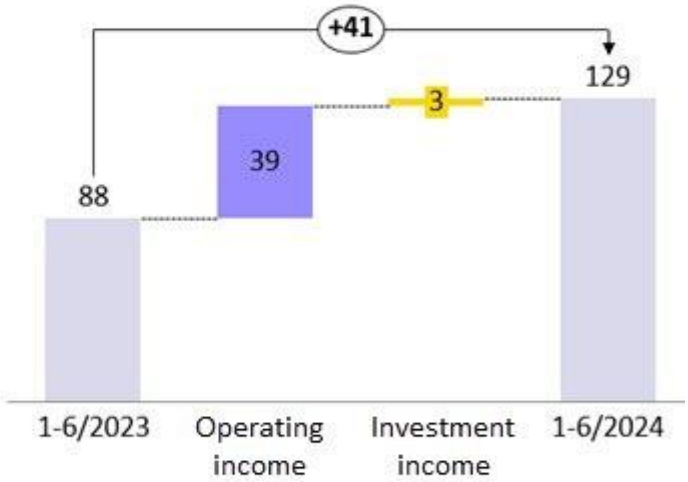
Details regarding the investment income which was charged to policyholders in participating policies and the management fees:

In NIS million	1-6/2024	1-6/2023	4-6/2024	4-6/2023	1-12/2023
Nominal investment income credited to policyholders net of management fees	1,463	1,526	99	1,192	2,357
Fixed management fees	116	114	58	57	229
Variable management fees	-	-	-	-	-
Total management fees	116	114	58	57	229

5.4 Pension Funds Subsegment

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

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

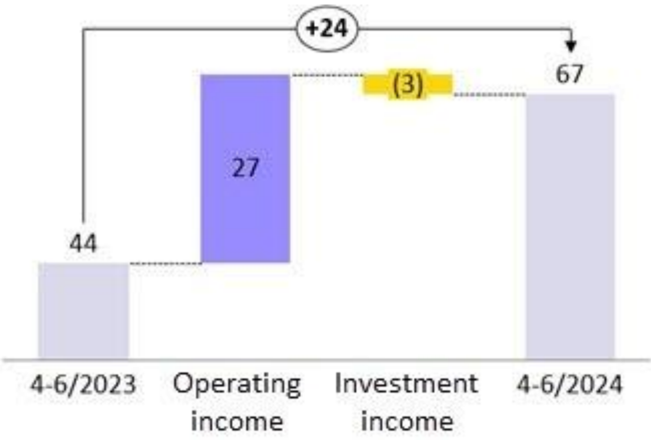


1-6/2024	128	1
1-6/2023	90	(2)

In the Reporting Period, the income amounted to approx. NIS 129 million, compared to income of approx. NIS 88 million in the corresponding period last year. The increase in income in the reporting period compared to the corresponding period last year arises from an increase in operating income of approx. NIS 39 million, which stems mainly from an increase in income from management fees (net) due to the increase in total assets under management and an increase in collection, at the total amount of approx. NIS 35 million; as well as a decrease in general and administrative expenses totaling approx. NIS 10 million. On the other hand, there was an approx. NIS 5 million increase in marketing, purchase and deferred purchase fees expenses.

Furthermore, there was an increase in investment income (after stating of the normative return under operating income, as outlined in Section 5.2 above) at the total amount of approx. NIS 3 million.

5.4.2 Changes in the pension funds activity results during the quarter (before tax, in NIS million)

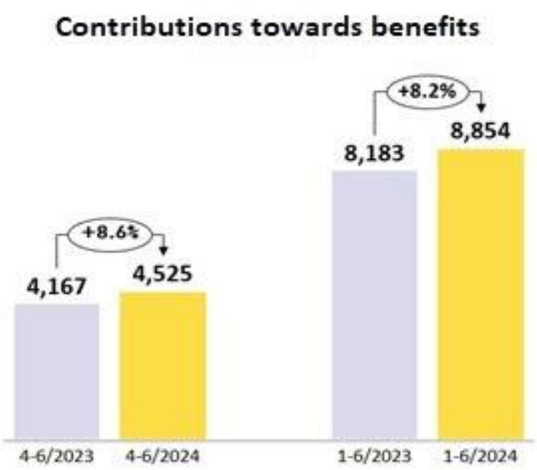


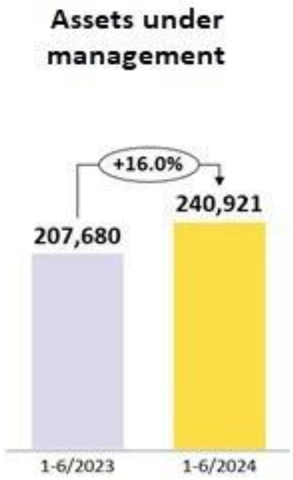
4-6/2024	70	(2)
4-6/2023	43	1

The income in the second quarter of the year amounted to approx. NIS 67 million compared to an income of approx. NIS 44 million during the corresponding quarter last year. The increase in income in the quarter compared to the corresponding quarter last year arises from an increase in operating income of approx. NIS 27 million, which stems mainly from an increase in income from management fees (net) due to the increase in total assets under management and an increase in collection, at the total amount of approx. NIS 21 million; as well as a decrease in general and administrative expenses totaling approx. NIS 9 million in addition to an increase in marketing, purchase expenses and deferred purchase fees totaling approx. NIS 4 million.

On the other hand, there was a decrease in investment income (after stating of the normative return under operating income, as outlined in Section 5.2 above) at the total amount of approx. NIS 3 million.

5.4.3 Assets under management and contributions towards benefits (in NIS million)

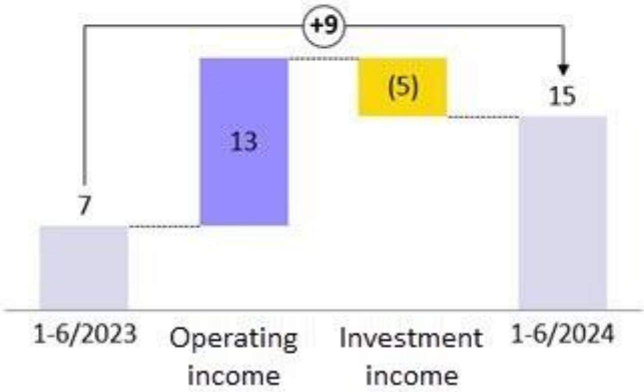




5.5 Provident Funds Subsegment

The operating results in the Provident Funds Subsegment are in respect of the management companies: Menora Mivtachim Pension and Provident Funds and Menora Mivtachim Engineers:

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

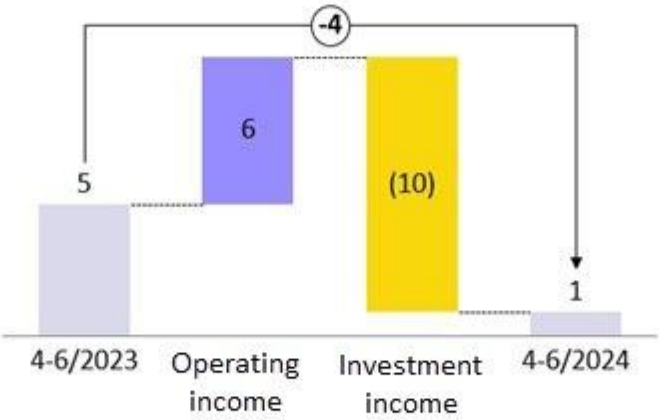


1-6/2024	26	(11)
1-6/2023	13	(6)

In the Reporting Period, the income amounted to approx. NIS 15 million, compared to income of approx. NIS 7million in the corresponding period last year.

The increase in income in the reporting period compared to the corresponding period last year arises from an increase in operating income of approx. NIS 13 million, which stems mainly from an increase in management fees at the total amount of approx. NIS 17 million, which was partially offset by an increase in income. On the other hand, there was an approx. NIS 5 million decrease in investment income in guaranteed return provident funds and nostro.

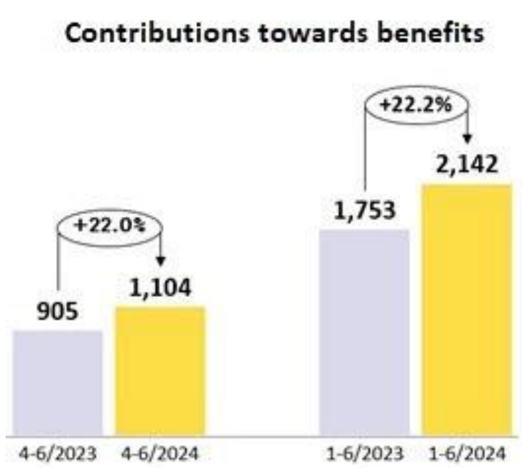
5.5.2 Changes in the provident funds activity results during the quarter (before tax, in NIS million)



4-6/2024	14	(13)
4-6/2023	8	(3)

The income in the second quarter of the year amounted to approx. NIS 1 million compared to an income of approx. NIS 5 million during the corresponding quarter last year. During the quarter, the decrease in income compared to the corresponding quarter last year arises mainly from an approx. NIS 10 million decline in investment income in guaranteed return provident funds and nostro. In addition, there was an increase of NIS 6 million in operating income, arising mainly from an increase of approx. NIS 9 million in management fees, which was partially offset by an increase in expenses.

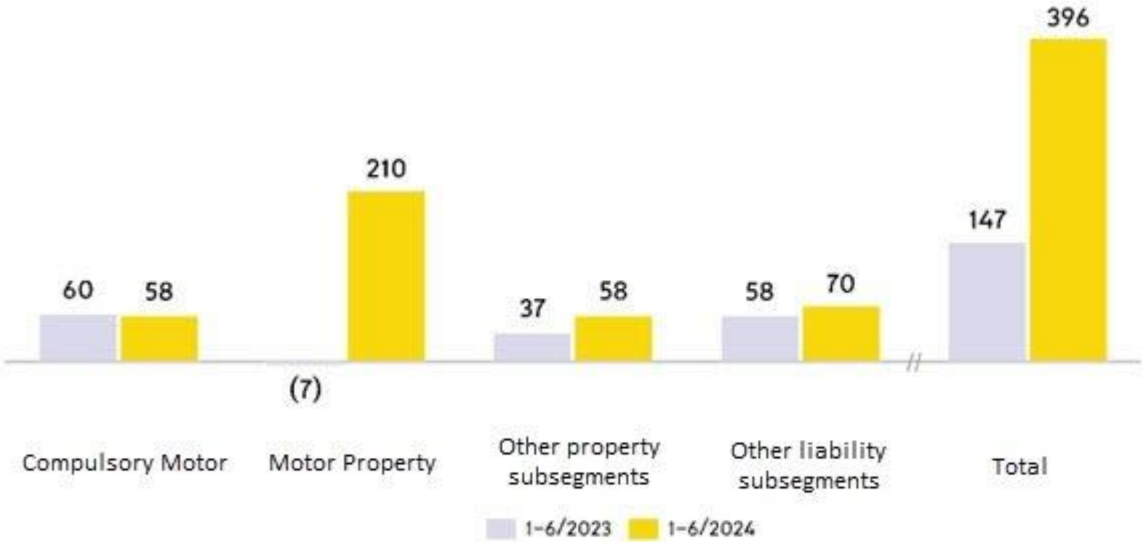
5.5.3 Assets under management and contributions towards benefits (in NIS million)



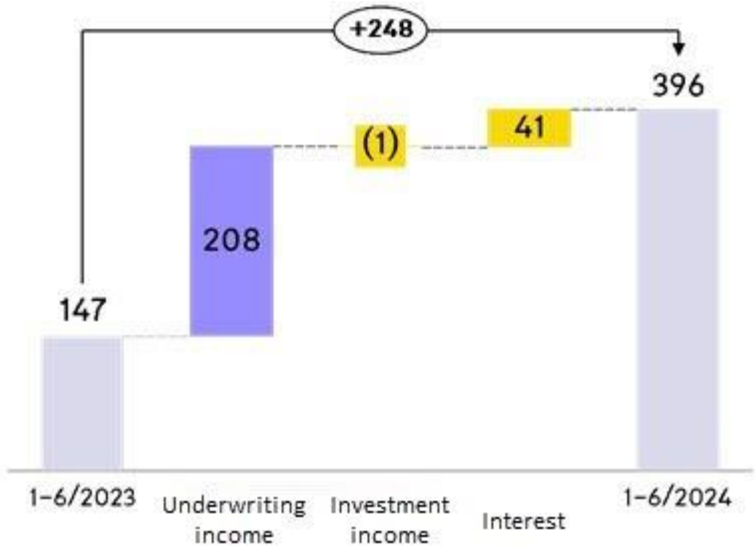
5.6 Results of Property and Casualty Insurance Subsegments

The Property and Casualty insurance businesses comprise four subsegments: Motor property, compulsory motor, property and other insurance, and other liability insurance.

5.6.1 Comprehensive income (loss) in property and casualty insurance during the reporting period (before tax, in NIS million)



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



1-6/2024	352	(26)	69
1-6/2023	145	(25)	28

The increase in comprehensive income in the Reporting Period compared to the corresponding period last year stems from an approx. NIS 208 million increase in underwriting income, from an increase in investment losses (after charging a normative return as stated in Section 5.2 above) of approx. NIS 1 million (of which in the Other Liability Subsegments and Other Property Subsegments, an approx. NIS 4 million and NIS 1 million increase in investment losses, respectively, and - on the other hand - an approx. NIS 4 million decrease in investment losses in the Compulsory Motor Subsegment).

The interest rate curve effect reduced the insurance liabilities by approx. NIS 69 million during the reporting period, compared to a decrease of approx. NIS 28 million in the corresponding period last year. The interest rate effect in the reporting period includes a positive effect of approx. NIS 49 million in compulsory motor insurance, approx. NIS 4 million in motor property insurance, and approx. NIS 16 million in Other Liability Subsegments (in the corresponding period last year - a positive effect of approx. NIS 23 million in compulsory motor insurance, approx. NIS 3 million in Other Liability Subsegments, and approx. NIS 2 million in motor property insurance).

5.6.3 Results of underwriting income by operating segment in the Reporting Period (before tax, in NIS million)

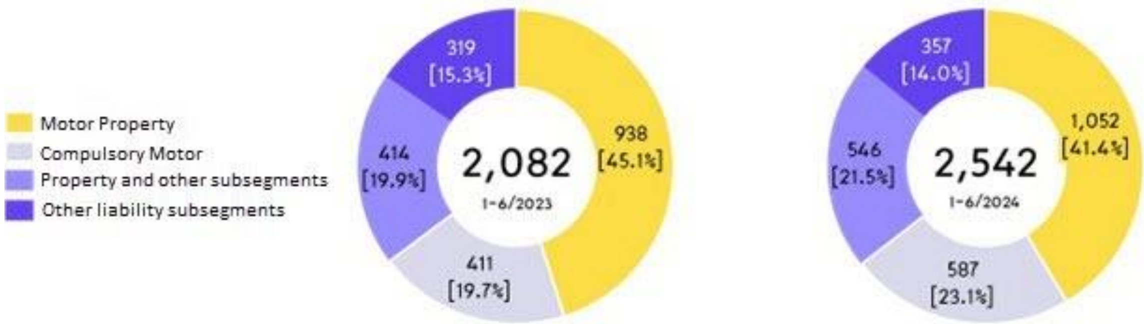
Compulsory Motor Insurance - the lower underwriting income in the Reporting Period compared to the corresponding period last year is mainly due to a lower positive development in respect of prior years' claims, and a deterioration in the results of the current year.

Motor Property Insurance - the transition to underwriting income in the Reporting Period compared to an underwriting loss in the corresponding period last year arises from an improvement in the results of the current year due to a revision to tariffs, and from higher positive developments with respect to previous years. As to the effect of the Iron Swords War, see also Section 2.1 above.

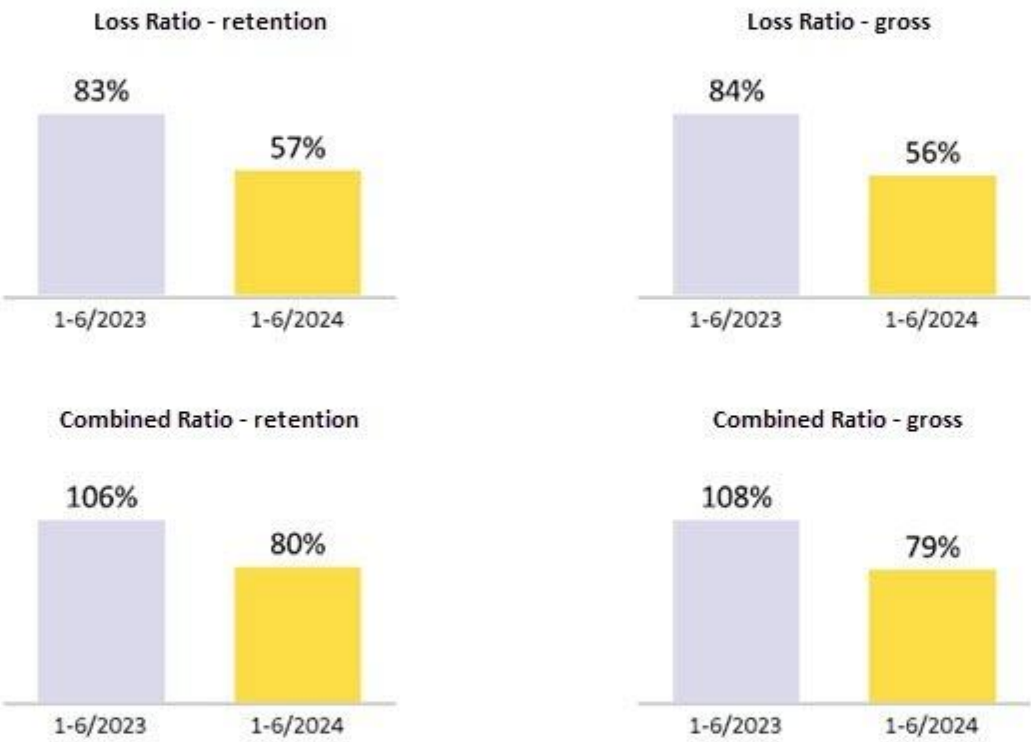
Other Property Subsegments - the increase in underwriting income in the Reporting Period compared to the corresponding period last year is mainly due to a positive developments in respect of prior years, and an improvement in the results of the current year.

Other Liability Subsegments - the increase in underwriting income in the Reporting Period compared to the corresponding period last year arises from an increase in positive developments in respect of prior years, and from an improvement in the results of the current year.

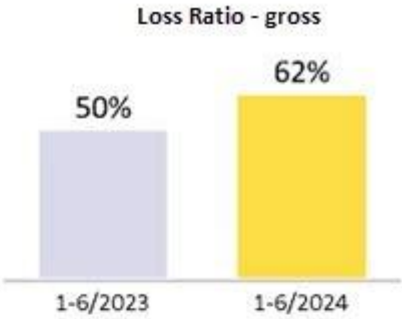
5.6.4 Gross premiums during the Reporting Period and corresponding period last year (in NIS million)

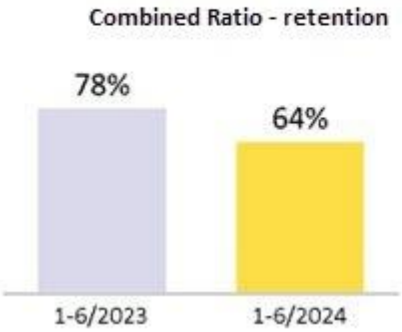


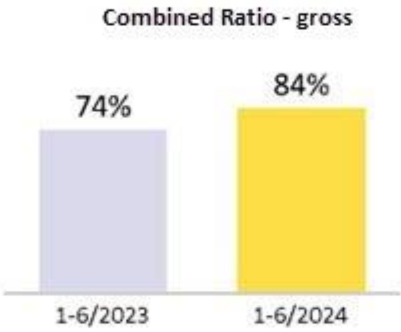
Following is the loss ratio and combined loss ratio - gross and retention - in motor property:



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

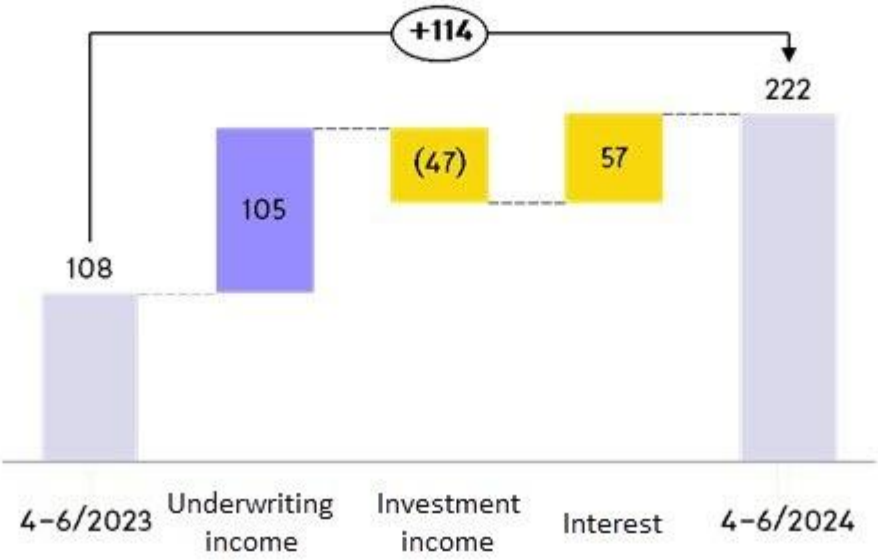






5.6.5 Comprehensive income (loss) in property and casualty insurance during the quarter (before tax, in NIS million)

5.6.6 Analysis of key changes in comprehensive income during the quarter, compared to the corresponding quarter last year (before tax, in NIS million)

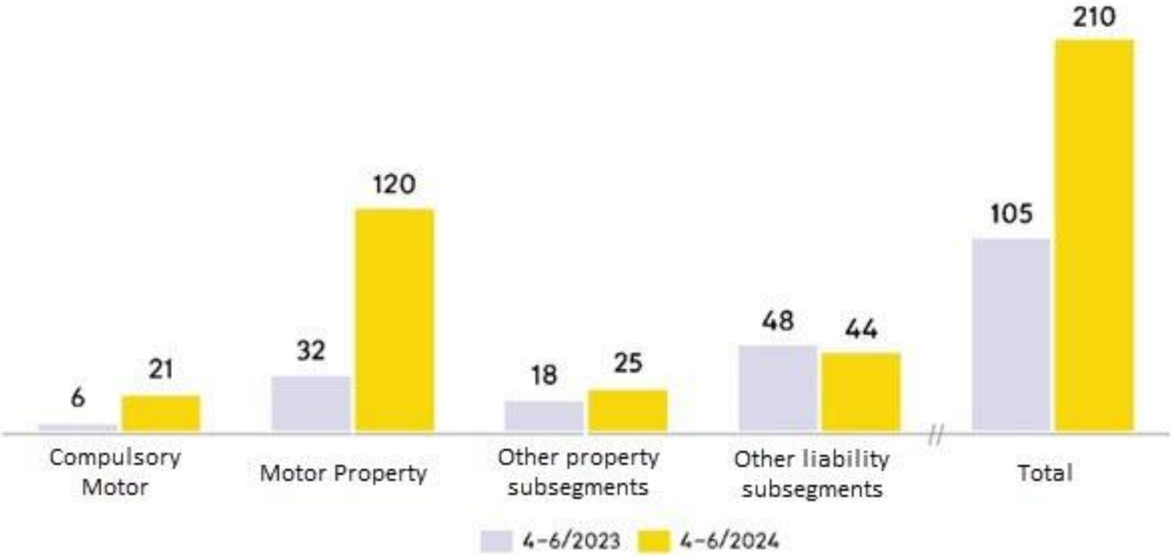


4-6/2024	210	(47)	59
4-6/2023	105	0	3

The increase in comprehensive income in the quarter compared to the corresponding quarter last year arises from an approx. NIS 105 million increase in underwriting income and from the interest rate curve effect, which reduced the insurance liabilities in the quarter by approx. NIS 59 million, compared to an approx. NIS 3 million decrease in the corresponding quarter last year. The interest rate curve effect in the quarter includes a positive effect of approx. NIS 40 million in Compulsory Motor Insurance, approx. NIS 3 million in Motor Property Insurance, and approx. NIS 16 million in Other Liability Subsegments (in the corresponding quarter last year - a positive effect of approx. NIS 3 million in Motor Property Insurance).

On the other hand, in the second quarter, there are investment losses (after charging a normative return as stated in Section 5.2 above) of approx. NIS 47 million (of which approx. NIS 35 million in compulsory motor insurance, approx. NIS 6 million in motor property insurance, approx. NIS 9 million in Other Liability Subsegments, and approx. NIS 3 million in income in Other Property Subsegments).

5.6.7 Results of underwriting income by operating segment in the quarter (before tax, in NIS million)



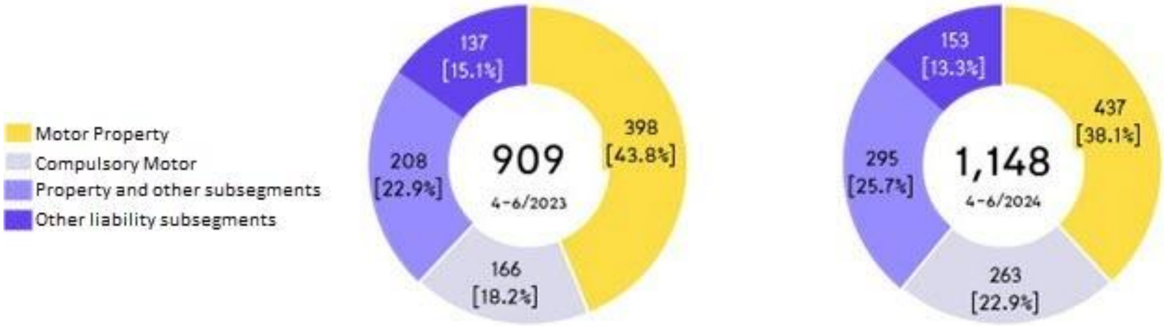
Compulsory Motor Insurance - the increase in underwriting income in the quarter compared to the corresponding quarter last year is mainly due to a positive development in respect of prior years' claims compared to a negative development in the corresponding quarter last year.

Motor Property - the increase in underwriting income in the quarter compared to the corresponding quarter last year arises from an improvement in the current year's results as a result of a revision to tariffs, and - on the other hand - in the corresponding quarter last year there was a decrease in premium deficiency.

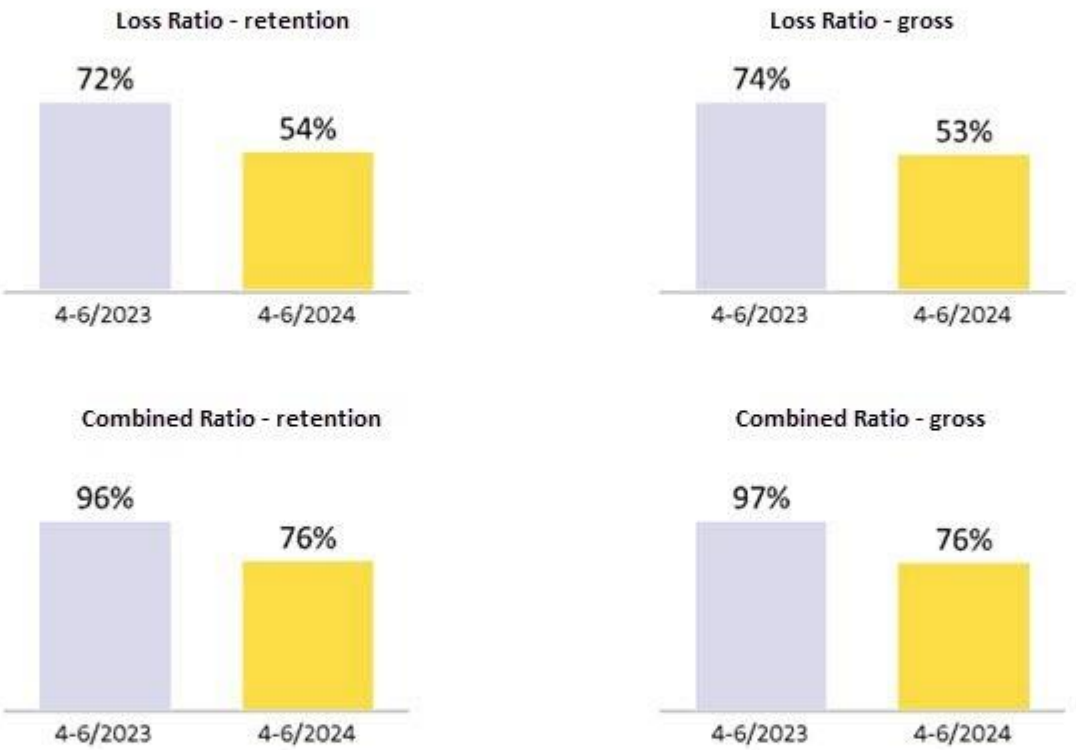
Other Property Subsegments - the increase in underwriting income in the quarter compared to the corresponding quarter last year arises mainly from an improvement in the results of the current year.

Other Liability Subsegments - the decrease in underwriting income in the quarter compared to the corresponding quarter last year arises mainly from the release of premium deficiency in the corresponding quarter last year.

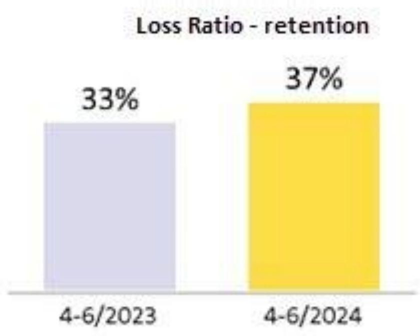
5.6.8 Gross premiums in the quarter and corresponding quarter last year (in NIS million)

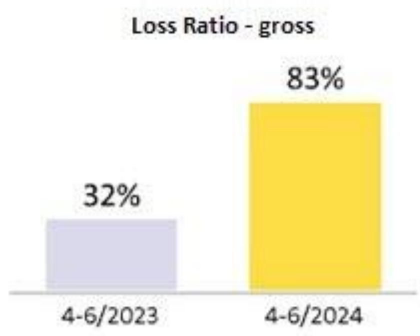


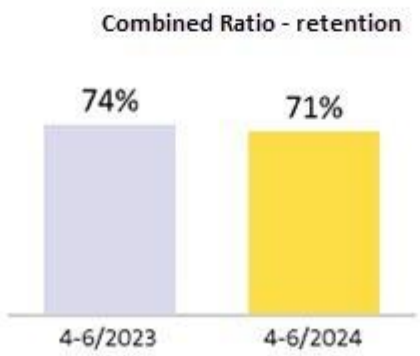
Following is the loss ratio and combined loss ratio - gross and retention - in motor property:

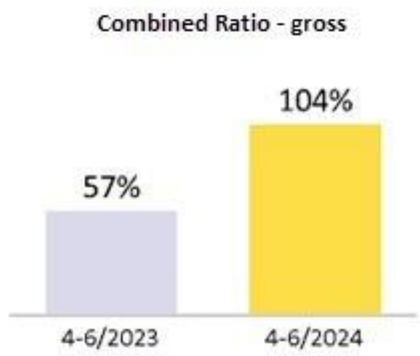


Following is the loss ratio and combined loss ratio - gross and retention - in the Other Property Subsegments:



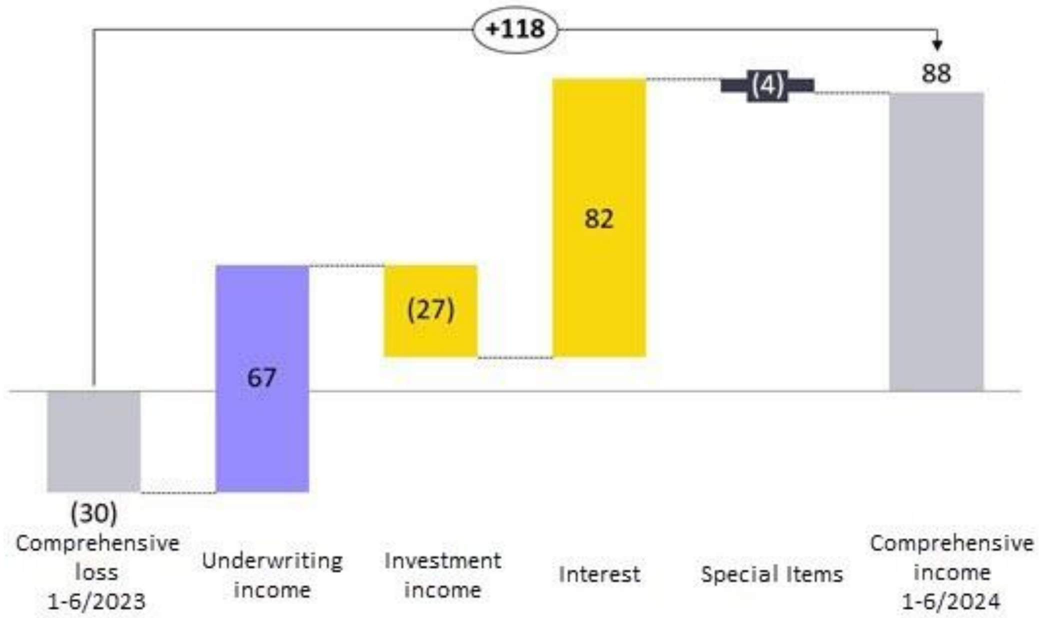






5.7 Operating results of the Health Insurance Segment

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



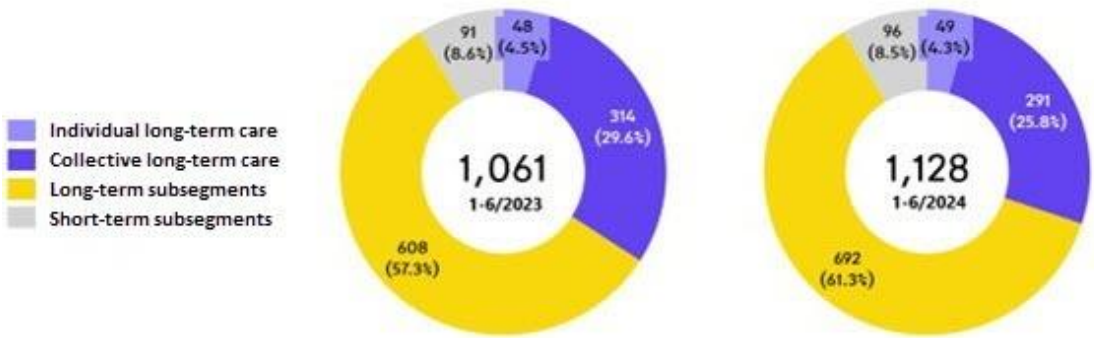
1-6/2024	91	(33)	48	(18)
1-6/2023	24	(6)	(34)	(14)

The increase in underwriting income in the Reporting Period compared to the corresponding period last year arises mainly from an increase in activity in the Individual Insurance Subsegments (Medical Expenses, Critical Illnesses), an improvement in underwriting mainly due to an improvement in LR (among other things due to a decrease in premium deficiency), a decrease in cancellations rate and a decrease in expenses and an underwriting improvement in the Collective Long-Term Care Subsegment. The decrease in investment income (as outlined in Section 5.2 above) is attributable to a lower real return in the Reporting Period.

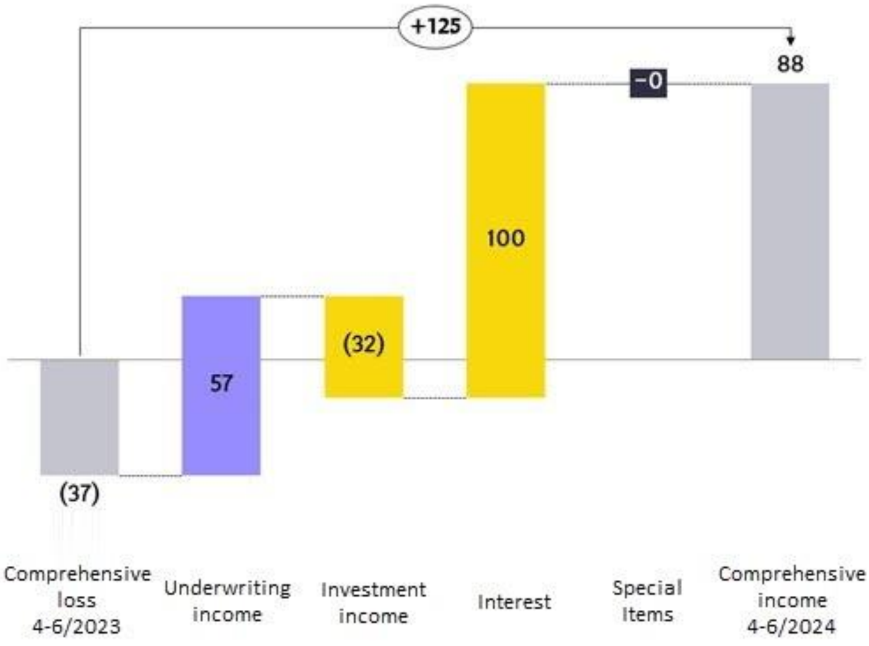
The interest rate curve effect reduced the insurance liabilities by approx. NIS 48 million during the reporting period, compared to an increase of approx. NIS 34 million in the corresponding period last year.

The Special Items in the Reporting Period stem from revision of morbidity cancellation and expenses assumptions, which led to an approx. NIS 18 million increase in the reserve (in an individual medical expenses product) and from a revision of assumptions regarding morbidity assumptions and cancellations in the corresponding period last year, which led to an approx. NIS 14 million increase in the reserve (mostly in the individual medical expenses product).

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



5.7.3 Changes in the results of the Health Insurance Segment during the quarter (before tax, in NIS million)



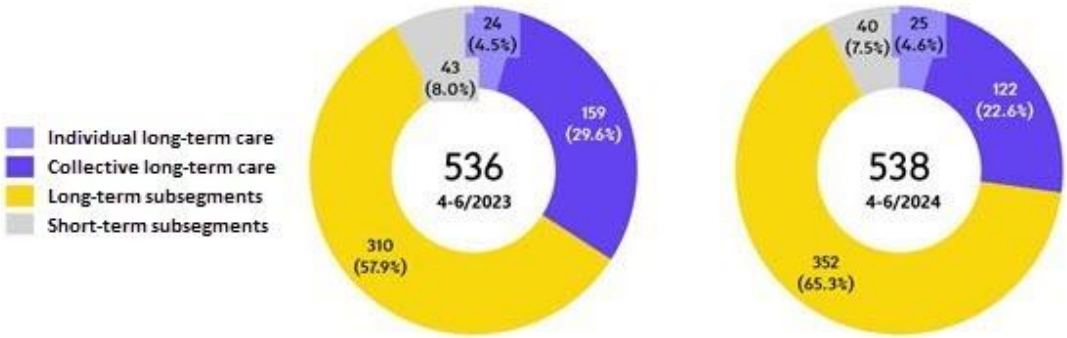
4-6/2024	72	(34)	64	(14)
4-6/2023	15	(2)	(36)	(14)

The increase in underwriting income in the second quarter compared to the corresponding period last year arises mainly from an increase in activity in the Individual Insurance Subsegments (Medical Expenses, Critical Illnesses), an improvement in underwriting mainly due to an improvement in LR (among other things due to a decrease in premium deficiency), a decrease in cancellations rate, a decrease in expenses and an underwriting improvement in the Collective Long-Term Care Subsegment, and a decrease in loss from the Collective Medical Expenses Subsegment. The decrease in investment income (as outlined in Section 5.2 above) is attributable to a lower real return in the Reporting Period.

The interest rate effect reduced the insurance liabilities in the quarter by approx. NIS 64 million, compared to an approx. NIS 36 million increase in the corresponding period last year.

The Special Items in the Reporting Period stem from revision of morbidity and cancellation assumptions, which led to an approx. NIS 14 million increase in the reserve (in an individual medical expenses product) and from a revision of assumptions regarding morbidity and cancellation assumptions in the corresponding period last year, which led to an approx. NIS 14 million increase in the reserve (mostly in the individual medical expenses product).

5.7.4 Gross premiums in the quarter and corresponding quarter last year (in NIS million)



6. Cash flow

In NIS million	1-6/2024	1-6/2023	% of change	4-6/2024	4-6/2023	% of change	1-12/2023
Net cash provided by (used for) activity:							
Operating	958	(333)		207	(42)		(325)
Investment	(442)	(155)	185.0%	(285)	52		(269)
Financing	9	(54)		(93)	(96)	(2.9%)	104
Exchange rate differences in respect of cash and cash equivalent balances	29	21	43.1%	22	1	4151.9%	10
Increase (decrease) in the cash balance	**554**	**(521)**		**(148)**	**(84)**	**75.9%**	**(480)**
Cash balance at end of period	**3,959**	**3,363**	**17.7%**	**3,959**	**3,363**	**17.7%**	**3,405**

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

Legal provisions applicable to the Company as a whole

7.1 The Commissioner’s circulars, directives, position papers and fundamental decisions

IFRS roadmap

Further to that which is detailed in Section 7.1.1.2(l) in the Description of the Corporation's Business chapter of the Periodic Report, in June and August 2024, the Commissioner published directives that revise the roadmap for the adoption of the standard. The directives prescribe, among other things, the time tables and the preparations insurance companies are required to make in the lead up to the implementation of the standard in Israel. On June 1, 2023, the first-time application date of the standard in Israel was revised, such that it will take place on January 1, 2025, and the transition date shall apply on January 1, 2024. Furthermore, in accordance with the above directives, in 2024, companies may provide disclosure as part of the financial statements regarding the effect of the application of the provisions of **IFRS 17** and **IFRS 9** on the Company’s financial position (pro forma balance sheet) as of January 1, 2024 (opening balances data as of the transition date) in the Company’s financial statements as of the third quarter of 2024 and disclosure regarding the companies’ results and financial position (statement of comprehensive income and a pro-forma balance sheet) in the annual financial statements of 2024. In addition, the directives add requirements regarding reports submitted to the Capital Market, Insurance and Savings Authority in connection with the Company’s results and financial position in accordance with **IFRS 17** and **IFRS 9**.

In April, July and August 2024, drafts were published entitled **Professional Issues Pertaining to the Implementation of IFRS 17 in Israel**, which includes guidance on professional issues, in accordance with the roadmap for the adoption of the standard. For further details in connection with the application of the standard, see Note 8 to the financial statements.

7.2 Circulars and draft regulations pertaining to investments of institutional entities

7.2.1 Life Insurance and Long-Term Savings

In August 2024, an amendment to the “**Provisions Regarding Selecting Provident Funds**” Circular was published, which, among other things, expands the considerations an employer may take into account when they conduct a tender for the selection of a default provident fund, for those of their employees, who did not actively select another provident fund. At the same time, the Commissioner published a new procedure for selection of default funds, through which a number of funds are supposed to be selected, which will serve as the selected default funds for a period of four years as from November 2024 (instead of 3 years as per the previous procedures). In this framework, the Commissioner decided that the management fees collected from the contributions, and which will be included in the bids submitted as part of the tender, will not fall below 0.5% and will not exceed 1% of the contributions, and management fees on accrual will not fall bellow 0.15% of the accrual. As part of the procedure, preference was given to pension funds whose market share is lower than 5%, and lesser preference was given to pension funds whose market share is between 5% and 10%. In addition to the above, a mechanism was set for allocating - between all the funds which will be selected in the tender - planholders who are signed-on by employers to default funds, since the did not actively select another provident fund; allocation will be made based on the check digit in the employees' ID numbers. In addition, the Commissioner was vested with the power to set conversion alternatives of the management fees, which a selected default fund will be allowed to collect from a planholder, who will contact it directly rather than through the employer, provided that such a conversion shall benefit with the planholder, and the selected funds were required to post on their website at least one and no more than 5 management fees alternatives. The declaration as to the selected default funds is supposed to take place by September 19, 2024. The number of funds which will be selected as part of the tender will be at least two and may be four and even more, depending on the identity of the funds which will be selected as part of the tender.

7.2.2 Health insurance

(a) Further to the details provided in Section 6.1 to the Description of the Corporation's Business chapter in the Periodic Report, in June 2023, **the Economic Plan Law (Legislative Amendments for Implementing Economic Policies for the Budget Years 2023 and 2024), Chapter S (Health) (hereinafter - the "Economic Arrangements Law")** was published, which amends The Financial Services Supervision Law, and sets a requirement whereby an insurer will pay the health maintenance organization for a surgical procedure that was executed and financed through a SHABAN plan when the following two conditions are met: (1) The policyholder is insured under a "From the First Shekel" surgical procedure insurance policy, and the said policy covers such a surgical procedure; (2) the surgeon is part of a surgical procedures arrangement with the insurance company; (3) the surgical procedure was carried out and financed through a SHABAN plan, even if there are differences between the SHABAN plan and the policy in terms of the method employed to execute the surgical procedure, the medical center in which it is carried out, and the technology and the devices required for the surgical procedure.

In this regard, it was determined that the amount that will be paid to the health maintenance organization shall be equal to the price of the surgical procedure as per the Ministry of Health's price list, or as set in a dedicated order that will be set at the recommendation of the Commissioner - the lower of the two. The policyholder's deductible shall be deducted from this amount, to the extent that he paid it. It was also stipulated that the insurer may submit to the Commissioner an appeal to the payment notice as stated above within 30 days from receipt of such notice, and the appeal will not delay the payment to the health maintenance organization, and the Commissioner is required to inform the insurer and the health maintenance organization of its decision regarding the appeal within 60 days of its receipt. Furthermore, transitional provisions were set that will require the insurer to transfer policyholders from an individual "From the First Shekel" surgical procedure policy taken out as from February 2016 until the effective date who also have a SHABAN plan in place, to a "Supplementary SHABAN" surgical procedures policy, while ensuring continuous insurance coverage on June 1, 2024.

In addition, it was determined that policyholders will be allowed to inform the insurer - within a year of the transfer date - of their wish to cancel the transfer and reinstate the original policy. It was prescribed that in order to transfer the payment by the insurer in respect of the execution of the surgical procedure as part of the SHABAN plan as stated above, and in order to transfer policyholders to a "Supplementary SHABAN" surgical procedures policy, the Capital Market, Insurance and Savings Authority shall operate and maintain a secure online interface that will be used to transfer the relevant information between the health maintenance organizations and the insurance companies to achieve the implementation of the provisions of the law.

In March 2024, the Commissioner published a circular, which includes provisions as to the process of transferring policyholders to a Supplementary SHABAN surgical insurance policy (Insurance Circular 2024-1-4), including with regard to the wording of provisions to transferred policyholders and the transfer cancellation procedure. In addition, in March 2024, "**Amendment to the Consolidated Circular - Title 6, Part 3, Chapter 2 - The Requirement to Offer Supplementary SHABAN Healthcare Coverage**" was published, which includes provisions regarding the insurance coverage under a SHABAN supplementary policy.

(b) Further to Section 6.1 to the Description of the Corporation's Business chapter, in December 2023, the **Commissioner's Directives regarding Financial Services Supervision (Insurance) (Collective Long-Term Care Insurance to Members of Health Maintenance Organizations) (Amendment), 2023**, which revises the existing insurance coverage under collective long-term care insurance policies of health maintenance funds in order to stabilize the “policyholders’ funds” in view of the increase in the incidence of claims filed and paid, and their adverse effect on policyholders’ funds. The provisions prescribe reducing by approx. 10% the amount of insurance benefits paid to a policyholder, who is entitled to the basic tier of coverage, and who lives at home. In addition, the monthly insurance benefits paid in accordance with the directives were reduced by linking the insurance benefits amounts to the known CPI on the Amendment’s effective date and no later than July 1, 2016. Furthermore, the existing exclusion period was revised for entitlement to insurance coverage under the policy to an insured event that occurred in the first 5 years of a policyholder’s life instead of 3 years according to the existing exclusion. In view of the difficulties of adding an “extended tier” to the insurance coverage under the policy, the effective date of the provisions dealing with the extended tier was postponed to January 1, 2028. The amendment shall apply to all collective long-term care insurance policies of the health maintenance organizations that will be entered into or renewed as from the effective date (as defined below), and that they will also apply to existing policies, if it was agreed between the insurance company and the health maintenance organization, that those directives shall apply to them. It was clarified that the amendment will not apply to insured events that occurred prior to the effective date. The effective date of the provisions of the amendment is January 1, 2024.

(c) Further to Section 6.1 to the Description of the Corporation's Business chapter, in December 2023, the Commissioner published an amendment to Consolidated Circular - Title 6, Part 3 - Long-Term Care Insurance, which prescribes that, due to the challenges arising in long-term care insurance (including an increase in the number of insured events and the prolongation of the entitlement period), the minimum 20% threshold for insurance companies’ participation in the insurance risk arising from long-term care insurance policies of health maintenance organizations should be scrapped. It was clarified that this cancellation is expected to allow the health maintenance organizations the flexibility to set the risk rate applicable to the insurance company.

7.2.3 Property and casualty insurance

(a) Further to the details in Section 7.1.4 to the Description of the Corporation's Business chapter, in September 2023, the Commissioner of the Capital Market, Insurance and Savings published a fundamental decision entitled Reduced Insurance Payouts in Motor (Property) Insurance in respect of a Difference in Spare Parts Prices Where the Vehicle was Repaired in a Non-Authorized Auto Repair Shop. The decision was issued further to queries, which were made by members of the public, and which the Capital Market, Insurance and Savings Authority became aware of, from which it became evident regarding motor property insurance policies that some of the insurance companies started using a practice, as part of which they deduct some of the insurance benefits in respect of the difference between the spare parts price list quoted by the appraiser in its appraisal, and the amount the insurance company would have paid for those parts had they been purchased from spare parts suppliers, with whom the insurance company entered into engagement. As part of the decision, the Commissioner stipulated that the insurance companies are entitled to enforce the provisions of Section 61 to the Insurance Contracts Law, 1981 (hereinafter - the "**Insurance Contract Law**", subject to the rules set in the decision.

Further to the above, and by the power vested in him under Section 62(A) to the Financial Services Supervision Law, which allows him to make decisions regarding complaints and order a rectification by way of issuing a rule, the Commissioner ordered the companies to act in the following manner prospectively: (a) An insurance company that operates in the said manner should display to the policyholder, in a prominent way, the way it is expected to conduct itself upon the occurrence of an insured event. Such disclosure will be given both at the stage of the insurance offer, and when the policyholder reports an insured event (hereinafter - "**Disclosure regarding the Requirement to Minimize the Damage**"); (b) before a deduction is carried out, the insurance company shall consider, according to the relevant circumstances, to give the policyholder the option to pay a lower deductible similar to the deductible amount the policyholder would have paid had it repaired the car in an authorized auto repair shop.

On February 12, 2024 a draft was published entitled Filing of Insurance Plans in the Motor Property Subsegment. The draft was published against the backdrop of the publication of the abovementioned decision, and a "Call for Proposals" published regarding the effect of the decision on the amount of the deductible payable by policyholders.

As part of the draft, it is suggested to clarify that an insurance company that takes steps to reduce the damage in motor property insurance should do so while conducting itself in good faith and fairness and in accordance with the provisions of the law, and the reduction rate shall not exceed a rate to be approved by the Authority out of the total cost of the repair in respect of the damage; to determine that if the policyholder collaborated with the insurance company, and led to cost savings, the insurance company shall deduct a deductible from the insurance benefits, as if the policyholder repaired his/her car in an authorized auto repair shop; and to determine that the insurance companies will not include in the insurance plans the option to receive compensation in respect of constructive total loss, and that vehicles will be taken off the road only in cases of total loss that requires the taking the damaged car off the road.

(b) On May 15, 2024, a circular was published on the filing of insurance plans in the Motor Property Subsegment. The circular was published following the abovementioned decision, and a "Call for Proposals" published regarding the effect of the decision on the amount of the deductible payable by policyholders.

The circular stipulates that an insurance company, which acts to minimize the damage in motor property insurance, shall revise the wording of the disclosure to a policyholder insured under the insurance plan, such that in the event that the damage is minimized it will meet its obligations to act in good faith and fairly towards the policyholder, and will refer in the disclosure to the rules for reducing insurance benefits where damage is minimized. The reduction rules will be filed for approval by the Authority as part of a the filing of the insurance plan, and will include, among other things, the reasonableness of the measure according to which the policyholder is required to act, the prices of available spare parts after the discounts, the fees, which will be paid to the auto repair shop in respect of the spare parts, and the cost of repairing the vehicle by the auto-repair shop. The circular also stipulates that if a policyholder, who opted to repair the vehicle in an authorized auto repair shop, took the reasonable measures as advised by the insurance company, and the auto-repair shop agreed to accept the terms and conditions of the insurance company's arrangement before repairing the vehicle, the insurance company will deduct a deductible from the insurance benefits as if the policyholder repaired their vehicle in an authorized auto-repair shop. The abovementioned provisions came into force on September 1, 2024.

The circular also stipulates that the insurance companies will not include in the insurance plans the option of compensation for constructive total loss, except for types of cases filed by the Company to the Authority as part of the filing of an insurance plan, and the Authority did not object to them. The provisions regarding this matter come into force on the day of coming into force of the amendment to the definition of "total loss" in the Traffic Regulations, 1961, regarding the selection of an appraiser in connection with a "total loss" of a vehicle.

The provisions of the circular might have an adverse effect on the Group's ability to enforce the requirement to minimize the damage; however, at this stage it is impossible to assess the circular's ramifications on the Group. The Group's assessment constitutes forward-looking information that is based on the information available to the Group at the report date. Actual results may differ from those estimated, which depend, among other things, on the reduction rules, which the Authority will approve, and their wording, and on the actual conduct of policyholders and auto-repair shops.

(c) Further to Section 4.1 to the Description of the Corporation's Business chapter to the Periodic Report, in May 2024 the Commissioner published a circular on the “Amendment of the Consolidated Circular Title 6 Part 2 - Provisions in the Motor Property Subsegment”. The circular includes provisions regarding the regulation of claims settlement in the Motor Property Subsegment, including, among other things, the engagement with appraisers and auto repair shops, and various provisions pertaining to the marketing of the policy and the settlement of the claim.

In the opinion of the Group, the provisions of the circular will have an extensive impact on operational and commercial aspects of motor vehicle insurance policies - property (self-insurance and third-party insurance); however, at this stage the Group is unable to predict and/or estimate its scope.

The Group's assessment in this matter constitutes forward-looking information that is based on the information available to it at the report publication date. The actual results may differ from the estimated results, which will be affected, among other things, by the behavior of the various parties involved in its implementation.

8. Developments in the macroeconomic environment

On October 7, 2023, Hamas attacked localities in the Gaza Envelope, causing numerous casualties and taking hostages. In response, the IDF attacked the Gaza Strip from the air, and at a later stage launched a ground assault. A conflict also developed in the north of Israel against Hizballah; recently, this conflict has been escalating. The War had an adverse effect on economic growth and led to an increase in budget deficit. The Bank of Israel took various steps in order to ease conditions in the markets and the economy. Financial markets in Israel responded to the events with sharp slumps and the shekel suffered devaluation at the beginning of the War; later on there was an significant improvement in the performance of the domestic investment channels.

The Israeli economy achieved annual growth of 14.4% in the first quarter of 2024, after a decline in GDP at an annual rate of 21.6% in the fourth quarter of 2023 due to the War in Gaza. The current data relating to the activity in the second quarter of the year reflect further recovery in economic activity in Israel, but at a slower rate than in the first quarter (according to an initial estimate of the Central Bureau of Statistics, in the second quarter GDP increased by 1.2% compared to the first quarter, but declined by 1.4% compared to the corresponding quarter last year). Growth was driven by private consumption. The Bank of Israel expects the economy to grow by 1.5% in 2024 and by 4.2% in 2025.

As of the end of the first half of 2024 the unemployment rate declined to 3.2%. The inflation rate in Israel increased in June to 2.9% compared to 2.7% at the end of the first quarter. The Bank of Israel increased the 2024 inflation forecast from 2.7% to 3.0%. The 2025 forecast increased from 2.3% to 2.8%.

The Bank of Israel left its interest rate without change through the end of the first half of 2024, after cutting it by 0.25% to 4.50% in January. In its latest forecast - published in July - the Bank of Israel's expectation is that the interest rate in one year's time will be 4.25%.

The government's budget deficit increased in June to 7.6%. In accordance with the Bank of Israel's forecast, at the end of 2024 the deficit is expected to stand at 6.6%, in line with the target set in the government's budget. The debt to GDP ratio will increase in 2024 to 67.5% and to 68.5% in 2025. The Bank of Israel's forecasts assume that the War will continue through the end of 2024 and that a full-scale war will not develop in the north.

The credit rating agencies downgraded Israel's credit rating by one notch with a negative outlook.

In the United States economic data reflect a weakening in the activity of the US economy in the first half of the year. GDP growth in the first quarter amounted to an annual rate of 1.4% after an annual growth rate of 3.8% in the second half of 2023. Private consumption which is the most significant component in the US economy grew by 1.5% in the first quarter. The majority of economic data published in the second quarter were weaker than previously forecast. The unemployment rate increased from 3.8% in the first quarter to 4.1% at the end of the first half of the year. The rate of increase in the average pay subsided. There are other indications of a weakening in the job market. The inflation rate in the United States declined and reached 3% at the end of the first half of the year. The Fed's interest rate remained without change, and the Fed expects that it will be cut once - by 0.25% - in the current year, and by a further 1% in 2025.

Europe saw an improvement in the economy. After a negative growth in the second half of 2023, the European economy grew by an annual rate of 1.1% in the first quarter and according to the current economic indicators growth continued in the second quarter of the year too. The improvement was reflected in a range of economic indicators. The European job market continues to be strong. The unemployment rate in Europe declined to 6.4%, its lowest level since the formation of the Eurozone. Employees' salaries have increased significantly. The European Central Bank has cut its interest rates for the first time since 2019 by 0.25% to 3.75%. Inflation rate in the Eurozone has stabilized in the first half of the year at approx. 2.5%.

In Japan GDP in the first quarter decreased by an annual rate of 2.9% and private consumption declined. The decrease in GDP was affected, among other things, by a suspension of operations in many factories, including automotive factories, in the first quarter due to the earthquake. In accordance with the current indicators, growth in Japan was weak in the second quarter. The Bank of Japan increased its interest rate by 0.1% to zero, for the first time in the past 17 years. Inflation in Japan increased at the end of the first half of the year to 2.8% compared to 2.6% at the end of 2023. The Japanese currency has devalued to levels not seen since the 1990s.

8.1 The bonds and equities markets

Trading in markets across the world was conducted against the backdrop of a decline in inflation rates and expectations for interest rate cuts by central banks, as well as the AI revolution. In the first half of 2024 the local capital market experienced moderate rises while experiencing volatility. The volatility is due to changes in the expectations for the end of the War, recovery in economic activity, and the expectation for interest rate cuts. The positive trend in the United States had only a slight positive effect. In the first half of the year, the Israeli equities market underperformed significantly compared to its US counterpart.

In first half 2024 terms, the TA 35 Index was up by 6.4%, the TA 125 Index - by 3.5%, and the TA 90 Index - down by 3.4%. The TA Real Estate Index, which was down by 10.5% and the TA Insurance Index, which was down by 0.6% were the most prominent in terms of underperformance. On the other hand, the TA-Technology Index which was up by 10.5% and the TA-Banks Index which was up by 4.1%, displayed particularly good performance.

In the USA, the S&P 500 rose by 14.5%, the NASDAQ rose by 18.1%, and the Dow Jones rose by 3.8%. In Europe, the EURO STOXX 600 was up by 6.8%, the German DAX - by 8.9%, and the FTSE in England was up by 5.6%. In the Far East, the Japanese Nikkei Index was down by 18.2%, with the Shanghai SSE Index down by 0.2%.

Bonds trading in the first half of 2024 was affected by the realization that interest rates are not expected to decline at a fast pace; this is in contrast to the expectation in the last quarter of 2023, which led to a sharp decline in yields. In Israel and in the United States there was a similar trend in the first half of the year, with yields on 10-year bonds - which were lower than 4% - recording increases, although in Israel the increase in yields was higher. The Tel Gov Shekel Index and the CPI-Linked Government Bonds Index declined by 2.8%. On the other hand, the Tel Bond-20 Index increased by 0.5% and the Tel Bond 40 Index increased by 1.5%, as a result of a fall in corporate bonds spreads.

In the first half of 2024, the NIS devalued by 3.6% against the USD and by 0.2% against the EUR. The foreign currency balances of the Bank of Israel increased by approx. USD 6 billion in the half-year, amounting to approx. USD 206 billion.

8.2 Events subsequent to the balance sheet date

In July and August volatility continued both in the exchange rate of the USD against the NIS and in share indices as a result of the negotiations and the estimates as to the potential hostages release deal. In August, international credit rating agency Fitch downgraded Israel's credit rating from A+ to A with a negative outlook.

9. Funding sources

The balance of the financial liabilities as of June 30, 2024 is approx. NIS 5,177 million compared to NIS 4,773 million as of December 31, 2023.

As of the report date, the Company’s separate financial liabilities amount to approx. NIS 329 million, originating in Bonds (Series C), whose repayment is spread over 3 years (totaling NIS 164 million)according to the amortization schedules, and in an option to non-controlling interests (totaling NIS 165 million). The Company considers it important to maintain available financial assets at the amounts required to repay bonds and to cover its operating activities and those of its investees. In this regard, it is noted that as of the report date the Company has liquid financial assets at the total amount of approx. NIS 432 million. As part of the rating of the bonds it raised, the Company declared that it intends to maintain liquid assets and lines of credit at a rate of 100% of debt repayments (principal and interest) one year in advance, in accordance with the bonds’ amortization schedule.

10. Disclosure on Exposure to, and Management of, Market Risks

In accordance with the Securities Regulations (Periodic and Immediate Reports), 1970, the report regarding market risks and mitigation thereof relates to exposures of the Company and its consolidated companies, except for insurance companies. During the first six months of 2024, there were no material changes in the Company’s exposures to market risks and their management, compared to that which is described in the Periodic Report of 2023.

11. Corporate Governance Aspects

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

- **The identity of the organs charged with governance in the corporation**

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

- **Committee members**

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

- **Approval procedure of the financial statements**

  The financial statements of the Company were discussed in a meeting of the Balance Sheet Committee that was held on August 26, 2024. All members of the Balance Sheet Committee attended the abovementioned meeting. The meeting was also attended by Group officers and managers, as detailed below: Mssrs. Ari Kalman, CEO; Eran Griffel, Chairman of the Board of Directors; Ran Kalmi, CFO; Shimon Ir-Shai, Chief Legal Counsel, and Eti Hirshman, Chief Internal Auditor. The independent auditors and the following officers and managers of the subsidiary - Menora Mivtachim Insurance - were also in attendance: Mssrs. Yehuda Ben Assayag - Chairman of the Board; Michael Kalman - CEO; Ran Kalmi - CFO, Dan Bar-On - Chief Actuary; Ruthi Cohen Yehudayoff - Chief Risk Officer; Omri Gal - Head of Finance and Accounting; Katy Reznick - Actuary, Life Insurance; Anna Semenova - Health Insurance Actuary; Jacob Mauser - Supervising Actuary (Property and Casualty Insurance) and representative of the Company's Secretariat.

  The draft interim financial statements of the Company as of June 30, 2024, including the Report of the Board of Directors, and the financial statements, were delivered to the members of the Balance Sheet Committee and Board of Directors in advance, several days prior to their approval date.

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

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

  The members of the committee assessed the judgment exercised by management in connection with the different issues, and after listening to the position of the Company's independent auditor, they reached the conclusion that the Company applied adequate accounting policies, and used adequate estimates and assessments. The committee formulated its recommendations regarding the various issues that were discussed, and recommended that the Board of Directors approve the interim financial statements for the period ended June 30, 2024.

12. Dedicated disclosure for bondholders

12.1 Details regarding the corporation's bonds

There were no material changes in relation to Section 8 to The Report of the Board of Directors in the Periodic Report.

13. Disclosure Provisions Relating to the Corporation's Financial Reporting

13.1 Reporting critical accounting estimates

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

13.2 Internal Control over Financial Reporting and Disclosure

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

Accordingly, and further to the above, managements of the institutional entities, together with their CEOs and CFOs, assessed the effectiveness of the controls and procedures concerning the institutional entity's disclosure as of the end of the period covered in this report. Based on this assessment, it was concluded that, as of the end of this period, the controls and procedures as to the institutional entities' disclosure are sufficiently effective for recording, processing, summarizing, and reporting the information that the institutional entity is required to disclose in its quarterly report in accordance with the provisions of the law and the reporting provisions set by the Commissioner and on the date set out in these provisions. In addition, during the quarter ending June 30, 2024, no changes took place in the internal control over financial reporting of the institutional entities that had a material effect, or is expected to have a material effect, on the institutional entities' internal control over financial reporting.

14. Events subsequent to the balance sheet date

14.1 Early repayment of Bonds (Series D) by a sub-subsidiary

In July 2024, Menora Mivtachim Gius Hon - a sub-subsidiary - executed an early and final repayment of the outstanding principal and interest of the Bonds (Series D) at a total amount of approx. NIS 300 million p.v.; for further details see the sub-subsidiary's immediate report of July 1, 2024 (Ref. No.: 2024-01-067192).

14.2 Mortality tables

In July 2024, the Authority published the Consolidated Circular Provisions on Measuring Liabilities - Revising the Demographic Assumptions in Life Insurance and Pension Funds; for further details see section 2.14 above.

14.3 Shelf prospectuses

In July 2024, the Company and Menora Mivtachim Gius Hon - a sub-subsidiary of the Company - received from the Israel Securities Authority a permit to publish shelf prospectuses. For further details, see the immediate report of the Company dated July 31, 2024 (Ref. No.: 2024-01-081769) and the immediate report of the sub-subsidiary dated July 31, 2024 (references: 2024-01-081772).

14.4 Dividend distribution

In August 2024, and in accordance with the dividend distribution policy, the Company declared the distribution of approx. NIS 170 million in dividend.

14.5 Dividend distribution by a subsidiary

In August 2024, Menora Insurance declared a dividend distribution for the Company of NIS 100 million.

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

Eran Griffel Chairman of the Board	Ari Kalman CEO

Ramat Gan, August 28, 2024

Chapter B

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

Quarterly Report on the Effectiveness of the Internal Control over Financial Reporting and Disclosure

in accordance with Regulation 38C(a)

Management, under the supervision of the Board of Directors of Menora Mivtachim Holdings Ltd. (hereinafter - the "**Corporation**") is responsible for establishing and maintaining adequate internal control over financial reporting and disclosure in the Corporation.

For this matter, the members of management are as follows:

1. Ari Kalman, CEO;
2. The other members of management:

   Ran Kalmi, CFO

   Nir Moroz, Chief Investment Officer

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

Among other things, internal controls include controls and procedures planned to ensure that all information that the Corporation is required to disclose as aforesaid is collected and transferred to the Corporation's management, including the chief executive officer and the most senior financial officer, or the equivalent acting officers, in order to allow decision making on a timely basis with respect to the disclosure requirements.

Due to its inherent limitations, internal control over financial reporting and disclosure is not designed to provide absolute assurance that misstatements or omissions of information in the financial statements shall be prevented or detected.

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

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

In the Quarterly Report on the Effectiveness of Internal Control over Financial Reporting and Disclosure attached to the quarterly report for the period ended March 31, 2024 (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 above in 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, Ari Kalman, hereby certify as follows:

(1) I have examined the quarterly report of Menora Mivtachim Holdings Ltd. (hereinafter - the "**Corporation**") for the second quarter of 2024 (hereinafter - the "**Reports**");

(2) To my knowledge, the Reports do not contain any misrepresentation of a material fact, or omit a representation of a material fact that is necessary in order for the representations included therein - under the circumstances in which such representations were included - to be misleading as to the reporting period;

(3) To my knowledge, the financial statements and other financial information included in the Reports fairly present, in all material aspects, the Company's financial position, financial performance and cash flows of the Corporation as of the dates and for the periods covered by the Reports;

(4) I have disclosed to the independent auditor of the Corporation, the Board of Directors, and the Corporation's audit and financial statements committees, based on my most recent evaluation of the internal control over financial reporting and disclosure, the following:

(a) All significant deficiencies and material weaknesses in the establishment or implementation of the internal controls over financial reporting and disclosure that may adversely affect, in a reasonable manner, the Corporation's ability to collect, process, summate or report financial information in a manner that may give rise to doubt as to the reliability of financial reporting and preparation of the financial statements in accordance with the provisions of the law; and -

(b) Any fraud, whether material or not, involving the chief executive officer or anyone directly reporting thereto or involving other employees who have a significant role in the internal control over financial reporting and disclosure;

(5) I, alone or together with others in the Corporation, state that:

(a) I have established such controls and procedures, or ensured that such controls and procedures under my supervision be established and in place, designed to ensure that material information relating to the Corporation, including its consolidated companies as defined in the Securities Regulations (Annual Financial Statements), -2010, is brought to my attention by others in the Corporation and the consolidated companies, particularly during the Reports' preparation period; and -

(b) I have established controls and procedures, or ensured that such controls and provisions under my supervision be established and in place, designed to ensure, in a reasonable manner, the reliability of financial reporting and preparation of financial statements in accordance with the provisions of the law, including in accordance with generally accepted accounting principles;

(c) I have not been informed of any event or matter that occurred in the period between the most recent quarterly report date and the date of this Report, which may change the conclusion of the Board of Directors and management regarding the Effectiveness of Internal Control over Financial Reporting and Disclosure.

Nothing in the foregoing shall derogate from my responsibility or the responsibility of any other person, under any law.

Ramat Gan, August 28, 2024

Ari Kalman, CEO

Certification by Officers

Certification by the Most Senior Financial Officer

I, Ran Kalmi, hereby certify that as follows:

(1) I have reviewed interim financial statements and other financial information included in the interim report of Menora Mivtachim Holdings Ltd. (hereinafter - the "**Corporation**") for the second quarter of 2024 (hereinafter – the "**Reports**" or "**Interim Reports**");

(2) To my knowledge, the interim financial statements and other financial information included in the Interim Reports do not contain any misrepresentation of a material fact, nor omit a representation of a material fact that is necessary in order for the representations included therein - under the circumstances in which such representations were included - to be misleading as to the reporting period;

(3) To my knowledge, the Interim Financial Statements and other financial information included in the Interim Reports present fairly, in all material aspects, the Company's financial position, financial performance and cash flows of the Corporation as of the dates and for the periods covered by the Reports;

(4) I have disclosed to the independent auditor of the Corporation, the Board of Directors, and the Corporation's audit and financial statements committees, based on my most recent evaluation of the internal control over financial reporting and disclosure, the following:

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting and disclosure insofar as it relates to the Interim Financial Statements and other financial information included in the Interim Reports, that could reasonably adversely affect the Corporation's ability to collect, process, summarize or report financial information so as to cast doubt on the reliability of financial reporting and the preparation of the financial statements in accordance with law; and -

(b) Any fraud, whether material or not, involving the chief executive officer or anyone directly reporting thereto or involving other employees who have a significant role in the internal control over financial reporting and disclosure;

(5) I, alone or together with others in the Corporation, state that:

(a) I have established such controls and procedures, or ensured that such controls and procedures under my supervision be established and in place, designed to ensure that material information relating to the Corporation, including its consolidated companies as defined in the Securities Regulations (Annual Financial Statements), -2010, is brought to my attention by others in the Corporation and the consolidated companies, particularly during the Reports' preparation period; and -

(b) I have established controls and procedures, or ensured that such controls and provisions under my supervision be established and in place, designed to ensure, in a reasonable manner, the reliability of financial reporting and preparation of financial statements in accordance with the provisions of the law, including in accordance with generally accepted accounting principles;

(c) I have not been informed of any event or matter that occurred in the period between the most recent quarterly 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 control over financial reporting and disclosure.

Nothing in the foregoing shall derogate from my responsibility or the responsibility of any other person, under any law.

Ramat Gan, August 28, 2024

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Ran Kalmi, CFO

Chapter C

Financial Statements

Consolidated Interim Financial Statements

As of June 30, 2024

Unaudited

Menora Mivtachim Holdings Ltd.

Consolidated Interim Financial Statements

As of June 30, 2024

Unaudited

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

Introduction

We have reviewed the accompanying financial information of Menora Mivtachim Holdings Ltd. and its subsidiaries (hereinafter - the "**Group**"), including the condensed consolidated statement of financial position as at June 30, 2024 and the condensed consolidated statements of profit and loss, comprehensive income, changes in equity and cash flows for the six- 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, as described in Note 2(a). Our responsibility is to express a conclusion regarding the financial information for this interim period based on our review.

We have not reviewed the condensed interim financial information of the consolidated companies the total consolidated assets of which constitute approx. 3.3% of the total consolidated assets as of June 30, 2024 and the consolidated income of which constitutes approx. 2.52% and approx. 0.47% of the total consolidated income for the six- and three-month periods then ended, respectively. Neither did we review these condensed interim financial information of equity-accounted companies, the investment in which amounted to approx. NIS 397,872 thousand as of June 30, 2024, and the Group's share in the profits of which amounted to NIS 28,168 thousand and a total of NIS 13,281 thousand for the six- and three-month periods then ended, respectively. The condensed interim financial information of the above companies was audited by other independent auditors, whose review reports have been furnished to us, and our conclusion, insofar as it relates to financial information in respect of these companies, is based on the review reports of the other independent auditors.

Review scope

We performed our review pursuant to Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially smaller in scope than an audit performed pursuant to generally accepted auditing standards in Israel and, as a result, does not enable us to obtain assurance that we would become aware of all significant matters that may be identified in an audit. Consequently, we are not expressing an audit opinion.

Conclusion

Based on our review and the review reports of other independent auditors, nothing has come to our attention that causes us to believe that the above-mentioned financial information does not comply, in all material respects, with the Israel Securities Regulations (Periodic and Immediate Reports), 1970, which pertain to insurers' holding 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 6 to the Consolidated Interim Financial Statements regarding exposure to contingent liabilities.

Tel Aviv,
August 28, 2024

Kost Forer Gabbay & Kasierer
Certified Public Accountants

Consolidated Statements of Financial Position

Assets

	As of June 30		As of December 31
	2024	2023	2023
	Unaudited		Audited
	NIS thousand		
Intangible assets	1,815,113	1,740,196	1,795,069
Deferred tax assets	22,565	33,736	24,348
Deferred acquisition costs	2,328,090	2,143,539	2,188,426
Property, plant & equipment	1,006,072	986,910	1,017,318
Investments in associates	563,099	447,883	487,665
Investment property in respect of yield-dependent contracts	106,057	100,737	102,961
Investment property - other	658,688	640,767	651,862
Reinsurance assets	3,905,597	3,519,587	3,628,513
Current tax assets	13,342	169,899	133,349
Receivables and debit balances	616,150	901,293	524,638
Premiums collectible	1,202,773	1,208,285	1,030,293
Financial investments in respect of yield-dependent contracts	31,512,838	30,469,766	31,077,288
Other financial investments:			
Liquid debt assets	4,273,446	4,457,564	4,836,998
Illiquid debt assets	15,270,391	14,624,827	14,689,854
Shares	1,241,866	1,200,594	1,212,717
Other	3,420,897	3,097,645	3,226,868
Total other financial investments	24,206,600	23,380,630	23,966,437
Cash and cash equivalents in respect of yield-dependent contracts	2,332,910	2,035,047	2,080,711
Other cash and cash equivalents	1,625,635	1,328,157	1,324,214
Total assets	71,915,529	69,106,432	70,033,092
Total assets for yield-dependent contracts	34,323,455	33,322,345	33,559,357

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

Consolidated Statements of Financial Position (cont.)

Equity and liabilities

	As of June 30		As of December 31
	2024	2023	2023
	Unaudited		Audited
	NIS thousand		
Equity			
Share capital	99,429	99,429	99,429
Share premium	331,960	332,985	332,985
Treasury shares	(94,267)	(100,200)	(100,200)
Capital reserves	778,474	801,662	828,474
Retained earnings	5,632,318	4,930,144	5,270,149
Total equity attributable to the Company's shareholders	6,747,914	6,064,020	6,430,837
Non-controlling interests	193,128	184,252	187,165
Total equity	6,941,042	6,248,272	6,618,002
Liabilities			
Liabilities in respect of insurance contracts and non-yield-dependent investment contracts	23,055,156	22,461,399	22,396,649
Liabilities in respect of insurance contracts and yield-dependent investment contracts	33,653,510	32,585,094	33,059,486
Liabilities in respect of deferred taxes	461,115	443,836	480,601
Liabilities for employee benefits	124,954	129,001	127,019
Liability for current taxes	58,014	10,811	8,500
Payables and credit balances	2,445,119	2,540,944	2,569,694
Financial liabilities	5,176,619	4,687,075	4,773,141
Total liabilities	64,974,487	62,858,160	63,415,090
Total equity and liabilities	71,915,529	69,106,432	70,033,092

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

August 28, 2024			
Approval date of the financial statements	**Eran Griffel** **Chairman of the Board**	**Ari Kalman** **CEO**	**Ran Kalmi** **CFO**

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Consolidated Statements of Profit or Loss

	For the 6 months ending June 30		For the 3 months ending June 30		For the year ended December 31
	2024	2023	2024	2023	2023
	Unaudited		Unaudited		Audited
	NIS thousand (excluding earnings per share data)				
Premiums earned, gross	4,350,152	4,119,543	2,203,151	2,093,612	8,689,531
Premiums earned by reinsurers	774,270	744,798	408,979	370,360	1,520,328
Premiums earned - retention	3,575,882	3,374,745	1,794,172	1,723,252	7,169,203
Investment income, net and finance income	2,356,917	2,422,982	543,603	1,657,687	4,037,631
Income from management fees	593,973	525,815	300,359	264,388	1,091,635
Income from fees and commissions	145,386	136,482	71,182	66,663	264,166
Other income	3,941	3,454	2,869	1,225	6,985
Total income	6,676,099	6,463,478	2,712,185	3,713,215	12,569,620
Payments and change in liabilities in respect of insurance contracts and investment contracts, gross	5,076,542	5,472,305	1,972,500	3,201,710	9,931,645
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	(724,914)	(623,082)	(481,914)	(268,985)	(1,127,980)
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	4,351,628	4,849,223	1,490,586	2,932,725	8,803,665
Fees and commissions, marketing expenses and other purchase expenses	911,538	859,249	468,761	432,775	1,774,398
General and administrative expenses	467,125	490,555	234,631	248,603	966,102
Other expenses	16,545	18,253	8,177	8,738	39,196
Finance expenses	121,974	111,597	66,183	57,736	210,371
Total expenses	5,868,810	6,328,877	2,268,338	3,680,577	11,793,732
Share in profits of associates	17,968	4,107	9,843	4,322	13,740
Profit before taxes on income	825,257	138,708	453,690	36,960	789,628
Taxes on income	268,210	28,200	147,663	11,578	251,231
Net income	557,047	110,508	306,027	25,382	538,397
Attributable to:					
Company's shareholders	538,718	100,401	296,954	21,164	514,380
Non-controlling interests	18,329	10,107	9,073	4,218	24,017
Net income	557,047	110,508	306,027	25,382	538,397
Net earnings per share attributable to the Company's shareholders - basic (in NIS)	8.70	1.62	4.79	0.34	8.31
Net earnings per share attributable to the Company's shareholders - diluted (in NIS)	8.40	1.62	4.63	0.34	8.08

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

Consolidated Statements of Comprehensive Income

	For the 6 months ending June 30		For the 3 months ending June 30		For the year ended December 31
	2024	2023	2024	2023	2023
	Unaudited		Unaudited		Audited
	NIS thousand				
Net income	557,047	110,508	306,027	25,382	538,397
Other 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					
Adjustments arising from translation of financial statements of foreign operations	1,205	(1,953)	220	60	(2,631)
Net change in fair value of financial assets classified as available for sale, carried to capital reserves	(60,288)	185,113	(127,730)	132,715	109,505
Net change from realization of financial assets classified as available for sale, carried to the statements of profit and loss	(37,531)	74,929	48,307	10,273	110,858
Impairment loss of financial assets classified as available for sale, carried to the Statements of Profit and Loss	25,097	9,438	18,834	5,223	30,891
Share in other comprehensive income (loss) of associates	3,790	(12,251)	5,312	(6,699)	(13,616)
Total other comprehensive income (loss) items that, subsequent to initial recognition in comprehensive income, were or will be carried to profit and loss	(67,727)	255,276	(55,057)	141,572	235,007
Taxes on income (tax benefit) related to available-for-sale financial assets	(22,250)	90,300	(19,927)	50,010	83,599
Taxes on income relating to other components of other comprehensive income	1,220	1,473	749	902	743
Total other comprehensive income (loss) items, net, that, subsequent to initial recognition in comprehensive income, were or will be carried to profit and loss	(46,697)	163,503	(35,879)	90,660	150,665
Other comprehensive income (loss) items that, subsequent to initial recognition in comprehensive income, will not be carried to profit and loss					
Revaluation of property, plant and equipment	-	-	-	-	54,694
Gain (loss) due to remeasurement of defined benefit plans	(2,340)	1,279	(1,880)	(980)	2,716
Total other comprehensive income (loss) items that, subsequent to initial recognition in comprehensive income, will not be carried to profit and loss	(2,340)	1,279	(1,880)	(980)	57,410
Taxes on income (tax benefit)	(793)	462	(642)	(304)	13,518
Items of other comprehensive income (loss), net not transferred to profit and loss	(1,547)	817	(1,238)	(676)	43,892
Total other comprehensive income (loss), net	(48,244)	164,320	(37,117)	89,984	194,557
Total comprehensive income	508,803	274,828	268,910	115,366	732,954
Attributable to:					
Company's shareholders	490,469	264,583	259,817	111,087	708,858
Non-controlling interests	18,334	10,245	9,093	4,279	24,096
	508,803	274,828	268,910	115,366	732,954

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

Consolidated Statements of Changes in Equity

	Attributable to the Company's shareholders											
	Share capital	Share premium	Treasury shares	Capital reserve for share-based payment transaction	Capital reserve in respect of available-for-sale financial assets	Adjustments arising from translation of financial statements of foreign operations	Revaluation capital reserve	Other capital reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Unaudited											
	NIS thousand											
Balance as of January 1, 2024 (audited)	99,429	332,985	(100,200)	63,224	511,350	(39,823)	276,738	16,985	5,270,149	6,430,837	187,165	6,618,002
Net income	-	-	-	-	-	-	-	-	538,718	538,718	18,329	557,047
Adjustments arising from translation of financial statements of foreign operations	-	-	-	-	-	1,202	-	-	-	1,202	3	1,205
Net change in fair value of financial assets classified as available for sale, carried to capital reserves	-	-	-	-	(60,288)	-	-	-	-	(60,288)	-	(60,288)
Net change from realization of financial assets classified as available for sale, carried to the statements of profit and loss	-	-	-	-	(37,531)	-	-	-	-	(37,531)	-	(37,531)
Impairment loss of financial assets classified as available for sale, carried to the Statements of Profit and Loss	-	-	-	-	25,097	-	-	-	-	25,097	-	25,097
Loss due to remeasurement of defined benefit plans	-	-	-	-	-	-	-	-	(2,344)	(2,344)	4	(2,340)
Share in other comprehensive income of associates	-	-	-	-	-	3,790	-	-	-	3,790	-	3,790
Tax benefit (taxes on income) relating to items of other comprehensive income (loss)	-	-	-	-	22,250	(1,220)	-	-	795	21,825	(2)	21,823
Total other comprehensive income (loss)	-	-	-	-	(50,472)	3,772	-	-	(1,549)	(48,249)	5	(48,244)
Total comprehensive income (loss)	-	-	-	-	(50,472)	3,772	-	-	537,169	490,469	18,334	508,803
Exercise of employee options	-	(1,025)	5,933	(4,908)	-	-	-	-	-	-	-	-
Cost of share-based payment	-	-	-	3,238	-	-	-	-	-	3,238	68	3,306
Non-controlling interests in a company consolidated for the first time – See Note 7H	-	-	-	-	-	-	-	-	-	-	632	632
Change in non-controlling interests in respect of a put option	-	-	-	-	-	-	-	(1,630)	-	(1,630)	(3,628)	(5,258)
Dividend distributed - see Note 5G	-	-	-	-	-	-	-	-	(175,000)	(175,000)	(9,443)	(184,443)
Balance as of June 30, 2024	99,429	331,960	(94,267)	61,554	460,878	(36,051)	276,738	15,355	5,632,318	6,747,914	193,128	6,941,042

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

Consolidated Statements of Changes in Equity (cont.)

	Attributable to the Company's shareholders											
	Share capital	Share premium	Treasury shares	Capital reserve for share-based payment transaction	Capital reserve in respect of available-for-sale financial assets	Adjustments arising from translation of financial statements of foreign operations	Revaluation capital reserve	Other capital reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Unaudited											
	NIS thousand											
Balance as of January 1, 2023 (audited)	99,429	332,985	(100,200)	51,390	343,695	(22,707)	234,623	28,155	4,929,631	5,897,001	182,144	6,079,145
Effect of first-time application of IFRS 9	-	-	-	-	-	-	-	-	(686)	(686)	-	(686)
Balance as of January 1, 2023 after first-time application of IFRS 9	99,429	332,985	(100,200)	51,390	343,695	(22,707)	234,623	28,155	4,928,945	5,896,315	182,144	6,078,459
Net income	-	-	-	-	-	-	-	-	100,401	100,401	10,107	110,508
Adjustments arising from translation of financial statements of foreign operations	-	-	-	-	-	(2,072)	-	-	-	(2,072)	119	(1,953)
Net change in fair value of financial assets classified as available for sale, carried to capital reserves	-	-	-	-	185,113	-	-	-	-	185,113	-	185,113
Net change from realization of financial assets classified as available for sale, carried to the statements of profit and loss	-	-	-	-	74,929	-	-	-	-	74,929	-	74,929
Impairment loss of financial assets classified as available for sale, carried to the Statements of Profit and Loss	-	-	-	-	9,438	-	-	-	-	9,438	-	9,438
Gain on remeasurement of defined benefit plans	-	-	-	-	-	-	-	-	1,250	1,250	29	1,279
Share in other comprehensive loss of associates	-	-	-	-	-	(12,251)	-	-	-	(12,251)	-	(12,251)
Taxes on income relating to items of other comprehensive income	-	-	-	-	(90,300)	(1,473)	-	-	(452)	(92,225)	(10)	(92,235)
Total other comprehensive income (loss)	-	-	-	-	179,180	(15,796)	-	-	798	164,182	138	164,320
Total comprehensive income (loss)	-	-	-	-	179,180	(15,796)	-	-	101,199	264,583	10,245	274,828
Non-controlling interests arising in companies consolidated for the first time	-	-	-	-	-	-	-	-	-	-	1,093	1,093
Cost of share-based payment	-	-	-	5,751	-	-	-	-	-	5,751	-	5,751
Change in non-controlling interests in respect of a put option	-	-	-	-	-	-	-	(2,629)	-	(2,629)	(423)	(3,052)
Dividend distributed	-	-	-	-	-	-	-	-	(100,000)	(100,000)	(8,807)	(108,807)
Balance as of June 30, 2023	99,429	332,985	(100,200)	57,141	522,875	(38,503)	234,623	25,526	4,930,144	6,064,020	184,252	6,248,272

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

Consolidated Statements of Changes in Equity (cont.)

	Attributable to the Company's shareholders											
	Share capital	Share premium	Treasury shares	Capital reserve for share-based payment transaction	Capital reserve in respect of available-for-sale financial assets	Adjustments arising from translation of financial statements of foreign operations	Revaluation capital reserve	Other capital reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Unaudited											
	NIS thousand											
Balance as of April 1, 2024	99,429	332,215	(95,207)	60,451	501,540	(40,816)	276,738	16,595	5,336,604	6,487,549	193,127	6,680,676
Net income	-	-	-	-	-	-	-	-	296,954	296,954	9,073	306,027
Adjustments arising from translation of financial statements of foreign operations	-	-	-	-	-	202	-	-	-	202	18	220
Net change in fair value of financial assets classified as available for sale, carried to capital reserves	-	-	-	-	(127,730)	-	-	-	-	(127,730)	-	(127,730)
Net change from realization of financial assets classified as available for sale, carried to the statements of profit and loss	-	-	-	-	48,307	-	-	-	-	48,307	-	48,307
Impairment loss of financial assets classified as available for sale, carried to the Statements of Profit and Loss	-	-	-	-	18,834	-	-	-	-	18,834	-	18,834
Gain (loss) due to remeasurement of defined benefit plans	-	-	-	-	-	-	-	-	(1,884)	(1,884)	4	(1,880)
Share in other comprehensive income of associates	-	-	-	-	-	5,312	-	-	-	5,312	-	5,312
Tax benefit (taxes on income) relating to items of other comprehensive income (loss)	-	-	-	-	19,927	(749)	-	-	644	19,822	(2)	19,820
Total other comprehensive income (loss)	-	-	-	-	(40,662)	4,765	-	-	(1,240)	(37,137)	20	(37,117)
Total comprehensive income (loss)	-	-	-	-	(40,662)	4,765	-	-	295,714	259,817	9,093	268,910
Exercise of employee options	-	(255)	940	(685)	-	-	-	-	-	-	-	-
Cost of share-based payment	-	-	-	1,788	-	-	-	-	-	1,788	44	1,832
Non-controlling interests in a company consolidated for the first time – See Note 7H	-	-	-	-	-	-	-	-	-	-	632	632
Change in non-controlling interests in respect of a put option	-	-	-	-	-	-	-	(1,240)	-	(1,240)	(2,439)	(3,679)
Dividend distributed	-	-	-	-	-	-	-	-	-	-	(7,329)	(7,329)
Balance as of June 30, 2024	99,429	331,960	(94,267)	61,554	460,878	(36,051)	276,738	15,355	5,632,318	6,747,914	193,128	6,941,042

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

Consolidated Statements of Changes in Equity (cont.)

	Attributable to the Company's shareholders											
	Share capital	Share premium	Treasury shares	Capital reserve for share-based payment transaction	Capital reserve in respect of available-for-sale financial assets	Adjustments arising from translation of financial statements of foreign operations	Revaluation capital reserve	Other capital reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Unaudited											
	NIS thousand											
Balance as of April 1, 2023	99,429	332,985	(100,200)	53,845	424,674	(30,918)	234,623	27,239	4,909,673	5,951,350	186,179	6,137,529
Net income	-	-	-	-	-	-	-	-	21,164	21,164	4,218	25,382
Adjustments arising from translation of financial statements of foreign operations	-	-	-	-	-	16	-	-	-	16	44	60
Net change in fair value of financial assets classified as available for sale, carried to capital reserves	-	-	-	-	132,715	-	-	-	-	132,715	-	132,715
Net change from realization of financial assets classified as available for sale, carried to the statements of profit and loss	-	-	-	-	10,273	-	-	-	-	10,273	-	10,273
Impairment loss of financial assets classified as available for sale, carried to the Statements of Profit and Loss	-	-	-	-	5,223	-	-	-	-	5,223	-	5,223
Gain (loss) due to remeasurement of defined benefit plans	-	-	-	-	-	-	-	-	(1,006)	(1,006)	26	(980)
Share in other comprehensive loss of associates	-	-	-	-	-	(6,699)	-	-	-	(6,699)	-	(6,699)
Tax benefit (taxes on income) relating to items of other comprehensive income (loss)	-	-	-	-	(50,010)	(902)	-	-	313	(50,599)	(9)	(50,608)
Total other comprehensive income (loss)	-	-	-	-	98,201	(7,585)	-	-	(693)	89,923	61	89,984
Total comprehensive income (loss)	-	-	-	-	98,201	(7,585)	-	-	20,471	111,087	4,279	115,366
Cost of share-based payment	-	-	-	3,296	-	-	-	-	-	3,296	-	3,296
Change in non-controlling interests in respect of a put option	-	-	-	-	-	-	-	(1,713)	-	(1,713)	179	(1,534)
Dividend distributed	-	-	-	-	-	-	-	-	-	-	(6,385)	(6,385)
Balance as of June 30, 2023	99,429	332,985	(100,200)	57,141	522,875	(38,503)	234,623	25,526	4,930,144	6,064,020	184,252	6,248,272

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

Consolidated Statements of Changes in Equity (cont.)

	Attributable to the Company's shareholders											
	Share capital	Share premium	Treasury shares	Capital reserve for share-based payment transaction	Capital reserve in respect of available-for-sale financial assets	Adjustments arising from translation of financial statements of foreign operations	Revaluation capital reserve	Other capital reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Audited											
	NIS thousand											
Balance as of January 1, 2023	99,429	332,985	(100,200)	51,390	343,695	(22,707)	234,623	28,155	4,929,631	5,897,001	182,144	6,079,145
Effect of first-time application of IFRS 9	-	-	-	-	-	-	-	-	(686)	(686)	-	(686)
Balance as of January 1, 2023 after first-time application of IFRS 9	99,429	332,985	(100,200)	51,390	343,695	(22,707)	234,623	28,155	4,928,945	5,896,315	182,144	6,078,459
Net income	-	-	-	-	-	-	-	-	514,380	514,380	24,017	538,397
Adjustments arising from translation of financial statements of foreign operations	-	-	-	-	-	(2,757)	-	-	-	(2,757)	126	(2,631)
Net change in fair value of financial assets classified as available for sale, carried to capital reserves	-	-	-	-	109,505	-	-	-	-	109,505	-	109,505
Net change from realization of financial assets classified as available for sale, carried to the statements of profit and loss	-	-	-	-	110,858	-	-	-	-	110,858	-	110,858
Impairment loss of financial assets classified as available for sale, carried to the Statements of Profit and Loss	-	-	-	-	30,891	-	-	-	-	30,891	-	30,891
Revaluation of property, plant and equipment	-	-	-	-	-	-	54,694	-	-	54,694	-	54,694
Gain on remeasurement of defined benefit plans	-	-	-	-	-	-	-	-	2,775	2,775	(59)	2,716
Share in other comprehensive loss, net of associates	-	-	-	-	-	(13,616)	-	-	-	(13,616)	-	(13,616)
Tax benefit (taxes on income) relating to items of other comprehensive income (loss)	-	-	-	-	(83,599)	(743)	(12,579)	-	(951)	(97,872)	12	(97,860)
Total other comprehensive income (loss)	-	-	-	-	167,655	(17,116)	42,115	-	1,824	194,478	79	194,557
Total comprehensive income (loss)	-	-	-	-	167,655	(17,116)	42,115	-	516,204	708,858	24,096	732,954
Non-controlling interests arising in companies consolidated for the first time	-	-	-	-	-	-	-	-	-	-	7,549	7,549
Cost of share-based payment	-	-	-	11,834	-	-	-	-	-	11,834	260	12,094
Change in non-controlling interests in respect of a put option	-	-	-	-	-	-	-	(11,170)	-	(11,170)	(6,687)	(17,857)
Dividend distributed	-	-	-	-	-	-	-	-	(175,000)	(175,000)	(20,197)	(195,197)
Balance as of December 31, 2023	99,429	332,985	(100,200)	63,224	511,350	(39,823)	276,738	16,985	5,270,149	6,430,837	187,165	6,618,002

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

Consolidated Statements of Cash Flows

	Appendix	For the 6 months ending June 30 2024	For the 6 months ending June 30 2023	For the 3 months ending June 30 2024	For the 3 months ending June 30 2023	For the year ended December 31 2023
		Unaudited		Unaudited		Audited
		NIS thousand				
Cash flows provided by (used for) operating activities	(a)	957,660	(332,503)	207,063	(41,526)	(324,600)
Cash flows provided by investing activities						
Investments in associates		(44,169)	(76,806)	(44,120)	(1,433)	(81,358)
Cash derecognized due to acquisition of consolidated companies consolidated for the first time	(d)	(3,495)	(2,976)	(3,495)	-	(9,787)
Proceeds from disposal of associates		-	17,417	-	2,459	14,958
Investment in property, plant and equipment		(15,417)	(13,341)	(5,645)	(8,060)	(26,610)
Investment in intangible assets		(113,998)	(97,013)	(48,924)	(55,029)	(227,210)
Proceeds from disposal (purchases) of financial investments by Group companies, which are not insurance companies, net		(263,944)	19,997	(183,333)	113,374	60,779
Repayment (grant) of loans to associates		(1,688)	(3,533)	(234)	65	(3,676)
Dividend received from associates		311	570	220	473	3,179
Consideration from disposal of intangible assets		480	-	480	-	-
Proceeds from disposal of property, plant and equipment		-	602	-	389	603
Net cash provided by (used for) investing activities		(441,920)	(155,083)	(285,051)	52,238	(269,122)
Cash flows provided by financing activities						
Assumption of financial liabilities (less issuance expenses)		208,495	69,370	97,275	18,241	396,172
Repayment of financial liabilities		(15,503)	(14,774)	(7,812)	(7,457)	(96,976)
Share buyback by the Company		-	-	-	-	(175,000)
Dividend paid to the Company's shareholders		(175,000)	(100,000)	(175,000)	(100,000)	-
Dividend paid to non-controlling interests		(9,443)	(8,807)	(7,329)	(6,385)	(20,197)
Net cash provided by (used for) financing activities		8,549	(54,211)	(92,866)	(95,601)	103,999
Exchange rate differences in respect of cash and cash equivalent balances		29,331	20,502	22,492	529	10,149
Increase (decrease) in cash and cash equivalents		553,620	(521,295)	(148,362)	(84,360)	(479,574)
Balance of cash and cash equivalents as of the beginning of the period	(b)	3,404,925	3,884,499	4,106,907	3,447,564	3,884,499
Balance of cash and cash equivalents as of the end of the period	(c)	3,958,545	3,363,204	3,958,545	3,363,204	3,404,925

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

Consolidated Statements of Cash Flows (cont.)

	For the 6 months ending June 30		For the 3 months ending June 30		For the year ended December 31
	2024	2023	2024	2023	2023
	Unaudited		Unaudited		Audited
	NIS thousand				
(a) Cash flows from operating activities					
Net income for the period	557,047	110,508	306,027	25,382	538,397
Adjustments to profit and loss line items:					
Share in profits of associates	(17,968)	(4,107)	(9,843)	(4,322)	(13,740)
Income, net on financial investments in respect of insurance contracts and yield-dependent investment contracts	(1,407,771)	(1,567,029)	(27,240)	(3,785,782)	(2,552,798)
Losses (gains), net on other financial investments:					
Liquid debt assets	(64,636)	(4,377)	(13,129)	(21,272)	32,638
Illiquid debt assets	(503,326)	(449,940)	(327,362)	(239,726)	(816,364)
Shares	(121,137)	(105,387)	(34,753)	(56,098)	(267,597)
Other	87,004	151,828	80,780	56,304	91,732
	(602,095)	(407,876)	(294,464)	(260,792)	(959,591)
Finance expenses in respect of financial liabilities	105,262	92,110	56,970	48,455	188,447
Loss (gain) on disposal of property, plant, and equipment	49	(123)	-	(78)	(126)
Income from disposal of intangible assets	(219)	-	(219)	-	-
Decline in fair value of investment property in respect of yield-dependent contracts	-	2,514	-	559	6,284
Increase in fair value of other investment property	-	(120,274)	-	(271)	(114,737)
Impairment of intangible assets	686	2,123	549	-	5,070
Depreciation and amortization:					
Property, plant & equipment	42,430	41,200	21,573	21,942	84,091
Intangible assets	97,666	94,757	49,111	48,284	191,492

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

Consolidated Statements of Cash Flows (cont.)

	For the 6 months ending June 30		For the 3 months ending June 30		For the year ended December 31
	2024	2023	2024	2023	2023
	Unaudited		Unaudited		Audited
	NIS thousand				
(a) Cash flows from operating activities (cont.)					
Change in liabilities in respect of insurance contracts and yield-dependent investment contracts	594,024	790,164	(411,785)	868,610	1,264,556
Change in liabilities in respect of insurance contracts and non-yield-dependent investment contracts	658,507	628,245	318,254	116,718	563,495
Share-based payment	2,849	4,639	1,622	2,737	10,202
Change in reinsurance assets	(277,084)	(82,594)	(270,944)	27,951	(191,520)
Change in deferred acquisition costs	(139,664)	(140,919)	(57,803)	(56,790)	(185,806)
Taxes on income	268,209	28,200	147,663	11,578	251,231
Changes in other on-balance sheet line items:					
Financial investments and investment property in respect of insurance contracts and yield-dependent investment contracts:					
Acquisitions and appreciations of investment property	(3,096)	(9,293)	(1,642)	(4,604)	(15,287)
Proceeds of disposal (acquisition) of financial investments, net	585,814	(39,956)	(66,721)	2,488,734	(192,197)
Financial investments and other investment property:					
Acquisitions and appreciations of investment property	(6,827)	(11,296)	(2,686)	(3,089)	(27,927)
Proceeds of disposal (acquisition) of financial investments, net	207,037	41,699	125,853	65,980	(543,442)
Premiums collectible	(172,480)	(159,915)	23,781	37,697	18,077
Receivables and debit balances	(94,476)	(189,356)	(128,754)	(31,384)	152,621
Payables and credit balances	(109,880)	(81,359)	19,968	9,308	(74,905)
Liabilities for employee benefits	(4,959)	2,838	(4,801)	2,038	1,577
Total adjustments required to present cash flows from operating activities	(273,986)	(1,085,608)	(511,558)	(396,521)	(2,134,933)
Cash paid and received during the period for:					
Interest paid	(88,904)	(83,366)	(38,740)	(38,966)	(165,736)
Interest received	588,602	607,211	286,541	267,264	1,202,771
Taxes paid	(182,052)	(148,797)	(103,335)	(66,493)	(308,613)
Taxes received	86,526	35,241	86,068	33,656	70,081
Dividend received	270,427	232,308	182,060	134,152	473,433
	674,599	642,597	412,594	329,613	1,271,936
Total cash flows provided by (used for) operating activities	957,660	(332,503)	207,063	(41,526)	(324,600)

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

Consolidated Statements of Cash Flows (cont.)

		For the 6 months ending June 30		For the 3 months ending June 30		For the year ended December 31
		2024	2023	2024	2023	2023
		Unaudited		Unaudited		Audited
		NIS thousand				
(b)	Cash and cash equivalents as of the beginning of the period					
	Cash and cash equivalents in respect of yield-dependent contracts	2,080,711	2,590,568	2,686,100	2,268,921	2,590,568
	Other cash and cash equivalents	1,324,214	1,293,931	1,420,807	1,178,643	1,293,931
	Balance of cash and cash equivalents as of the beginning of period	3,404,925	3,884,499	4,106,907	3,447,564	3,884,499
(c)	Cash and cash equivalents as of the end of the period					
	Cash and cash equivalents in respect of yield-dependent contracts	2,332,910	2,035,047	2,332,910	2,035,047	2,080,711
	Other cash and cash equivalents	1,625,635	1,328,157	1,625,635	1,328,157	1,324,214
	Balance of cash and cash equivalents as of the end of the period	3,958,545	3,363,204	3,958,545	3,363,204	3,404,925
(d)	Cash derecognized due to acquisition of consolidated companies consolidated for the first time					
	Intangible assets	4,663	4,000	4,663	-	28,356
	Property, plant & equipment	36	2	36	-	764
	Receivables and debit balances	829	222	829	-	4,675
	Deferred taxes	(558)	-	(558)	-	(1,849)
	Liabilities for employee benefits	(554)	-	(554)	-	(716)
	Payables and credit balances	(289)	(155)	(289)	-	(690)
	Financial liabilities	-	-	-	-	(13,204)
	Non-controlling interests	(632)	(1,093)	(632)	-	(7,549)
		3,495	2,976	3,495	-	9,787

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

Notes to the Consolidated Interim Financial Statements

NOTE 1 - GENERAL

A. Company description

Menora Mivtachim Holdings Ltd. (hereinafter - the "**Company**") is a publicly-traded company, whose shares are listed on the Tel Aviv Stock Exchange. The Company's principal shareholders are Najaden Establishment and Palamas Establishment (foreign corporations), which are held in trust for Mssrs. Niva Gurevitch and Tali Griffel, and which (jointly) hold approx. 63.17% of the Company's shares. The Company operates through companies under its control in all of the main insurance subsegments, including Life Insurance and Long-Term Savings (Life Insurance, Long-Term Care Insurance), Health Insurance and Property and Casualty insurance. The Company is also engaged, through companies under its control, in the provision of securities distribution services and an underwriting obligation, the provision of an undertaking for repayment of means of payment, and in solar activity. In addition, the Company is engaged in real estate investments abroad, and in the provision of financing and credit to SMEs through subsidiaries and associates.

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

B. Iron Swords War

On October 7, 2023, a surprise attack was launched on the State of Israel from the Gaza Strip, following which the Israeli government declared a state of war (hereinafter - the "**Iron Swords War**" or the "**War**"). In view of the above and further to the letters issued on October 17 and November 8, 2023 by the Commissioner of the Capital Market, Insurance and Savings Authority (hereinafter - the "**Commissioner**") to the Group's institutional entities regarding "Guidelines to Institutional Entities in View of the Iron Swords War" and "The Effects of the Iron Swords War on the Financial Statements, respectively, and further to points of emphasis published by the Israel Securities Authority to reporting corporations regarding a disclosure in connection with the Iron Swords War, the boards of directors of the companies and the Group's institutional entities held meetings in which, among other things, they analyzed the potential exposure to the effects of the War, and discussed the business continuity plan, the Company's preparedness to emergency scenarios, and the tools through which the Group can manage the risk, including from a financial perspective.

Following are the details of the main effects:

- On the operational level:
  Upon the outbreak of the War, Group companies took action to facilitate remote work for most of their employees, with an emphasis on continuous provision of services to customers and employers in connection with essential process, specifically those listed in the Commissioner's letter, while monitoring different business parameters through relevant reporting mechanisms; enhancing the capability to provide services through digital channels - all, to the extent possible, while ensuring work safety, and mitigating the risks of remote working, including cyber and information security risks, and refreshing the business continuity procedures. Towards the end of 2023, and during the first quarter of 2024, a gradual process of returning to work full time at the Group's offices has started, aiming to return to the work format which was in place prior to the outbreak of the War.

Notes to the Consolidated Interim Financial Statements

NOTE 1 - GENERAL (cont.)

B. The Iron Swords War (cont.)

Following are the details of the main effects: (cont.)

At the business level:

Life Insurance and Long-Term Savings - most of the exposure in this subsegment stems from Life Insurance, Permanent Health Insurance, and Disability Insurance. The Group has in place reinsurance coverage for catastrophe events, which is supposed to absorb some of the exposure; in the opinion of the Group, based on the information available to date, the effect of the War on retention in the fourth quarter of 2023 amounts to approx. NIS 42 million (before tax) and during the reporting period totals approx. NIS 11 million (before tax) (a total of approx. NIS 3 million before tax during the second quarter). It is noted that following the war in Ukraine and the Iron Swords War, the reinsurers excluded war risks from catastrophe coverage in life and health insurance.

Health insurance (including Long-Term Care Insurance) - the exposure as a result of the War on the Health Insurance Segment and and Long-Term Care Insurance operating segment is not expected to be material.

Property and casualty insurance - Generally, damage to property due to a war event is not covered under a property insurance policy, and therefore the exposure as a result of the War is immaterial.

Non-banking credit - the credit granting activity in the Group is carried out mostly by the subsidiary ERN (hereinafter - “**ERN**”) and the second-tier subsidiary (Mimun Click). Most of the effects of the War were felt in October and November 2023, and were reflected in a decline in transaction turnover and in income, and in an increase in default rates. As from December 2023, the effects of the War moderated. In addition, the direct effect of the War on the business results of the subsidiary and the second-tier subsidiary is immaterial.

- On the financial level:

Assets under management - the Iron Swords War triggered declines in capital markets in Israel (both in share prices and in bond prices), which moderated beginning in November 2023 and even changed course to hikes during December 2023 and during the reporting period. As a result of the above, the value of the Group’s nostro assets and assets under management increased.

Changes in the risk-free interest and the illiquidity premium (hereinafter - the “**Interest Rate Curve**”) - as a result of the War there was an increase in the Interest Rate Curve, and as from November 2023, the trend changed and the risk-free interest decreased, and in the short term the decrease was even higher than the said increase. It is noted that in the second quarter the there was an increase in the Interest Rate Curve, which has partially subsided after the reporting date.

Notes to the Consolidated Interim Financial Statements

NOTE 1 - GENERAL (cont.)

C. Market volatility

In 2022, there were declines in the financial markets due to the increase in the interest rate curve and due to the conflict between Russia and Ukraine. In view of the above, the declines in financial markets increased, specifically due to the hikes in interest rates across the world and in the USA, and the concern that a global recession will occur. Further to the above, the participating life insurance policies marketed through 2004 achieved negative real returns. Therefore, Menora Mivtachim Insurance did not record variable management fees since the beginning of 2022; rather, it only recorded fixed management fees. In 2023 and in the first half of 2024, there was a positive return, which partially offset the negative real return as stated above. Accordingly, the estimated management fees that will not be collected due to the negative real return until a cumulative positive return is achieved amounted, as of the report date, to approx. NIS 144 million before tax. Immediately prior to the financial statements publication date the management fees that will not be collected due to the negative real return were estimated at approx. NIS 123 million.

Furthermore, and in view of the War in Ukraine that is still raging, some western countries decided to collaborate and impose some significant financial and economic sanctions on Russia, as well as various trade restrictions on Russian entities (including financial institutions and various corporations, politicians, Russian businessmen, etc.); these sanctions and restrictions include a prohibition on trade, investment, and on maintaining economic relations, as well as the disconnection of some Russian banks from international financial systems. At the same time, the Russian government-imposed restrictions on the transfer of capital to destinations outside Russia. Menora Mivtachim group invested - together with partners - in assets located in Russia; the amount of the investment is immaterial compared to the Group's total assets; in view of the above, the Group's ability to dispose of the assets is limited, and so is its ability to transfer funds to destinations outside the Russian Federation.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

A. Preparation format of the Condensed Consolidated Interim Financial Statements

These interim financial statements were prepared in condensed format as of June 30, 2024 and for the six- and three-month periods then ended (hereinafter - the "**Consolidated Interim Financial Statements**"). These financial statements should be read in conjunction with the Annual Financial Statements as of December 31, 2023 and for the year then ended and the accompanying notes (hereinafter - the "**Consolidated Annual Financial Statements**").

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 a consolidated subsidiary, which falls within the scope of 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.

In accordance with requirements set by the Commissioner, the first-time application date of IFRS 17 regarding Insurance Contracts and IFRS 9 regarding Financial Instruments was postponed to January 1, 2025 (instead of the first-time application date that was set in the standard itself - January 1, 2023). Consequently, during the periods through the date of first-time application in Israel, those data in the financial statements that relate to the subsidiary, as stated above, continue to be drawn up in accordance with IFRS 4 regarding Insurance Contracts, and IAS 39, Financial Instruments (of 2017).

Notes to the Consolidated Interim Financial Statements

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. Preparation format of the Condensed Consolidated Interim Financial Statements (cont.)

In addition, for the other issues, including regarding the information in the financial statements that does not refer to said subsidiary meeting the definition of insurer, the consolidated interim financial statements are prepared in accordance with IAS 34, Interim Financial Reporting.
In addition, the financial statements were prepared in accordance with the disclosure provisions in Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970, insofar as these regulations apply to a corporation consolidating an insurance company.

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

B. Use of estimates and judgments

In preparing the Condensed Consolidated Interim Financial Statements in accordance with International Financial Reporting Standards (IFRS), the Group's management is required to exercise discretion in assessments, estimates and assumptions that affect the implementation of the policy and the amounts of assets and liabilities, income and expenses. It is clarified that the actual results may differ from those estimates.

The judgment of management, when applying the Group's accounting policy and the principal assumptions used in assessments that involve uncertainty, are consistent with those used in the annual financial statements.

See Note 7A below regarding changes in interest rate curve and in an estimates, and their effect on the insurance liabilities.

C. Disclosure of the new IFRSs in the period prior to their application

1) For details regarding IFRS 17 - *Insurance Contracts and IFRS 9, Financial Instruments*, see Note 8.

2) IFRS 18, *Presentation and Disclosure in Financial Statements*

In April 2024, the International Accounting Standards Board (IASB) published IFRS 18 - Presentation and Disclosure in Financial Statements (hereinafter - the "**New Standard**") - which supersedes IAS 1 - Presentation of Financial Statements (hereinafter - "IAS 1").

The New Standard is aimed at improving the comparability and transparency of communication of financial statements.

The New Standard includes requirements previously included in IAS 1, and introduces new requirements on presentation within the statement of profit or loss, including the presentation of totals and subtotals required under the New Standard, disclosure of management-defined performance measures, and new requirements for the aggregation and disaggregation of financial information.

The New Standard does not change the provisions regarding recognition and measurement of items in the financial statements. However, since items in the statement of profit and loss must be classified into one of five categories (operating, investing, financing, income taxes, and a discontinued operation), it may alter the structure of the Company's statement of profit and loss. In addition, the publication of the New Standard triggered limited amendments to other accounting standards, including IAS 7 - *Statement of Cash Flow* - and IAS 34 - *Interim Financial Reporting.*

Notes to the Consolidated Interim Financial Statements

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. Disclosure of the new IFRSs in the period prior to their application (cont.)

2) IFRS 18, *Presentation and Disclosure in Financial Statements* (cont.)

The New Standard was applied retrospectively as from annual periods beginning on January 1, 2027. Early application is permitted, provided a disclosure is made.

The Company is studying the effect - on the consolidated financial statements - of the New Standard, including the effect of consequential amendments to other accounting standards.

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

	Consumer Price Index		USD representative exchange rate
	In lieu CPI	Known CPI	
	%	%	%
For the six months ended:			
June 30, 2024	2.1	1.9	3.6
June 30, 2023	2.2	2.5	5.1
For the three months ended:			
June 30, 2024	1.1	1.6	2.1
June 30, 2023	1.0	1.4	2.4
For the year ended December 31, 2023	3.0	3.4	3.1

NOTE 3 - OPERATING SEGMENTS

The operating segments were determined based on the information assessed by the chief operating decision maker for the purpose of making decisions regarding the allocation of resources and the assessment of performance.
The assets and liabilities of each segment include items that are directly attributed to the segment, and items that may be attributed on a reasonable basis. Insofar as a segment’s assets are managed separately from those of another segment, and there is no regulatory restriction, then the assets and results are presented according to the specific accounts managed for that segment; otherwise, the results are attributed according to the rate of insurance liabilities.
The accounting principles applied in segment reporting correspond to the generally accepted accounting principles applied in the preparation and presentation of the Group's consolidated financial statements.
Inter-company movements take place between the segments, which include, among other things, interest calculated in accordance with the provisions of the law.
Subordinated notes that serve Menora Insurance’s capital requirements and finance expenses in respect thereof are presented in the “not attributed to the operating segments” column.

1. Life Insurance and Long-Term Savings Segment

The Life Insurance and Long-Term Savings segment includes the Life Insurance, Long-Term Care Insurance subsegments and focuses mainly on long-term savings (in the framework of various types of insurance policies, long-term care insurance including educational funds), as well as insurance coverage for various risks such as: death, disability, permanent health insurance, etc.

Notes to the Consolidated Interim Financial Statements

NOTE 3 - OPERATING SEGMENTS (cont.)

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

   In accordance with the directives of the Insurance Commissioner, the Life Insurance and Long-Term Savings segment is broken down into Life Insurance, Pension and Provident.

2. Health Insurance Segment

   The Health Insurance Segment includes long-term care, medical expenses, critical illness, surgery and transplants, dental, foreign workers insurance and more.

3. Property and Casualty Insurance Segment

   The Property and Casualty Insurance Segment includes the liability and property subsegments. In accordance with the Commissioner's Directives, the Property And Casualty Insurance Segment is broken down into Compulsory Motor Insurance, Motor Property, Other Property and Other Liability subsegments.

   - Compulsory Motor subsegment

     The Compulsory Motor subsegment focuses on coverage, the purchase of which by the vehicle owner or driver is mandatory, in respect of bodily injury caused as a result of the use of a motor vehicle (to the driver, passengers, or pedestrians).

   - Motor Property subsegment

     The Motor Property subsegment focuses on coverage against property damage to the policyholder's vehicle and third-party property damage caused by the insured vehicle.

   - Property and Other subsegments

     Property subsegments other than motor and liability as well as other insurance subsegments.

   - Other Liability subsegments

     The liability subsegments provide coverage in respect of the policyholder's liability for any third-party damage he/she may cause. These subsegments include: third-party liability, employer liability, directors' liability, professional liability and product liability insurance, and other subsegments such as vessels, aircrafts, and Sale Law guarantee insurance.

4. The activity, which is not attributed to operating segments, includes investments in real estate, solar activity in Israel and abroad, the provision of underwriting obligations, insurance brokerage, financing and credit to SMEs, and provision of an undertaking for repayment of means of payment, and investment income and finance expenses that were not attributed to the other operating segments.

Seasonality

1. Life and Health Insurance

   Income from life insurance and health insurance premiums are not affected by seasonality.

Notes to the Consolidated Interim Financial Statements

NOTE 3 - OPERATING SEGMENTS (cont.)

Seasonality (cont.)

2. Property and Casualty Insurance

Gross income from premiums in property and casualty insurance is characterized by seasonality, mainly due to renewal of motor insurance policies of various groups of employees and businesses' vehicle fleets, whose renewal dates normally fall in January; seasonality is also caused by renewal of business insurance policies, which are typically renewed in January or April. The effect of this seasonality on the reported income is neutralized through the provision for unearned premium. Other expenses components, such as claims, and other income components, such as investment income, do not have significant seasonality, and therefore there is no significant seasonality in the income. However, it should be noted that a severe winter may trigger an increase in claims, mainly in the Motor Property subsegments, in the first and fourth quarters of the year, and as a consequence, a decrease in the reported income.

NOTE 3 - OPERATING SEGMENTS (cont.)

	For the 6 months ending June 30, 2024					
	Life Insurance and Long-Term Savings	Health Insurance	Property and Casualty Insurance	Not attributed to operating segments	Adjustments and offsets	Total
	Unaudited					
	NIS thousand					
Premiums earned, gross	1,112,782	1,119,337	2,118,033	-	-	4,350,152
Premiums earned by reinsurers	66,288	129,265	578,717	-	-	774,270
Premiums earned - retention	1,046,494	990,072	1,539,316	-	-	3,575,882
Investment income, net and finance income	1,893,911	112,508	81,119	279,253	(9,874)	2,356,917
Income from management fees	579,334	13,924	-	1,722	(1,007)	593,973
Income from fees and commissions	16,069	8,593	87,693	58,061	(25,030)	145,386
Other income	-	-	-	5,026	(1,085)	3,941
Total income	3,535,808	1,125,097	1,708,128	344,062	(36,996)	6,676,099
Payments and change in liabilities in respect of insurance contracts and investment contracts, gross	2,741,614	921,858	1,414,155	-	(1,085)	5,076,542
Share of reinsurers in payments and changes in liabilities in respect of insurance contracts	(31,216)	(214,415)	(479,283)	-	-	(724,914)
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	2,710,398	707,443	934,872	-	(1,085)	4,351,628
Fees and commissions, marketing expenses and other purchase expenses	302,829	260,493	353,360	19,886	(25,030)	911,538
General and administrative expenses	285,975	52,555	52,368	84,582	(8,355)	467,125
Other expenses	5,918	57	-	10,570	-	16,545
Finance expenses	11,776	8,607	(1,916)	106,455	(2,948)	121,974
Total expenses	3,316,896	1,029,155	1,338,684	221,493	(37,418)	5,868,810
Share in the profits (losses) of associates	(679)	(86)	1,299	17,434	-	17,968
Profit before taxes on income	218,233	95,856	370,743	140,003	422	825,257
Other comprehensive income (loss) before taxes on income	(46,936)	(7,840)	24,777	(40,068)	-	(70,067)
Total comprehensive income before income tax	171,297	88,016	395,520	99,935	422	755,190
	As of June 30, 2024					
	Unaudited					
	NIS thousand					
Liabilities in respect of insurance contracts and non-yield-dependent investment contracts	12,461,251	2,595,979	7,997,926	-	-	23,055,156
Liabilities in respect of insurance contracts and yield-dependent investment contracts	31,977,854	1,675,656	-	-	-	33,653,510

NOTE 3 - OPERATING SEGMENTS (cont.)

	For the 6 months ending June 30, 2023					
	Life Insurance and Long-Term Savings	Health Insurance	Property and Casualty Insurance	Not attributed to operating segments	Adjustments and offsets	Total
	Unaudited					
	NIS thousand					
Premiums earned, gross	1,157,001	1,076,023	1,886,519	-	-	4,119,543
Premiums earned by reinsurers	50,771	126,349	567,678	-	-	744,798
Premiums earned - retention	1,106,230	949,674	1,318,841	-	-	3,374,745
Investment income, net and finance income	1,933,828	120,158	90,411	287,268	(8,683)	2,422,982
Income from management fees	525,100	-	-	1,565	(850)	525,815
Income from fees and commissions	13,260	6,666	91,534	48,781	(23,759)	136,482
Other income	-	-	-	4,453	(999)	3,454
Total income	3,578,418	1,076,498	1,500,786	342,067	(34,291)	6,463,478
Payments and change in liabilities in respect of insurance contracts and investment contracts, gross	3,033,576	1,014,731	1,424,997	-	(999)	5,472,305
Share of reinsurers in payments and changes in liabilities in respect of insurance contracts	(46,065)	(190,419)	(386,598)	-	-	(623,082)
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	2,987,511	824,312	1,038,399	-	(999)	4,849,223
Fees and commissions, marketing expenses and other purchase expenses	292,554	243,552	330,849	16,053	(23,759)	859,249
General and administrative expenses	307,687	50,290	49,998	89,441	(6,861)	490,555
Other expenses	6,167	32	-	12,054	-	18,253
Finance expenses	15,125	8,030	(1,769)	93,385	(3,174)	111,597
Total expenses	3,609,044	1,126,216	1,417,477	210,933	(34,793)	6,328,877
Share in the profits (losses) of associates	4,692	416	(7,053)	6,052	-	4,107
Profit (loss) before taxes on income	(25,934)	(49,302)	76,256	137,186	502	138,708
Other comprehensive income before taxes on income	161,680	18,923	71,022	4,930	-	256,555
Total comprehensive income (loss) before income tax	135,746	(30,379)	147,278	142,116	502	395,263
	As of June 30, 2023					
	Unaudited					
	NIS thousand					
Liabilities in respect of insurance contracts and non-yield-dependent investment contracts	12,472,186	2,341,454	7,647,759	-	-	22,461,399
Liabilities in respect of insurance contracts and yield-dependent investment contracts	30,951,284	1,633,810	-	-	-	32,585,094

Notes to the Consolidated Interim Financial Statements

NOTE 3 - OPERATING SEGMENTS (cont.)

	For the 3 months ending June 30, 2024					
	Life Insurance and Long-Term Savings	Health Insurance	Property and Casualty Insurance	Not attributed to operating segments	Adjustments and offsets	Total
	Unaudited					
	NIS thousand					
Premiums earned, gross	561,740	542,974	1,098,437	-	-	2,203,151
Premiums earned by reinsurers	44,514	62,068	302,397	-	-	408,979
Premiums earned - retention	517,226	480,906	796,040	-	-	1,794,172
Investment income, net and finance income	393,619	18,905	33,914	101,451	(4,286)	543,603
Income from management fees	294,977	5,024	-	783	(425)	300,359
Income from fees and commissions	7,939	4,002	42,799	26,847	(10,405)	71,182
Other income	-	-	-	3,429	(560)	2,869
Total income	1,213,761	508,837	872,753	132,510	(15,676)	2,712,185
Payments and change in liabilities in respect of insurance contracts and investment contracts, gross	804,181	390,482	778,397	-	(560)	1,972,500
Share of reinsurers in payments and changes in liabilities in respect of insurance contracts	(16,622)	(139,251)	(326,041)	-	-	(481,914)
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	787,559	251,231	452,356	-	(560)	1,490,586
Fees and commissions, marketing expenses and other purchase expenses	153,538	129,914	185,776	9,938	(10,405)	468,761
General and administrative expenses	140,832	27,418	25,409	44,430	(3,458)	234,631
Other expenses	3,160	34	-	4,983	-	8,177
Finance expenses	7,413	6,397	(3,087)	56,928	(1,468)	66,183
Total expenses	1,092,502	414,994	660,454	116,279	(15,891)	2,268,338
Share in the profits (losses) of associates	(541)	(81)	515	9,950	-	9,843
Profit before taxes on income	120,718	93,762	212,814	26,181	215	453,690
Other comprehensive income (loss) before taxes on income	(34,661)	(5,948)	9,033	(25,361)	-	(56,937)
Total comprehensive income before income tax	86,057	87,814	221,847	820	215	396,753

NOTE 3 - OPERATING SEGMENTS (cont.)

	For the 3 months ending June 30, 2023					
	Life Insurance and Long-Term Savings	Health Insurance	Property and Casualty Insurance	Not attributed to operating segments	Adjustments and offsets	Total
	Unaudited					
	NIS thousand					
Premiums earned, gross	585,763	545,693	962,156	-	-	2,093,612
Premiums earned by reinsurers	22,637	62,104	285,619	-	-	370,360
Premiums earned - retention	563,126	483,589	676,537	-	-	1,723,252
Investment income, net and finance income	1,406,161	81,825	67,210	106,903	(4,412)	1,657,687
Income from management fees	264,030	-	-	792	(434)	264,388
Income from fees and commissions	5,349	1,910	46,783	23,129	(10,508)	66,663
Other income	-	-	-	1,726	(501)	1,225
Total income	2,238,666	567,324	790,530	132,550	(15,855)	3,713,215
Payments and change in liabilities in respect of insurance contracts and investment contracts, gross	1,971,573	561,500	669,138	-	(501)	3,201,710
Share of reinsurers in payments and changes in liabilities in respect of insurance contracts	(20,518)	(98,006)	(150,461)	-	-	(268,985)
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	1,951,055	463,494	518,677	-	(501)	2,932,725
Fees and commissions, marketing expenses and other purchase expenses	142,704	120,704	172,275	7,600	(10,508)	432,775
General and administrative expenses	158,605	25,577	24,284	43,676	(3,539)	248,603
Other expenses	3,059	8	-	5,671	-	8,738
Finance expenses	8,291	4,389	(2,450)	49,085	(1,579)	57,736
Total expenses	2,263,714	614,172	712,786	106,032	(16,127)	3,680,577
Share in the profits (losses) of associates	7,063	678	(7,689)	4,270	-	4,322
Profit (loss) before taxes on income	(17,985)	(46,170)	70,055	30,788	272	36,960
Other comprehensive income before taxes on income	78,494	9,256	37,511	15,331	-	140,592
Total comprehensive income (loss) before income tax	60,509	(36,914)	107,566	46,119	272	177,552

Notes to the Consolidated Interim Financial Statements

NOTE 3 - OPERATING SEGMENTS (cont.)

	For the year ended December 31, 2023					
	Life Insurance and Long-Term Savings	Health Insurance	Property and Casualty Insurance	Not attributed to operating segments	Adjustments and offsets	Total
	Audited					
	NIS thousand					
Premiums earned, gross	2,575,678	2,208,725	3,905,128	-	-	8,689,531
Premiums earned by reinsurers	104,917	253,670	1,161,741	-	-	1,520,328
Premiums earned - retention	2,470,761	1,955,055	2,743,387	-	-	7,169,203
Investment income, net and finance income	3,081,141	205,809	212,023	555,322	(16,664)	4,037,631
Income from management fees	1,090,206	-	-	3,168	(1,739)	1,091,635
Income from fees and commissions	17,154	13,865	178,002	102,179	(47,034)	264,166
Other income	5	-	-	9,009	(2,029)	6,985
Total income	6,659,267	2,174,729	3,133,412	669,678	(67,466)	12,569,620
Payments and change in liabilities in respect of insurance contracts and investment contracts, gross	5,390,158	1,976,765	2,566,751	-	(2,029)	9,931,645
Share of reinsurers in payments and changes in liabilities in respect of insurance contracts	(90,615)	(377,317)	(660,048)	-	-	(1,127,980)
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	5,299,543	1,599,448	1,906,703	-	(2,029)	8,803,665
Fees and commissions, marketing expenses and other purchase expenses	594,073	507,268	684,239	35,852	(47,034)	1,774,398
General and administrative expenses	603,098	92,274	101,014	182,912	(13,196)	966,102
Other expenses	13,739	98	-	25,359	-	39,196
Finance expenses	14,681	12,165	266	189,498	(6,239)	210,371
Total expenses	6,525,134	2,211,253	2,692,222	433,621	(68,498)	11,793,732
Share in the profits (losses) of associates	8,173	792	(7,540)	12,315	-	13,740
Profit (loss) before taxes on income	142,306	(35,732)	433,650	248,372	1,032	789,628
Other comprehensive income before taxes on income	189,059	22,095	53,664	27,599	-	292,417
Total comprehensive income (loss) before taxes on income	331,365	(13,637)	487,314	275,971	1,032	1,082,045
	As of December 31, 2023					
	Audited					
	NIS thousand					
Liabilities in respect of insurance contracts and non-yield-dependent investment contracts	12,417,800	2,486,203	7,492,646	-	-	22,396,649
Liabilities in respect of insurance contracts and yield-dependent investment contracts	31,257,883	1,801,603	-	-	-	33,059,486

Notes to the Consolidated Interim Financial Statements

NOTE 3 - OPERATING SEGMENTS (cont.)

A. Additional data regarding the Property and Casualty Insurance Segment

	For the 6 months ending June 30, 2024				
	Compul-sory Motor	Motor Property	Property and Other subseg-ments *)	Other Liability subseg-ments **)	Total
			Unaudited		
			NIS thousand		
Gross premiums	586,752	1,052,473	546,213	357,036	2,542,474
Reinsurance premiums	17,313	2,436	392,670	216,721	629,140
Premiums - retention	569,439	1,050,037	153,543	140,315	1,913,334
Change in unearned premium balance, retention	(154,443)	(177,943)	(16,158)	(25,474)	(374,018)
Premiums earned - retention	414,996	872,094	137,385	114,841	1,539,316
Investment income, net and finance income	36,402	25,420	7,900	11,397	81,119
Income from fees and commissions	1,652	3,274	63,617	19,150	87,693
Total income	453,050	900,788	208,902	145,388	1,708,128
Payments and change in liabilities in respect of insurance contracts, gross	377,653	494,578	312,380	229,544	1,414,155
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	(20,801)	5,487	(270,614)	(193,355)	(479,283)
Payments and change in liabilities for insurance contracts - retention	356,852	500,065	41,766	36,189	934,872
Fees and commissions, marketing expenses and other purchase expenses	40,124	177,898	96,264	39,074	353,360
General and administrative expenses	14,081	19,376	12,955	5,956	52,368
Finance expenses	(1,927)	(1,152)	474	689	(1,916)
Total expenses	409,130	696,187	151,459	81,908	1,338,684
Share in profits of associates	680	260	49	310	1,299
Profit before taxes on income	44,600	204,861	57,492	63,790	370,743
Other comprehensive income before taxes on income	13,245	4,840	702	5,990	24,777
Total comprehensive income before taxes on income	57,845	209,701	58,194	69,780	395,520
Liabilities in respect of insurance contracts, gross, as of June 30, 2024 (unaudited)	3,347,419	1,345,406	1,101,703	2,203,398	7,997,926
Liabilities in respect of insurance contracts - retention - as of June 30, 2024 (unaudited)	2,872,348	1,326,981	217,432	886,707	5,303,468

*) Property and Other subsegments mainly include results from the property loss, business and home insurance subsegments, whose activity constitutes 71% of total premiums in these subsegments.

**) Other Liability subsegments mainly include results of the following segments: employers' liability insurance, third-party insurance, and professional liability insurance, the activity of which constitutes 88% of total premiums in these subsegments.

Notes to the Consolidated Interim Financial Statements

NOTE 3 - OPERATING SEGMENTS (cont.)

A. Additional data regarding the Property and Casualty Insurance Segment (cont.)

	For the 6 months ending June 30, 2023				
	Compulsory Motor	Motor Property	Property and Other subsegments *)	Other Liability subsegments **)	Total
	Unaudited				
	NIS thousand				
Gross premiums	410,609	937,972	414,290	318,774	2,081,645
Reinsurance premiums	12,306	19,755	292,280	184,242	508,583
Premiums - retention	398,303	918,217	122,010	134,532	1,573,062
Change in unearned premium balance, retention	(40,763)	(172,550)	(9,310)	(31,598)	(254,221)
Premiums earned - retention	357,540	745,667	112,700	102,934	1,318,841
Investment income, net and finance income	35,520	26,235	9,715	18,941	90,411
Income from fees and commissions	11,707	3,240	58,253	18,334	91,534
Total income	404,767	775,142	180,668	140,209	1,500,786
Payments and change in liabilities in respect of insurance contracts, gross	366,899	652,354	209,225	196,519	1,424,997
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	(44,347)	(36,688)	(163,829)	(141,734)	(386,598)
Payments and change in liabilities for insurance contracts - retention	322,552	615,666	45,396	54,785	1,038,399
Fees and commissions, marketing expenses and other purchase expenses	45,325	162,618	88,518	34,388	330,849
General and administrative expenses	13,658	17,948	11,866	6,526	49,998
Finance expenses	(1,545)	(730)	212	294	(1,769)
Total expenses	379,990	795,502	145,992	95,993	1,417,477
Share in losses of associates	(3,751)	(1,315)	(208)	(1,779)	(7,053)
Profit (loss) before taxes on income	21,026	(21,675)	34,468	42,437	76,256
Other comprehensive income before taxes on income	38,884	14,400	2,379	15,359	71,022
Total comprehensive income (loss) before taxes on income	59,910	(7,275)	36,847	57,796	147,278
Liabilities in respect of insurance contracts, gross, as of June 30, 2023 (unaudited)	3,311,025	1,371,717	922,179	2,042,838	7,647,759
Liabilities in respect of insurance contracts - retention - as of June 30, 2023 (unaudited)	2,743,334	1,301,607	188,210	962,379	5,195,530

*) Property and Other subsegments mainly include results from the property loss, business and home insurance subsegments, whose activity constitutes 68% of total premiums in these subsegments.

**) Other Liability subsegments mainly include results of the following segments: employers' liability insurance, third-party insurance, and professional liability insurance, the activity of which constitutes 85% of total premiums in these subsegments.

Notes to the Consolidated Interim Financial Statements

NOTE 3 - OPERATING SEGMENTS (cont.)

A. Additional data regarding the Property and Casualty Insurance Segment (cont.)

	For the 3 months ending June 30, 2024				
	Compul-sory Motor	Motor Property	Property and Other subseg-ments *)	Other Liability subseg-ments **)	Total
	Unaudited				
	NIS thousand				
Gross premiums	262,979	437,098	294,835	152,716	1,147,628
Reinsurance premiums	9,491	547	216,812	107,318	334,168
Premiums - retention	253,488	436,551	78,023	45,398	813,460
Change in unearned premium balance, retention	(30,963)	8,357	(7,218)	12,404	(17,420)
Premiums earned - retention	222,525	444,908	70,805	57,802	796,040
Investment income, net and finance income	10,012	8,914	7,780	7,208	33,914
Income from fees and commissions	753	841	31,497	9,708	42,799
Total income	233,290	454,663	110,082	74,718	872,753
Payments and change in liabilities in respect of insurance contracts, gross	188,435	238,820	219,181	131,961	778,397
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	(4,805)	(154)	(193,190)	(127,892)	(326,041)
Payments and change in liabilities for insurance contracts - retention	183,630	238,666	25,991	4,069	452,356
Fees and commissions, marketing expenses and other purchase expenses	24,000	92,009	49,778	19,989	185,776
General and administrative expenses	6,832	9,583	6,234	2,760	25,409
Finance expenses	(2,339)	(1,245)	157	340	(3,087)
Total expenses	212,123	339,013	82,160	27,158	660,454
Share in profits of associates	268	107	21	119	515
Profit before taxes on income	21,435	115,757	27,943	47,679	212,814
Other comprehensive income before taxes on income	5,094	1,056	96	2,787	9,033
Total comprehensive income before taxes on income	26,529	116,813	28,039	50,466	221,847

*) Property and Other subsegments mainly include results from the property loss, business and home insurance subsegments, whose activity constitutes 72% of total premiums in these subsegments.

**) Other Liability subsegments mainly include results of the following segments: employers' liability insurance, third-party insurance, and professional liability insurance, the activity of which constitutes 89% of total premiums in these subsegments.

Notes to the Consolidated Interim Financial Statements

NOTE 3 - OPERATING SEGMENTS (cont.)

A. Additional data regarding the Property and Casualty Insurance Segment (cont.)

	For the 3 months ending June 30, 2023				
	Compulsory Motor	Motor Property	Property and Other subsegments *)	Other Liability subsegments **)	Total
	Unaudited				
	NIS thousand				
Gross premiums	165,675	398,032	208,274	136,968	908,949
Reinsurance premiums	5,063	7,148	145,987	84,051	242,249
Premiums - retention	160,612	390,884	62,287	52,917	666,700
Change in unearned premium balance, retention	19,812	(7,988)	(3,607)	1,620	9,837
Premiums earned - retention	180,424	382,896	58,680	54,537	676,537
Investment income, net and finance income	29,460	15,428	8,172	14,150	67,210
Income from fees and commissions	6,013	1,698	29,554	9,518	46,783
Total income	215,897	400,022	96,406	78,205	790,530
Payments and change in liabilities in respect of insurance contracts, gross	214,714	291,252	70,260	92,912	669,138
Reinsurers’ share in payments and in changes in liabilities in respect of insurance contracts	(8,837)	(13,817)	(51,020)	(76,787)	(150,461)
Payments and change in liabilities for insurance contracts - retention	205,877	277,435	19,240	16,125	518,677
Fees and commissions, marketing expenses and other purchase expenses	23,308	84,199	48,043	16,725	172,275
General and administrative expenses	6,568	8,874	5,742	3,100	24,284
Finance expenses	(1,793)	(797)	64	76	(2,450)
Total expenses	233,960	369,711	73,089	36,026	712,786
Share in losses of associates	(4,098)	(1,432)	(225)	(1,934)	(7,689)
Profit (loss) before taxes on income	(22,161)	28,879	23,092	40,245	70,055
Other comprehensive income before taxes on income	20,461	7,652	1,172	8,226	37,511
Total comprehensive income (loss) before taxes on income	(1,700)	36,531	24,264	48,471	107,566

*) Property and Other subsegments mainly include results from the property loss, business and home insurance subsegments, whose activity constitutes 66% of total premiums in these subsegments.

**) Other Liability subsegments mainly include results of the following segments: employers’ liability insurance, third-party insurance, and professional liability insurance, the activity of which constitutes 84% of total premiums in these subsegments.

Notes to the Consolidated Interim Financial Statements

NOTE 3 - OPERATING SEGMENTS (cont.)

A. Additional data regarding the Property and Casualty Insurance Segment (cont.)

	For the year ended December 31, 2023				
	Compul-sory Motor	Motor Property	Property and Other subseg-ments *)	Other Liability subseg-ments **)	Total
	Audited				
	NIS thousand				
Gross premiums	737,271	1,691,381	909,624	580,919	3,919,195
Reinsurance premiums	31,136	24,844	652,881	359,550	1,068,411
Premiums - retention	706,135	1,666,537	256,743	221,369	2,850,784
Change in unearned premium balance, retention	23,894	(99,052)	(19,068)	(13,171)	(107,397)
Premiums earned - retention	730,029	1,567,485	237,675	208,198	2,743,387
Investment income, net and finance income	92,676	53,990	20,300	45,057	212,023
Income from fees and commissions	17,625	4,407	119,752	36,218	178,002
Total income	840,330	1,625,882	377,727	289,473	3,133,412
Payments and change in liabilities in respect of insurance contracts, gross	728,948	1,143,375	380,236	314,192	2,566,751
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	(59,323)	(42,317)	(288,734)	(269,674)	(660,048)
Payments and change in liabilities for insurance contracts - retention	669,625	1,101,058	91,502	44,518	1,906,703
Fees and commissions, marketing expenses and other purchase expenses	90,021	343,281	179,881	71,056	684,239
General and administrative expenses	26,023	37,461	24,758	12,772	101,014
Finance expenses	(752)	(728)	674	1,072	266
Total expenses	784,917	1,481,072	296,815	129,418	2,692,222
Share in losses of associates	(3,992)	(1,371)	(263)	(1,914)	(7,540)
Profit before taxes on income	51,421	143,439	80,649	158,141	433,650
Other comprehensive income before taxes on income	29,286	10,836	2,226	11,316	53,664
Total comprehensive income before taxes on income	80,707	154,275	82,875	169,457	487,314
Liabilities in respect of insurance contracts, gross, as of December 31, 2023 (audited)	3,279,005	1,190,793	999,912	2,022,936	7,492,646
Liabilities in respect of insurance contracts - retention - as of December 31, 2023 (audited)	2,764,609	1,149,804	201,611	876,036	4,992,060

*) Property and Other subsegments mainly include results from the property loss, business and home insurance subsegments, whose activity constitutes 70% of total premiums in these subsegments.

**) Other Liability subsegments mainly include results of the following segments: employers' liability insurance, third-party insurance, and professional liability insurance, the activity of which constitutes 86% of total premiums in these subsegments.

Notes to the Consolidated Interim Financial Statements

NOTE 3 - OPERATING SEGMENTS (cont.)

B. Additional data about the Life Insurance and Long-Term Savings Segment

	For the 6 months ending June 30, 2024			
	Provident	Pension	Life Insurance	Total
	Unaudited			
	NIS thousand			
Premiums earned, gross	-	-	1,112,782	1,112,782
Premiums earned by reinsurers	-	-	66,288	66,288
Premiums earned - retention	-	-	1,046,494	1,046,494
Investment income, net and finance income	208,206	4,470	1,681,235	1,893,911
Income from management fees	97,810	365,261	116,263	579,334
Income from fees and commissions	-	-	16,069	16,069
Total income	306,016	369,731	2,860,061	3,535,808
Payments and change in liabilities in respect of insurance contracts and investment contracts, gross	212,370	-	2,529,244	2,741,614
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	-	-	(31,216)	(31,216)
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	212,370	-	2,498,028	2,710,398
Fees and commissions, marketing expenses and other purchase expenses	34,956	83,966	183,907	302,829
General and administrative expenses	42,106	146,911	96,958	285,975
Other expenses	930	4,900	88	5,918
Finance expenses	242	5,051	6,483	11,776
Total expenses	290,604	240,828	2,785,464	3,316,896
Share in losses of associates	-	-	(679)	(679)
Profit before taxes on income	15,412	128,903	73,918	218,233
Other comprehensive income (loss) before taxes on income	14	33	(46,983)	(46,936)
Total comprehensive income before income tax	15,426	128,936	26,935	171,297

Notes to the Consolidated Interim Financial Statements

NOTE 3 - OPERATING SEGMENTS (cont.)

B. Additional data about the Life Insurance and Long-Term Savings Segment (cont.)

	For the 6 months ending June 30, 2023			
	Provident	Pension	Life Insurance	Total
	Unaudited			
	NIS thousand			
Premiums earned, gross	-	-	1,157,001	1,157,001
Premiums earned by reinsurers	-	-	50,771	50,771
Premiums earned - retention	-	-	1,106,230	1,106,230
Investment income, net and finance income	237,963	4,716	1,691,149	1,933,828
Income from management fees	80,914	330,244	113,942	525,100
Income from fees and commissions	-	-	13,260	13,260
Total income	318,877	334,960	2,924,581	3,578,418
Payments and change in liabilities in respect of insurance contracts and investment contracts, gross	241,597	-	2,791,979	3,033,576
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	-	-	(46,065)	(46,065)
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	241,597	-	2,745,914	2,987,511
Fees and commissions, marketing expenses and other purchase expenses	30,721	78,628	183,205	292,554
General and administrative expenses	38,385	157,434	111,868	307,687
Other expenses	1,114	4,900	153	6,167
Finance expenses	319	6,650	8,156	15,125
Total expenses	312,136	247,612	3,049,296	3,609,044
Share in profits of associates	-	-	4,692	4,692
Profit (loss) before taxes on income	6,741	87,348	(120,023)	(25,934)
Other comprehensive income before taxes on income	5	290	161,385	161,680
Total comprehensive income before income tax	6,746	87,638	41,362	135,746

Notes to the Consolidated Interim Financial Statements

NOTE 3 - OPERATING SEGMENTS (cont.)

B. Additional data about the Life Insurance and Long-Term Savings Segment (cont.)

	For the 3 months ending June 30, 2024			
	Provident	Pension	Life Insurance	Total
	Unaudited			
	NIS thousand			
Premiums earned, gross	-	-	561,740	561,740
Premiums earned by reinsurers	-	-	44,514	44,514
Premiums earned - retention	-	-	517,226	517,226
Investment income, net and finance income	130,650	473	262,496	393,619
Income from management fees	49,726	187,207	58,044	294,977
Income from fees and commissions	-	-	7,939	7,939
Total income	180,376	187,680	845,705	1,213,761
Payments and change in liabilities in respect of insurance contracts and investment contracts, gross	140,119	-	664,062	804,181
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	-	-	(16,622)	(16,622)
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	140,119	-	647,440	787,559
Fees and commissions, marketing expenses and other purchase expenses	17,520	43,909	92,109	153,538
General and administrative expenses	21,154	71,310	48,368	140,832
Other expenses	465	2,450	245	3,160
Finance expenses	122	2,542	4,749	7,413
Total expenses	179,380	120,211	792,911	1,092,502
Share in losses of associates	-	-	(541)	(541)
Profit before taxes on income	996	67,469	52,253	120,718
Other comprehensive income (loss) before taxes on income	12	29	(34,702)	(34,661)
Total comprehensive income before income tax	1,008	67,498	17,551	86,057

NOTE 3 - OPERATING SEGMENTS (cont.)

B. Additional data about the Life Insurance and Long-Term Savings Segment (cont.)

	For the 3 months ending June 30, 2023			
	Provident	Pension	Life Insurance	Total
	Unaudited			
	NIS thousand			
Premiums earned, gross	-	-	585,763	585,763
Premiums earned by reinsurers	-	-	22,637	22,637
Premiums earned - retention	-	-	563,126	563,126
Investment income, net and finance income	127,187	3,981	1,274,993	1,406,161
Income from management fees	40,846	166,379	56,805	264,030
Income from fees and commissions	-	-	5,349	5,349
Total income	168,033	170,360	1,900,273	2,238,666
Payments and change in liabilities in respect of insurance contracts and investment contracts, gross	126,450	-	1,845,123	1,971,573
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	-	-	(20,518)	(20,518)
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	126,450	-	1,824,605	1,951,055
Fees and commissions, marketing expenses and other purchase expenses	15,444	39,703	87,557	142,704
General and administrative expenses	20,020	80,801	57,784	158,605
Other expenses	557	2,450	52	3,059
Finance expenses	170	3,998	4,123	8,291
Total expenses	162,641	126,952	1,974,121	2,263,714
Share in profits of associates	-	-	7,063	7,063
Profit (loss) before taxes on income	5,392	43,408	(66,785)	(17,985)
Other comprehensive income before taxes on income	-	261	78,233	78,494
Total comprehensive income before income tax	5,392	43,669	11,448	60,509

Notes to the Consolidated Interim Financial Statements

NOTE 3 - OPERATING SEGMENTS (cont.)

B. Additional data about the Life Insurance and Long-Term Savings Segment (cont.)

	For the year ended December 31, 2023			
	Provident	Pension	Life Insurance	Total
	Audited			
	NIS thousand			
Premiums earned, gross	-	-	2,575,678	2,575,678
Premiums earned by reinsurers	-	-	104,917	104,917
Premiums earned - retention	-	-	2,470,761	2,470,761
Investment income, net and finance income	401,228	10,553	2,669,360	3,081,141
Income from management fees	168,089	692,684	229,433	1,090,206
Income from fees and commissions	-	-	17,154	17,154
Other income	-	-	5	5
Total income	569,317	703,237	5,386,713	6,659,267
Payments and change in liabilities in respect of insurance contracts and investment contracts, gross	401,039	-	4,989,119	5,390,158
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	-	-	(90,615)	(90,615)
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	401,039	-	4,898,504	5,299,543
Fees and commissions, marketing expenses and other purchase expenses	63,058	168,258	362,757	594,073
General and administrative expenses	76,546	310,601	215,951	603,098
Other expenses	2,469	11,210	60	13,739
Finance expenses	634	10,283	3,764	14,681
Total expenses	543,746	500,352	5,481,036	6,525,134
Share in profits of associates	-	-	8,173	8,173
Profit (loss) before taxes on income	25,571	202,885	(86,150)	142,306
Other comprehensive income (loss) before taxes on income	(91)	268	188,882	189,059
Total comprehensive income before income tax	25,480	203,153	102,732	331,365

NOTE 3 - OPERATING SEGMENTS (cont.)

B. Additional data about the Life Insurance and Long-Term Savings Segment (cont.)

Data for the six months ended June 30, 2024	Policies including a savings component (including appendices) by policy issuance date				Policies without a savings component			
			from 2004		Life insurance sold as a single policy			
	Until 1990 (1)	Until 2003	Non-yield-dependent	Yield-dependent	Individual	Collective	Guaranteed return provident funds	Total
	Unaudited							
	NIS thousand							
Gross premiums	15,467	199,644	41,596	438,724	389,897	27,454		1,112,782
Proceeds in respect of investment contracts credited directly to insurance reserves	-	-	-	487,138	-	-		487,138
Financial margin including management fees (2)	(47,478)	41,963	(13,300)	74,300	-	-	(5,135)	50,350
Payments and change in liabilities in respect of insurance contracts, gross	118,927	850,811	36,715	1,029,165	223,294	23,700		2,282,612
Payments and change in liabilities for investment contracts	218	95	-	246,319	-	-	212,370	459,002
Comprehensive income (loss) from Life Insurance business	15,294	16,313	12,410	(15,829)	(4,055)	2,802		26,935
Profit from pension and provident funds								144,362
Total comprehensive income from Life Insurance and Long-Term Savings								171,297

(1) Products issued until 1990 (including increases in respect thereof) were mainly guaranteed return policies that were backed mainly by designated bonds.

(2) The financial margin does not include additional income of Menora Insurance collected as a percentage of the premium and is calculated before deducting investment management expenses. The financial margin in guaranteed return policies is based on actual investment income (including other comprehensive income) for the reporting period, less the product of the guaranteed rate of return for the period, multiplied by the average reserve for the period in the various insurance reserves and guaranteed return provident funds. In yield-dependent contracts, the financial margin is the total fixed and variable management fees calculated on the basis of the yield and average balance of insurance reserves.

Notes to the Consolidated Interim Financial Statements

NOTE 3 - OPERATING SEGMENTS (cont.)

B. Additional data about the Life Insurance and Long-Term Savings Segment (cont.)

Data for the six months ended June 30, 2023	Policies including a savings component (including appendices) by policy issuance date				Policies without a savings component			
			from 2004		Life insurance sold as a single policy			
	Until 1990 (1)	Until 2003	Non-yield-dependent	Yield-dependent	Individual	Collective	Guaranteed return provident funds	Total
	Unaudited							
	NIS thousand							
Gross premiums	17,348	217,356	48,838	502,943	347,474	23,042		1,157,001
Proceeds in respect of investment contracts credited directly to insurance reserves	-	3	-	243,139	-	-		243,142
Financial margin including management fees (2)	10,106	39,772	47,962	74,170	-	-	(5,086)	166,924
Payments and change in liabilities in respect of insurance contracts, gross	230,025	893,585	84,603	1,112,293	193,925	28,062		2,542,493
Payments and change in liabilities for investment contracts	259	120	(173)	249,280	-	-	241,597	491,083
Comprehensive income (loss) from Life Insurance business	190	3,851	13,450	4,832	21,130	(2,091)		41,362
Profit from pension and provident funds								94,384
Total comprehensive income from Life Insurance and Long-Term Savings								135,746

(1) Products issued until 1990 (including increases in respect thereof) were mainly guaranteed return policies that were backed mainly by designated bonds.

(2) The financial margin does not include additional income of Menora Insurance collected as a percentage of the premium and is calculated before deducting investment management expenses. The financial margin in guaranteed return policies is based on actual investment income (including other comprehensive income) for the reporting period, less the product of the guaranteed rate of return for the period, multiplied by the average reserve for the period in the various insurance reserves and guaranteed return provident funds. In yield-dependent contracts, the financial margin is the total fixed and variable management fees calculated on the basis of the yield and average balance of insurance reserves.

NOTE 3 - OPERATING SEGMENTS (cont.)

B. Additional data about the Life Insurance and Long-Term Savings Segment (cont.)

For the three months ended June 30, 2024	Policies including a savings component (including appendices) by policy issuance date				Policies without a savings component			
			from 2004		Life insurance sold as a single policy			
	Until 1990 (1)	Until 2003	Non-yield-dependent	Yield-dependent	Individual	Collective	Guaranteed return provident funds	Total
	Unaudited							
	NIS thousand							
Gross premiums	7,864	99,403	32,655	212,134	195,800	13,884		561,740
Proceeds in respect of investment contracts credited directly to insurance reserves	-	-	-	250,471	-	-		250,471
Financial margin including management fees (2)	(42,187)	21,344	(20,506)	36,701	-	-	(9,638)	(14,286)
Payments and change in liabilities in respect of insurance contracts, gross	40,743	160,272	10,139	294,719	133,370	11,365		650,608
Payments and change in liabilities for investment contracts	189	4	-	13,261	-	-	140,119	153,573
Comprehensive income (loss) from Life Insurance business	30,537	6,987	23,229	(16,624)	(28,250)	1,672		17,551
Profit from pension and provident funds								68,506
Total comprehensive income from Life Insurance and Long-Term Savings								86,057

(1) Products issued until 1990 (including increases in respect thereof) were mainly guaranteed return policies that were backed mainly by designated bonds.

(2) The financial margin does not include additional income of Menora Insurance collected as a percentage of the premium and is calculated before deducting investment management expenses. The financial margin in guaranteed return policies is based on actual investment income (including other comprehensive income) for the reporting period, less the product of the guaranteed rate of return for the period, multiplied by the average reserve for the period in the various insurance reserves and guaranteed return provident funds. In yield-dependent contracts, the financial margin is the total fixed and variable management fees calculated on the basis of the yield and average balance of insurance reserves.

Notes to the Consolidated Interim Financial Statements

NOTE 3 - OPERATING SEGMENTS (cont.)

B. Additional data about the Life Insurance and Long-Term Savings Segment (cont.)

For the three months ended June 30, 2023	Policies including a savings component (including appendices) by policy issuance date				Policies without a savings component			
			from 2004		Life insurance sold as a single policy			
	Until 1990 (1)	Until 2003	Non-yield-dependent	Yield-dependent	Individual	Collective	Guaranteed return provident funds	Total
	Unaudited							
	NIS thousand							
Gross premiums	8,872	110,288	34,379	241,150	179,067	12,007		585,763
Proceeds in respect of investment contracts credited directly to insurance reserves	-	2	-	120,140	-	-		120,142
Financial margin including management fees (2)	11,179	19,913	28,262	36,892	-	-	(485)	95,761
Payments and change in liabilities in respect of insurance contracts, gross	138,123	636,982	69,493	720,213	84,169	14,702		1,663,682
Payments and change in liabilities for investment contracts	39	74	8	181,320	-	-	126,450	307,891
Comprehensive income (loss) from Life Insurance business	(12,707)	970	(8,584)	4,840	28,021	(1,092)		11,448
Profit from pension and provident funds								49,061
Total comprehensive income from Life Insurance and Long-Term Savings								60,509

(1) Products issued until 1990 (including increases in respect thereof) were mainly guaranteed return policies that were backed mainly by designated bonds.

(2) The financial margin does not include additional income of Menora Insurance collected as a percentage of the premium and is calculated before deducting investment management expenses. The financial margin in guaranteed return policies is based on actual investment income (including other comprehensive income) for the reporting period, less the product of the guaranteed rate of return for the period, multiplied by the average reserve for the period in the various insurance reserves and guaranteed return provident funds. In yield-dependent contracts, the financial margin is the total fixed and variable management fees calculated on the basis of the yield and average balance of insurance reserves.

Notes to the Consolidated Interim Financial Statements

NOTE 3 - OPERATING SEGMENTS (cont.)

B. Additional data about the Life Insurance and Long-Term Savings Segment (cont.)

Data for the year ended December 31, 2023	Policies including a savings component (including appendices) by policy issuance date				Policies without a savings component			
			from 2004		Life insurance sold as a single policy			
	Until 1990 (1)	Until 2003	Non-yield-dependent	Yield-dependent	Individual	Collective	Guaranteed return provident funds	Total
	Audited							
	NIS thousand							
Gross premiums	32,784	425,326	72,829	1,281,469	722,005	41,265		2,575,678
Proceeds in respect of investment contracts credited directly to insurance reserves	-	14	-	580,036	-	-		580,050
Financial margin including management fees (2)	(11,945)	80,206	57,918	149,226	-	-	(3,645)	271,760
Payments and change in liabilities in respect of insurance contracts, gross	329,340	1,464,998	104,248	2,225,734	429,926	44,767		4,599,013
Payments and change in liabilities for investment contracts	180	170	(156)	389,912	-	-	401,039	791,145
Comprehensive income (loss) from Life Insurance business	17,239	28,454	28,449	25,826	3,369	(605)		102,732
Profit from pension and provident funds								228,633
Total comprehensive income from Life Insurance and Long-Term Savings								331,365

(1) Products issued until 1990 (including increases in respect thereof) were mainly guaranteed return policies that were backed mainly by designated bonds.

(2) The financial margin does not include additional income of Menora Insurance collected as a percentage of the premium and is calculated before deducting investment management expenses. The financial margin in guaranteed return policies is based on actual investment income (including other comprehensive income) for the reporting period, less the product of the guaranteed rate of return for the period, multiplied by the average reserve for the period in the various insurance reserves and guaranteed return provident funds. In yield-dependent contracts, the financial margin is the total fixed and variable management fees calculated on the basis of the yield and average balance of insurance reserves.

Notes to the Consolidated Interim Financial Statements

NOTE 3 - OPERATING SEGMENTS (cont.)

C. Additional data regarding the Health Insurance Segment

Data for the six months ended June 30, 2024	Long-term care		Other **)		
	Indi-vidual	Collec-tive	Long-term	Short-term	Total
	Unaudited				
	NIS thousand				
Gross premiums	48,986	291,110	691,931 *)	95,909 *)	1,127,936
Payments and change in liabilities in respect of insurance contracts, gross	88,038	347,851	419,258	66,711	921,858
Total comprehensive income from Health Insurance Business	33,961	3,040	40,883	10,132	88,016

*) Of which, long-term individual premiums in the amount of NIS 563,975 thousand and collective premiums in the amount of NIS 127,956 thousand and for the short-term - all premiums are individual premiums.

**) The most material coverage included in other long-term health insurance is medical expenses; in short-term - foreign workers.

Data for the six months ended June 30, 2023	Long-term care		Other **)		
	Indi-vidual	Collec-tive	Long-term	Short-term	Total
	Unaudited				
	NIS thousand				
Gross premiums	48,138	314,112	607,632 *)	90,766 *)	1,060,648
Payments and change in liabilities in respect of insurance contracts, gross	101,903	393,702	434,250	84,876	1,014,731
Total comprehensive income (loss) from Health Insurance Business	(31,546)	(7,023)	(2,501)	10,691	(30,379)

*) Of which, long-term individual premiums in the amount of NIS 497,247 thousand and collective premiums in the amount of NIS 110,385 thousand and for the short-term - all premiums are individual premiums.

**) The most material coverage included in other long-term health insurance is medical expenses; in short-term - foreign workers.

Notes to the Consolidated Interim Financial Statements

NOTE 3 - OPERATING SEGMENTS (cont.)

C. Additional data regarding the Health Insurance Segment (cont.)

For the three months ended June 30, 2024	Long-term care		Other **)		
	Indi-vidual	Collec-tive	Long-term	Short-term	Total
	Unaudited				
	NIS thousand				
Gross premiums	24,593	121,817	351,705 *)	40,253 *)	538,368
Payments and change in liabilities in respect of insurance contracts, gross	32,142	111,585	213,186	33,569	390,482
Total comprehensive income from Health Insurance Business	46,444	3,118	32,586	5,666	87,814

*) Of which, long-term individual premiums in the amount of NIS 286,999 thousand and collective premiums in the amount of NIS 64,706 thousand and for the short-term - all premiums are individual premiums.

**) The most material coverage included in other long-term health insurance is medical expenses; in short-term - foreign workers.

For the three months ended June 30, 2023	Long-term care		Other **)		
	Indi-vidual	Collec-tive	Long-term	Short-term	Total
	Unaudited				
	NIS thousand				
Gross premiums	24,224	158,799	310,212 *)	42,881 *)	536,116
Payments and change in liabilities in respect of insurance contracts, gross	50,284	213,073	255,903	42,240	561,500
Total comprehensive income (loss) from Health Insurance Business	(31,472)	(4,125)	(7,206)	5,889	(36,914)

*) Of which, long-term individual premiums in the amount of NIS 253,503 thousand and collective premiums in the amount of NIS 56,709 thousand and for the short-term - all premiums are individual premiums.

**) The most material coverage included in other long-term health insurance is medical expenses; in short-term - foreign workers.

Notes to the Consolidated Interim Financial Statements

NOTE 3 - OPERATING SEGMENTS (cont.)

C. Additional data regarding the Health Insurance Segment (cont.)

Data for the year ended December 31, 2023	Long-term care		Other **)		
	Individual	Collective	Long-term	Short-term	Total
	Audited				
	NIS thousand				
Gross premiums	96,877	647,643	1,264,066 *)	188,088 *)	2,196,674
Payments and change in liabilities in respect of insurance contracts, gross	210,652	799,062	811,680	155,371	1,976,765
Total comprehensive income (loss) from Health Insurance Business	(37,107)	(17,883)	20,902	20,451	(13,637)

*) Of which, long-term individual premiums in the amount of NIS 1,033,162 thousand and collective premiums in the amount of NIS 230,904 thousand and for the short-term - all premiums are individual premiums.

**) The most material coverage included in other long-term health insurance is medical expenses; in short-term - foreign workers.

Notes to the Consolidated Interim Financial Statements

NOTE 4 - FINANCIAL INSTRUMENTS

A. Assets for yield-dependent contracts

1. Following is a breakdown of assets held against insurance contracts and yield-dependent investment contracts:

	As of June 30		As of December 31
	2024	2023	2023
	Unaudited		Audited
	NIS thousand		
Investment property	106,057	100,737	102,961
Financial investments:			
Liquid debt assets	9,225,769	8,923,748	9,024,947
Illiquid debt assets *)	4,052,682	4,433,174	4,280,403
Shares	8,986,381	8,499,309	8,839,155
Other financial investments **)	9,248,006	8,613,535	8,932,783
Total financial investments	31,512,838	30,469,766	31,077,288
Cash and cash equivalents	2,332,910	2,035,047	2,080,711
Other	371,650	716,795	298,397
Total assets for yield-dependent contracts	34,323,455	33,322,345	33,559,357
*) Including assets measured at amortized cost	307,938	326,019	309,642
Fair value of said assets	302,511	313,465	307,221

**) Other financial investments mainly include investments in ETFs, participation units in mutual funds, investment funds, financial derivatives, futures, options and structured products.

2. Fair value of financial assets by level

The following table presents an analysis of the financial assets presented at fair value through profit and loss. The different 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.

For financial instruments periodically recognized at fair value, an assessment is made, at the end of each reporting period, whether transfers have been made between the various levels of the fair value hierarchy.

Notes to the Consolidated Interim Financial Statements

NOTE 4 - FINANCIAL INSTRUMENTS (cont.)

A. Assets for yield-dependent contracts (cont.)

2. Fair value of financial assets by level (cont.)

	As of June 30, 2024			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Financial investments:				
Liquid debt assets	8,069,667	1,156,102	-	9,225,769
Illiquid debt assets	-	3,710,883	33,861	3,744,744
Shares	8,467,874	11,219	507,288	8,986,381
Other financial investments	3,520,067	1,124,486	4,603,453	9,248,006
Total	20,057,608	6,002,690	5,144,602	31,204,900

	As of June 30, 2023			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Financial investments:				
Liquid debt assets	7,645,382	1,278,366	-	8,923,748
Illiquid debt assets	-	4,103,625	3,530	4,107,155
Shares	7,931,899	20,018	547,392	8,499,309
Other financial investments	3,226,038	1,239,385	4,148,112	8,613,535
Total	18,803,319	6,641,394	4,699,034	30,143,747

	As of December 31, 2023			
	Level 1	Level 2	Level 3	Total
	Audited			
	NIS thousand			
Financial investments:				
Liquid debt assets	7,888,216	1,136,731	-	9,024,947
Illiquid debt assets	-	3,934,533	36,228	3,970,761
Shares	8,300,031	21,385	517,739	8,839,155
Other financial investments	3,248,353	1,380,147	4,304,283	8,932,783
Total	19,436,600	6,472,796	4,858,250	30,767,646

Notes to the Consolidated Interim Financial Statements

NOTE 4 - FINANCIAL INSTRUMENTS (cont.)

A. Assets for yield-dependent contracts (cont.)

3. Assets measured at fair value - Level 3

	Fair value measurement at the reporting date			
	Financial assets at fair value through profit and loss			
	Unaudited			
	NIS thousand			
	Illiquid debt assets	Shares	Other financial invest-ments	Total
Balance as of January 1, 2024 (audited)	36,228	517,739	4,304,283	4,858,250
Total gains (losses) recognized in profit and loss *)	861	(22,237)	93,533	72,157
Purchases	-	11,786	358,064	369,850
Sales	-	-	(152,427)	(152,427)
Redemptions	(3,228)	-	-	(3,228)
Balance as of June 30, 2024	33,861	507,288	4,603,453	5,144,602
*) Of which - Total unrealized gains (losses) for the period recognized in profit and loss in respect of assets held as of June 30 2024	861	(22,237)	93,931	72,555

During the six-month period ended June 30, 2024 there were no material transfers between Level 1 and Level 2 to Level 3, nor there were transfers from or to Level 3.

Notes to the Consolidated Interim Financial Statements

NOTE 4 - FINANCIAL INSTRUMENTS (cont.)

A. Assets for yield-dependent contracts (cont.)

3. Assets measured at fair value - Level 3 (cont.)

	Fair value measurement at the reporting date			
	Financial assets at fair value through profit and loss			
	Unaudited			
	NIS thousand			
	Illiquid debt assets	Shares	Other financial invest-ments	Total
Balance as of January 1, 2023 (audited)	5,716	511,324	3,725,301	4,242,341
Total gains recognized in profit and loss *)	424	28,728	166,265	195,417
Purchases	-	13,088	421,732	434,820
Sales	-	(5,748)	(165,186)	(170,934)
Redemptions	(2,610)	-	-	(2,610)
Balance as of June 30, 2023	3,530	547,392	4,148,112	4,699,034
*) Of which - Total unrealized gains for the period recognized in profit and loss in respect of assets held as of June 30, 2023	424	28,594	153,436	182,454

During the six-month period ended June 30, 2023 there were no material transfers between Level 1 and Level 2 to Level 3, nor there were transfers from or to Level 3.

Notes to the Consolidated Interim Financial Statements

NOTE 4 - FINANCIAL INSTRUMENTS (cont.)

A. Assets for yield-dependent contracts (cont.)

3. Assets measured at fair value - Level 3 (cont.)

	Fair value measurement at the reporting date			
	Financial assets at fair value through profit and loss			
	Unaudited			
	NIS thousand			
	Illiquid debt assets	Shares	Other financial invest-ments	Total
Balance as of April 1, 2024	34,647	520,854	4,377,288	4,932,789
Total gains (losses) recognized in profit and loss *)	628	(15,534)	90,755	75,849
Purchases	-	1,968	200,974	202,942
Sales	-	-	(65,564)	(65,564)
Redemptions	(1,414)	-	-	(1,414)
Balance as of June 30, 2024	33,861	507,288	4,603,453	5,144,602
*) Of which - Total unrealized gains (losses) for the period recognized in profit and loss in respect of assets held as of June 30 2024	628	(15,534)	91,145	76,239

During the three-month period ended June 30, 2024 there were no material transfers between Level 1 and Level 2 to Level 3, nor there were transfers from or to Level 3.

Notes to the Consolidated Interim Financial Statements

NOTE 4 - FINANCIAL INSTRUMENTS (cont.)

A. Assets for yield-dependent contracts (cont.)

3. Assets measured at fair value - Level 3 (cont.)

	Fair value measurement at the reporting date - Financial assets at fair value through profit and loss - Unaudited - NIS thousand			
	Illiquid debt assets	Shares	Other financial invest-ments	Total
Balance as of April 1, 2023	4,246	538,327	3,929,429	4,472,002
Total gains (losses) recognized in profit and loss *)	(716)	14,615	120,105	134,004
Purchases	-	198	190,803	191,001
Sales	-	(5,748)	(92,225)	(97,973)
Balance as of June 30, 2023	3,530	547,392	4,148,112	4,699,034
*) Of which - Total unrealized gains (losses) for the period recognized in profit and loss in respect of assets held as of June 30 2023	(716)	14,614	101,500	115,398

During the three-month period ended June 30, 2023 there were no material transfers between Level 1 and Level 2 to Level 3, nor there were transfers from or to Level 3.

Notes to the Consolidated Interim Financial Statements

NOTE 4 - FINANCIAL INSTRUMENTS (cont.)

A. Assets for yield-dependent contracts (cont.)

3. Assets measured at fair value - Level 3 (cont.)

	Fair value measurement at the reporting date			
	Financial assets at fair value through profit and loss			
	Audited			
	NIS thousand			
	Illiquid debt assets	Shares	Other financial invest-ments	Total
Balance as of January 1, 2023	5,716	511,324	3,725,301	4,242,341
Total gains (losses) recognized in profit and loss *)	2,332	(1,564)	(29,029)	(28,261)
Purchases	-	36,630	889,311	925,941
Sales	-	(28,651)	(281,300)	(309,951)
Redemptions	(9,590)	-	-	(9,590)
Transfers to Level 3	37,770	-	-	37,770
Balance as of December 31, 2023	36,228	517,739	4,304,283	4,858,250
*) Of which - Total unrealized gains (losses) for the period recognized in profit and loss in respect of assets held as of December 31, 2023	2,332	(7,748)	(28,462)	(33,878)

Transfers to Level 3 result from changes in securities valuation techniques.

In 2023, there were no material transfers between Level 1 and Level 2.

Notes to the Consolidated Interim Financial Statements

NOTE 4 - FINANCIAL INSTRUMENTS (cont.)

B. Other financial investments

1. Illiquid debt assets

Composition:

	As of June 30, 2024	
	Carrying amount	Fair value
	Unaudited	
	NIS thousand	
Government bonds		
Designated bonds	7,116,374	8,291,235
Other debt assets:		
Non-convertible	5,693,456	5,598,029
Total illiquid debt assets	12,809,830	13,889,264

	As of June 30, 2023	
	Carrying amount	Fair value
	Unaudited	
	NIS thousand	
Government bonds		
Designated bonds	6,996,314	8,702,824
Other debt assets:		
Non-convertible	5,401,475	5,285,293
Total illiquid debt assets	12,397,789	13,988,117

	As of December 31, 2023	
	Carrying amount	Fair value
	Audited	
	NIS thousand	
Government bonds		
Designated bonds	7,015,565	8,568,217
Other debt assets:		
Non-convertible	5,429,366	5,356,191
Total illiquid debt assets	12,444,931	13,924,408

Notes to the Consolidated Interim Financial Statements

NOTE 4 - FINANCIAL INSTRUMENTS (cont.)

B. Other financial investments (cont.)

2. Fair value of financial assets by level

The following table presents an analysis of the financial assets presented at fair value. The different levels defined in Section A.2. above.

For financial instruments periodically recognized at fair value, an assessment is made, at the end of each reporting period, whether transfers have been made between the various levels of the fair value hierarchy.

	As of June 30, 2024			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Liquid debt assets	3,640,938	309,382	-	3,950,320
Shares	784,367	1,292	424,895	1,210,554
Other financial investments	217,434	10,056	3,065,648	3,293,138
Total	4,642,739	320,730	3,490,543	8,454,012

	As of June 30, 2023			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Liquid debt assets	3,774,374	330,849	-	4,105,223
Shares	726,001	995	434,170	1,161,166
Other financial investments	272,379	31,678	2,734,553	3,038,610
Total	4,772,754	363,522	3,168,723	8,304,999

	As of December 31, 2023			
	Level 1	Level 2	Level 3	Total
	Audited			
	NIS thousand			
Liquid debt assets	4,270,625	277,235	-	4,547,860
Shares	776,384	815	407,532	1,184,731
Other financial investments	232,234	67,403	2,855,401	3,155,038
Total	5,279,243	345,453	3,262,933	8,887,629

Notes to the Consolidated Interim Financial Statements

NOTE 4 - FINANCIAL INSTRUMENTS (cont.)

B. Other financial investments (cont.)

3. Assets measured at fair value - Level 3

	Fair value measurement at the reporting date		
	Financial assets at fair value through profit and loss and available-for-sale financial assets		
	Shares	Other	Total
	Unaudited		
	NIS thousand		
Balance as of January 1, 2024 (audited)	407,532	2,855,401	3,262,933
Total gains (losses) recognized in profit and loss *)	5,829	(22,837)	(17,008)
Total income recognized in other comprehensive income	448	89,798	90,246
Purchases	11,086	232,011	243,097
Sales	-	(88,725)	(88,725)
Balance as of June 30, 2024	424,895	3,065,648	3,490,543
*) Of which - Total unrealized gains (losses) for the period recognized in profit and loss in respect of assets held as of June 30 2024	5,829	(25,667)	(19,838)

During the six-month period ended June 30, 2024 there were no material transfers between Level 1 and Level 2 to Level 3, nor there were transfers from or to Level 3.

	Fair value measurement at the reporting date		
	Financial assets at fair value through profit and loss and available-for-sale financial assets		
	Shares	Other	Total
	Unaudited		
	NIS thousand		
Balance as of January 1, 2023 (audited)	403,221	2,357,731	2,760,952
Total gains (losses) in profit and loss *)	(500)	(11)	(511)
Total income recognized in other comprehensive income	29,646	164,332	193,978
Purchases	1,803	296,906	298,709
Sales	-	(84,405)	(84,405)
Balance as of June 30, 2023	434,170	2,734,553	3,168,723
*) Of which - Total unrealized gains (losses) for the period recognized in profit and loss in respect of assets held as of June 30, 2023	(500)	(6,962)	(7,462)

During the six-month period ended June 30, 2023 there were no material transfers between Level 1 and Level 2 to Level 3, nor there were transfers from or to Level 3.

Notes to the Consolidated Interim Financial Statements

NOTE 4 - FINANCIAL INSTRUMENTS (cont.)

B. Other financial investments (cont.)

3. Assets measured at fair value - Level 3 (cont.)

	Fair value measurement at the reporting date		
	Financial assets at fair value through profit and loss and available-for-sale financial assets		
	Shares	Other	Total
	Unaudited		
	NIS thousand		
Balance as of April 1, 2024	421,463	2,920,764	3,342,227
Total gains (losses) in profit and loss *)	(2,242)	(27,231)	(29,473)
Total income recognized in other comprehensive income	5,121	86,116	91,237
Purchases	553	131,527	132,080
Sales	-	(45,528)	(45,528)
Balance as of June 30, 2024	424,895	3,065,648	3,490,543
*) Of which - Total unrealized gains (losses) for the period recognized in profit and loss in respect of assets held as of June 30, 2024	(2,242)	(30,036)	(32,278)

During the three-month period ended June 30, 2024 there were no material transfers between Level 1 and Level 2 to Level 3, nor there were transfers from or to Level 3.

	Fair value measurement at the reporting date		
	Financial assets at fair value through profit and loss and available-for-sale financial assets		
	Shares	Other	Total
	Unaudited		
	NIS thousand		
Balance as of April 1, 2023	425,683	2,572,403	2,998,086
Total gains (losses) in profit and loss *)	(434)	(1,181)	(1,615)
Total income recognized in other comprehensive income	7,881	79,982	87,863
Purchases	1,040	138,782	139,822
Sales	-	(55,433)	(55,433)
Balance as of June 30, 2023	434,170	2,734,553	3,168,723
*) Of which - Total unrealized gains (losses) for the period recognized in profit and loss in respect of assets held as of June 30, 2023	(434)	(8,660)	(9,094)

During the three-month period ended June 30, 2023 there were no material transfers between Level 1 and Level 2 to Level 3, nor there were transfers from or to Level 3.

Notes to the Consolidated Interim Financial Statements

NOTE 4 - FINANCIAL INSTRUMENTS (cont.)

B. Other financial investments (cont.)

3. Assets measured at fair value - Level 3 (cont.)

	Fair value measurement at the reporting date		
	Financial assets at fair value through profit and loss and available-for-sale financial assets		
	Shares	Other	Total
	Audited		
	NIS thousand		
Balance as of January 1, 2023	403,221	2,357,731	2,760,952
Total gains (losses) recognized in profit and loss *)	(28,460)	(136,719)	(165,179)
In other comprehensive income	37,956	225,916	263,872
Purchases	14,700	602,583	617,283
Sales	(19,885)	(194,110)	(213,995)
Balance as of December 31, 2023	407,532	2,855,401	3,262,933
*) Of which - Total unrealized gains (losses) for the period recognized in profit and loss in respect of assets held as of December 31, 2023	(37,072)	(146,401)	(183,473)

In 2023, there were no material transfers between Level 1 and Level 2 to Level 3, nor there were transfers from or to Level 3.

C. Other financial investments unrelated to consolidated companies which meet the definition of insurer

1. Fair value compared to carrying amount

	As of June 30, 2024		As of June 30, 2023		As of December 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
	Unaudited				Audited	
	NIS thousand				NIS thousand	
Financial assets:						
Illiquid debt assets	2,460,562	2,392,984	2,228,472	2,240,289	2,244,922	2,250,505

Notes to the Consolidated Interim Financial Statements

NOTE 4 - FINANCIAL INSTRUMENTS (cont.)

C. Other financial investments unrelated to consolidated companies which meet the definition of insurer (cont.)

2. Classification of financial investments according to the fair value hierarchy

	Fair value hierarchy			
	June 30, 2024			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Financial assets classified as held for trading or designated at fair value and changes therein carried to profit or loss				
Liquid debt assets	322,100	1,026	-	323,126
Shares	27,553	-	3,759	31,312
Other	68,872	91	58,795	127,758
Total other financial investments	418,525	1,117	62,554	482,196

	Fair value hierarchy			
	June 30, 2023			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Financial assets classified as held for trading or designated at fair value and changes therein carried to profit or loss				
Liquid debt assets	352,341	-	-	352,341
Shares	32,291	-	7,137	39,428
Other	49,596	11	9,429	59,036
Total other financial investments	434,228	11	16,566	450,805

Notes to the Consolidated Interim Financial Statements

NOTE 4 - FINANCIAL INSTRUMENTS (cont.)

C. Other financial investments unrelated to consolidated companies which meet the definition of insurer (cont.)

2. Classification of financial investments according to the fair value hierarchy (cont.)

	Fair value hierarchy			
	December 31, 2023			
	Level 1	Level 2	Level 3	Total
	Audited			
	NIS thousand			
Financial assets classified as held for trading or designated at fair value and changes therein carried to profit or loss				
Liquid debt assets	289,139	-	-	289,139
Shares	24,557	-	3,430	27,987
Other	54,465	2,049	15,317	71,831
Total other financial investments	368,161	2,049	18,747	388,957

3. Financial investments measured at fair value - Level 3

	Shares	Other financial investments	Total
	Unaudited		
	NIS thousand		
Balance as of January 1, 2024	3,430	15,317	18,747
Total gains (losses) in profit and loss *)	329	(695)	(366)
Purchases	-	44,173	44,173
Balance as of June 30, 2024	3,759	58,795	62,554
*) Of which - Total unrealized gains (losses) for the period recognized in profit and loss in respect of assets held as of June 30 2024	329	(465)	(136)

Notes to the Consolidated Interim Financial Statements

NOTE 4 - FINANCIAL INSTRUMENTS (cont.)

C. Other financial investments unrelated to consolidated companies which meet the definition of insurer (cont.)

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

	Shares	Other financial investments	Total
	Unaudited		
	NIS thousand		
Balance as of January 1, 2023	-	26,679	26,679
Total losses in profit and loss *)	-	(2,284)	(2,284)
Purchases	7,137	-	7,137
Sales	-	(4)	(4)
Redemptions	-	(14,962)	(14,962)
Transfers to Level 3			
Balance as of June 30, 2023	7,137	9,429	16,566
*) Of which - Total unrealized gains (losses) for the period recognized in profit and loss in respect of assets held as of June 30, 2023	-	(2,201)	(2,201)

	Shares	Other financial investments	Total
	Unaudited		
	NIS thousand		
Balance as of April 1, 2024	3,681	46,074	49,755
Total gains (losses) in profit and loss *)	78	(1,752)	(1,674)
Purchases	-	14,473	14,473
Balance as of June 30, 2024	3,759	58,795	62,554
*) Of which - Total unrealized gains (losses) for the period recognized in profit and loss in respect of assets held as of June 30 2024	78	(1,526)	(1,448)

Notes to the Consolidated Interim Financial Statements

NOTE 4 - FINANCIAL INSTRUMENTS (cont.)

C. Other financial investments unrelated to consolidated companies which meet the definition of insurer (cont.)

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

	Shares	Other financial investments	Total
	Unaudited		
	NIS thousand		
Balance as of April 1, 2023	5,974	8,836	14,810
Total gains income in profit and loss *)	-	593	593
Purchases	1,164	-	1,164
Balance as of June 30, 2023	7,138	9,429	16,567
*) Of which - Total unrealized gains for the period recognized in profit and loss in respect of assets held as of June 30, 2023	-	593	593

	Shares	Other financial investments	Total
	Audited		
	NIS thousand		
Balance as of January 1, 2023	-	26,679	26,679
Total losses in profit and loss *)	-	(1,784)	(1,784)
Purchases	3,430	5,388	8,818
Sales	-	(4)	(4)
Redemptions	-	(14,962)	(14,962)
Balance as of December 31, 2023	3,430	15,317	18,747
*) Of which - Total unrealized gains for the period recognized in profit and loss in respect of assets held as of December 31, 2023	-	265	265

NOTE 4 - FINANCIAL INSTRUMENTS (cont.)

C. Other financial investments unrelated to consolidated companies which meet the definition of insurer (cont.)

4. Changes in provision for impairment in respect of investments in debt instruments

	Credit losses for 12 months	Credit losses - remaining life	Credit-impaired financial assets	Total
	Unaudited			
	NIS thousand			
Balance as of January 1, 2024	14,365	9,087	82,321	105,773
Provision during the year	1,889	535	6,024	8,448
Transfers between measurement groups of credit losses	(428)	2,879	18,683	21,134
Credit losses recognized at purchase date of the financial asset	9,497	-	14,251	23,748
Cancellation in respect of collected debts	(10,574)	(2,965)	-	(13,539)
Derecognized financial assets	-	-	(13,111)	(13,111)
Balance as of June 30, 2024	14,749	9,536	108,168	132,453
Balance of investments in debt instruments before provision for impairment	1,959,277	129,291	426,583	2,515,151

	Credit losses for 12 months	Credit losses - remaining life	Credit-impaired financial assets	Total
	Unaudited			
	NIS thousand			
Balance as of January 1, 2023	-	-	44,211	44,211
Effect of first-time application of IFRS 9	912	-	-	912
Provision during the year	10,622	7,554	13,043	31,219
Transfers between measurement groups of credit losses	(2,123)	24,578	25,631	48,086
Credit losses recognized at purchase date of the financial asset	4,230	-	11,894	16,124
Cancellation in respect of collected debts	871	(24,303)	-	(23,432)
Derecognized financial assets	-	-	(3,960)	(3,960)
Balance as of June 30, 2023	14,512	7,829	90,819	113,160
Balance of investments in debt instruments before provision for impairment	1,636,411	129,291	418,211	2,183,913

Notes to the Consolidated Interim Financial Statements

NOTE 4 - FINANCIAL INSTRUMENTS (cont.)

C. Other financial investments unrelated to consolidated companies which meet the definition of insurer (cont.)

4. Changes in provision for impairment in respect of investments in debt instruments (cont.)

	Credit losses for 12 months	Credit losses - remaining life	Credit-impaired financial assets	Total
	Unaudited			
	NIS thousand			
Balance as of April 1, 2024	15,856	7,306	95,364	118,526
Provision during the year	(93)	931	3,942	4,780
Transfers between measurement groups of credit losses	(236)	2,104	8,512	10,380
Credit losses recognized at purchase date of the financial asset	4,287	-	6,876	11,163
Cancellation in respect of collected debts	(5,065)	(805)	-	(5,870)
Derecognized financial assets	-	-	(6,526)	(6,526)
Balance as of June 30, 2024	14,749	9,536	108,168	132,453
Balance of investments in debt instruments before provision for impairment	1,959,277	129,291	426,583	2,515,151

	Credit losses for 12 months	Credit losses - remaining life	Credit-impaired financial assets	Total
	Unaudited			
	NIS thousand			
Balance as of April 1, 2023	10,960	6,935	63,110	81,005
Provision during the year	2,906	1,973	7,971	12,850
Transfers between measurement groups of credit losses	(1,821)	20,618	15,791	34,588
Credit losses recognized at purchase date of the financial asset	(878)	-	6,315	5,437
Cancellation in respect of collected debts	3,345	(21,697)	-	(18,352)
Derecognized financial assets	-	-	(2,368)	(2,368)
Balance as of June 30, 2023	14,512	7,829	90,819	113,160
Balance of investments in debt instruments before provision for impairment	1,636,411	129,291	418,211	2,183,913

Notes to the Consolidated Interim Financial Statements

NOTE 4 - FINANCIAL INSTRUMENTS (cont.)

C. Other financial investments unrelated to consolidated companies which meet the definition of insurer (cont.)

4. Changes in provision for impairment in respect of investments in debt instruments (cont.)

	Credit losses for 12 months	Credit losses - remaining life	Credit-impaired financial assets	Total
	Audited			
	NIS thousand			
Balance as of January 1, 2023	-	-	44,211	44,211
Effect of first-time application of IFRS 9	912	-	-	912
Provision during the year	13,453	9,087	103,286	125,826
Derecognized financial assets	-	-	(65,176)	(65,176)
Balance as of December 31, 2023	14,365	9,087	82,321	105,773
Balance of investments in debt instruments before provision for impairment	1,990,804	136,699	223,193	2,350,696

Notes to the Consolidated Interim Financial Statements

NOTE 4 - FINANCIAL INSTRUMENTS (cont.)

D. Financial liabilities

1. Breakdown of financial liabilities

	Carrying amount: As of June 30, 2024	Carrying amount: As of June 30, 2023	Carrying amount: As of December 31, 2023	Fair value: As of June 30, 2024	Fair value: As of June 30, 2023	Fair value: As of December 31, 2023
	Unaudited		Audited	Unaudited		Audited
	NIS thousand					
1. Financial liabilities presented at amortized cost:						
Loans from banking corporations	1,503,832	1,369,967	1,380,927	1,503,832	1,369,967	1,380,927
Bonds *)	2,282,104	2,015,042	2,263,189	2,154,798	1,911,293	2,190,441
Liabilities in respect of financial guarantee contracts	13,058	15,819	13,239	13,058	15,819	13,239
Liabilities to pay standing orders	702,096	570,042	603,804	702,096	570,042	603,804
Lease liabilities **)	71,837	81,456	71,666			
	4,572,927	4,052,326	4,332,825	4,373,784	3,867,121	4,188,411
2. Financial liabilities presented at fair value through profit and loss:						
Derivatives held for yield-dependent contracts	316,414	360,335	214,473	316,414	360,335	214,473
Derivatives held for non-yield-dependent contracts	107,473	115,365	51,297	107,473	115,365	51,297
Liability in respect of option granted to non-controlling interests	179,805	159,049	174,546	179,805	159,049	174,546
	603,692	634,749	440,316	603,692	634,749	440,316
Total financial liabilities	5,176,619	4,687,075	4,773,141	4,977,476	4,501,870	4,628,727
*) Of which - subordinated notes that constitute capital for solvency purposes	2,115,720	1,794,224	2,098,802	1,994,584	1,699,800	2,032,393

**) Disclosure of fair value was not required.

Notes to the Consolidated Interim Financial Statements

NOTE 4 - FINANCIAL INSTRUMENTS (cont.)

D. Financial liabilities (cont.)

2. Fair value of financial liabilities by level

The following table presents an analysis of financial liabilities presented at fair value. The different levels defined in Section A.2. above.

For financial liabilities periodically recognized at fair value, an assessment is made, at the end of each reporting period, whether transfers have been made between the various levels of the fair value hierarchy.

	June 30, 2024			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Derivatives	20,420	403,467	-	423,887
Liability in respect of option granted to non-controlling interests	-	179,805	-	179,805
	20,420	583,272	-	603,692

	June 30, 2023			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Derivatives	22,071	453,629	-	475,700
Liability in respect of option granted to non-controlling interests	-	159,049	-	159,049
	22,071	612,678	-	634,749

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
	Audited			
	NIS thousand			
Derivatives	13,003	252,767	-	265,770
Liability in respect of option granted to non-controlling interests	-	174,546	-	174,546
Total	13,003	427,313	-	440,316

3. Early repayment of notes

Subsequent to the reporting date, in July 2024, consolidated company Menora Mivtachim Gius Hon executed an early and final repayment of the outstanding principal and interest of the Bonds (Series D) at a total amount of approx. NIS 300 million par value.

Notes to the Consolidated Interim Financial Statements

NOTE 5 - EQUITY AND CAPITAL REQUIREMENTS

Capital policy and requirements

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

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

The target capital set by the consolidated insurance companies for the purpose of dividend distribution was formed gradually. In November 2021, Shomera Insurance updated the target capital for dividend distribution purposes, such that it will increase gradually until reaching 113% (in lieu of 110%) by approx. 2.1% per year through the end of the Transitional Period in 2024. Menora Insurance’s target capital was set at 115% through the end of 2024. In November 2023, Menora Insurance updated the target capital, such that as from the end of 2024 the target capital will increase linearly from 115% as stated above to 130% in 2032. As of December 31, 2023, the target capital stands at approx. 114.3% and approx. 110.9% in Menora Insurance and Shomera Insurance.It is hereby clarified that there is no certainty that the Consolidated Insurance Companies will meet this solvency ratio at each point in time.

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

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

The Consolidated Insurance Companies are subject to the Solvency II-based Economic Solvency Regime in accordance with implementation provisions as published in June 2017 and revised in October 2020 (hereinafter - the “**Solvency Circular**”).

Risk-based solvency ratio

A risk-based solvency ratio is calculated as the ratio between the economic shareholders’ equity of the insurance company and the solvency capital requirement. The economic shareholders' equity is determined as the sum of the economic balance sheet (see below) and debt instruments that include loss absorption mechanisms (Additional Tier 1 capital and a Tier 2 capital instrument).
Economic balance sheet items are calculated based on economic value, with insurance liabilities calculated on the basis of a best estimate of all expected future cash flows from existing businesses, without conservatism margins, and plus a risk margin.

The solvency capital requirement (SCR) is designed to estimate the economic shareholders' equity’s exposure to a series of scenarios set out in the Solvency Circular, and which reflect insurance, market and credit risks as well as operating risks.

The Solvency Circular includes, among other things, Transitional Provisions in connection with compliance with capital requirements, as follows:

Notes to the Consolidated Interim Financial Statements

NOTE 5 - EQUITY AND CAPITAL REQUIREMENTS (cont.)

Capital policy and requirements (cont.)

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

Risk-based solvency ratio (cont.)

a) Selecting one of the following alternatives as from the Solvency Ratio Report as of December 31, 2019:

1) Gradual transition to the required capital until 2024, such that the required capital shall increase gradually by 5% per year, starting with 60% of the SCR up to the full SCR amount. The capital requirement as of December 31, 2023 - 95% of the SCR amount (as of December 31, 2022 - 90%); it is noted that this was the only alternative through the Solvency Ratio Report as of December 31, 2019.

2) Increasing the economic capital by deducting from the insurance reserves an amount calculated in accordance with the Solvency Circular (hereinafter - the "**Deduction**"). The Deduction will decrease gradually until 2032 (hereinafter - the "**Transitional Period**").

Shomera Insurance selected the first alternative.

The calculation method of the second alternative, as from the calculation as of December 31, 2022, replaces the first alternative for the Transitional Period, that was implemented in the calculation of Menora Insurance's solvency ratio in previous periods, after receiving the Commissioner's approval.

b) A reduced capital requirements, which increased gradually until 2023, in respect of certain investment types.

Notes to the Consolidated Interim Financial Statements

NOTE 5 - EQUITY AND CAPITAL REQUIREMENTS (cont.)

Capital policy and requirements (cont.)

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

Solvency ratio of the Consolidated Insurance Companies

According to the Solvency Ratio Reports as of December 31, 2023, which were published on May 29, 2024, Menora Insurance and Shomera Insurance (hereinafter - the "**Consolidated Insurance Companies")** have excess capital without applying the Transitional Provisions.

The calculation made by the consolidated insurance companies' independent auditors, in accordance with International Standard on Assurance Engagements (ISAE 3400) - The Examination of Prospective Financial Information. This standard is relevant to audits of solvency calculations and does not constitute part of the auditing standards that apply to financial statements. It should be emphasized that the projections and assumptions on the basis of which the Economic Solvency Ratio Report was prepared are based mainly on past experience as arising from actuarial studies conducted from time to time. In view of the reforms in the capital market, insurance and savings, and the changes in the economic environment, past data do not necessarily reflect future results. The calculation is sometimes based on assumptions regarding future events, steps taken by management, and the pattern of the future development of the risk margin, that will not necessarily materialize or will materialize in a manner different than the assumptions used in the calculation. Furthermore, actual results may substantively vary from the calculation, since the combined scenarios of events may materialize in a manner that is materially different than the assumptions made in the calculation. In their special report, the independent auditors noted that they did not review the appropriateness of the Deduction During the Transitional Period as of December 31, 2023, except for implementing all the work procedures specified in the report regarding 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.

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

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

According to the letter published by the Commissioner, in October 2017, (hereinafter - the "**Letter**") an insurance company shall be entitled to distribute a dividend only if, following the distribution, the company has a solvency ratio (according to the Solvency Circular) of at least 100%, calculated without taking into account the Transitional Provisions and subject to the solvency ratio target set by the Company's Board of Directors.In addition, the letter set out provisions for reporting to the Commissioner.

The Consolidated Insurance Companies' calculation as of December 31, 2023, which is based on the investments mix and insurance liabilities as of the calculation date, and taking into account equity transactions after the calculation date, reflects an economic solvency ratio, which is higher than the solvency ratio required according to the Letter.

Notes to the Consolidated Interim Financial Statements

NOTE 5 - EQUITY AND CAPITAL REQUIREMENTS (cont.)

Capital policy and requirements (cont.)

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

According to the provisions of the Consolidated Circular - "Reporting to the Commissioner of Capital Market" - Own Risk and Solvency Assessment of an Insurance Company (ORSA) (hereinafter - the "**Circular**"), an insurance company shall report to the Commissioner about Own Risk and Solvency Assessment of an Insurance Company (ORSA) once a year - in January. In accordance with the circular, the Company shall provide the Commissioner with a report that will include a summary of its results, status of its business and interactions, risk exposure, assessment of solvency and capital requirement, forward-looking valuation, scenarios and sensitivity analyses. The circular's effective date is January 1, 2023. Following the outbreak of the Iron Swords War, on October 23, 2023, the Commissioner published the Commissioner of the Capital Market, Insurance and Savings Authority's Emergency Directives (hereinafter - the "**Emergency Directives**"). As part of the Emergency Directives, the Commissioner postponed the report in respect of forward-looking valuation, scenarios and sensitivity analyses to January 1, 2025. In addition, in accordance with the Consolidated Insurance Companies' circular, they delivered the requisite report in respect of a summary of results, status of business and interactions, risk exposure, assessment of solvency and capital requirement to the Commissioner by the end of February 2024.

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

	As of June 30, 2024 Unaudited	As of December 31, 2023 Audited
	NIS thousand	
The amount required according with the Capital Regulations of management companies	284,319	275,154
Existing shareholders' equity	746,007	699,805
Surplus	461,688	424,651
The required amount includes capital requirements in respect of: Total assets under management	148,393	138,305
Annual expenses	136,696	137,609
Expedients according to the Commissioner's circular	(770)	(760)
	284,319	275,154

F. The capital requirement in Menora Engineers stands at NIS 10 million. As of June 30, 2024, the shareholders' equity of Menora Engineers amounts to approx. NIS 11.3 million, and the surplus capital amounts to approx. NIS 1.3 million. Subsequent to the reporting date, on August 21, 2024, the Board of Directors of Menora Engineers declared a dividend distribution of approx. NIS 0.8 million to the shareholders. The dividend was paid on August 22, 2024.

G. On March 28, 2024, the Company's Board of Directors declared a dividend distribution to the Company's shareholders on April 8, 2024 (the ex-date) at the total amount of NIS 175 million, which constitute NIS 2.82 per each share of NIS 1 par value. The dividend was paid on April 16, 2024.

Notes to the Consolidated Interim Financial Statements

NOTE 5 - EQUITY AND CAPITAL REQUIREMENTS (cont.)

Capital policy and requirements (cont.)

H. In March 2024, Menora Insurance distributed a NIS 200 million dividend to the Company.

I. In March 2024, Shomera Insurance distributed a NIS 50 million dividend to the Company.

J. In May 2024, Mivtachim Pension distributed a NIS 50 million dividend.

K. For details regarding the dividend distributed by Menora Insurance to its shareholders subsequent to the reporting date, see Note 7J.

l. For details regarding the dividend distributed by the Company to its shareholders subsequent to the reporting date, see Note 7K.

NOTE 6 - CONTINGENT LIABILITIES

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

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

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

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

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

Notes to the Consolidated Interim Financial Statements

NOTE 6 - CONTINGENT LIABILITIES (cont.)

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

For motions to certify claims as class actions in which the Company's and/or the consolidated companies' defense claims are "more likely than not" to be denied and the proceeding is "more likely than not" to be dismissed (on its merits, or – for a class action lawsuit – to not be certified as a class action lawsuit by the court), according to the management's assessment, based (among other things) on legal opinions it has received – no provision was included in the Financial Statements. For proceedings where it is more likely than not that the defense claims of the Company and/or consolidated companies will be dismissed, in whole or in part, the Financial Statements include provisions to cover the exposure estimated by the Company and/or consolidated companies. For proceedings in preliminary stages whose odds cannot be estimated, no provision was included in the financial statements (see Section B, Subsections 4, 6, 7 and 9-17, Section C, Subsections 2-25, and Section D, Subsections 1-10 below). For cases in which the company and/or any of the consolidated companies are willing to settle, a provision has been made according to the willingness to settle, even if it is "more likely than not" that the Company's and/or the consolidated companies' defense claims would be granted, or the proceeding is at a preliminary stage and it is impossible to estimate the proceeding's odds.

With respect to the motions to certify claims as class actions described in Section B, Subsections 1-3, 5 and 8 and Section C, Subsection 1 below, that the District Court has certified as class action lawsuits – the financial statements include provisions to cover the exposure, as estimated by the Company and/or the consolidated companies, unless, according to the management's assessment, that is based, among other things, on legal opinions it has received, it is "more likely than not" that the Company's and/or the consolidated companies' defense claims on the substantive lawsuit would be accepted, and the lawsuit would be denied, even if it is adjudicated as a class action lawsuit.

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

NOTE 6 - CONTINGENT LIABILITIES (cont.)

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

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

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

Notes to the Consolidated Interim Financial Statements

NOTE 6 - CONTINGENT LIABILITIES (cont.)

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

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

Notes to the Consolidated Interim Financial Statements

NOTE 6 - CONTINGENT LIABILITIES (cont.)

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

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

Notes to the Consolidated Interim Financial Statements

NOTE 6 - CONTINGENT LIABILITIES (cont.)

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

Serial No.	Date and court (1)	Parties	Main arguments, causes and remedies	Represented class (2)	Details	Claimed amount (3)
4.	09/2015 District Court - Tel Aviv	An insurance policyholder v. Menora Insurance and against 4 other management companies	Charging inappropriately excessive management fees, because the defendants share the management fees with the agents and because they allegedly put the agents in a conflict of interest when they pay the agents a portion of the management fees they charge, and thus, they are in breach of their fiduciary duty towards the class members. The causes of action: breach of their fiduciary duty pursuant to the Provident Funds Law; acting in a conflict of interest vis-à-vis the agents; breach of the fund's bylaws; negligence and conversion in accordance with the Torts Ordinance; unjust enrichment and bad faith in the fulfillment of a contract. The main remedies being sought: a declaratory remedy that states that the defendants must modify the compensation arrangement between them and the agents and adapt it to the law; determining the suitable management fees and the appropriate commission to be paid to the agents, and compelling the defendants to return the excessive management fees they charged.	Planholders of provident funds managed by the defendants, who were charged management fees from which the agents' commission is derived based on the management fees amount.	The lawsuit is at the stage of motion to certify as a class action. Menora Mivtachim Pension and Provident Funds filed a motion for dismissal in limine due to a lack of privity. The counsel for the plaintiffs announced that the motion was filed against Mivtachim Pension and Provident Funds and not against Menora Insurance "due to a slip of the pen and a scribal error". On April 3, 2017, the court held that the lawsuit against Menora Mivtachim Pension and Provident Funds would be stricken out, and Menora Insurance would take its place. Menora Insurance has submitted its response to the motion. The lawsuit is at the summation stage. On November 22, 2022, a judgment was issued in favor of denying the motion to certify. On January 19, 2023, the movants submitted a statement of appeal on the judgment. On February 8, 2023, the Supreme Court ruled that the respondents shall file a written response to the appeal, which was filed on September 28, 2023.	According to an assessment, approx. NIS 2 billion for all defendants

Notes to the Consolidated Interim Financial Statements

NOTE 6 - CONTINGENT LIABILITIES (cont.)

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

Serial No.	Date and court (1)	Parties	Main arguments, causes and remedies	Represented class (2)	Details	Claimed amount (3)
5.	10/2015 District Court - Tel Aviv	Insurance policyholders v. Shomera Insurance	A lawsuit in which the subject matter, causes of action, and main sought remedies are similar to the lawsuit described above in Section 4.	Anyone who received insurance benefits from the defendant in the 7 years prior to filing the lawsuit and/or at least during the 3 years prior to filing the lawsuit, and/or who will have received insurance benefits from the defendant by the time a judgment is rendered in the lawsuit, without the lawful interest being added to the insurance benefits.	The lawsuit was certified as a class action. See details in Section 4. above.	At least approx. NIS 20 million
6.	03/2016 District Court - Central	Motor insurance policyholders v. Menora Insurance	Deduction from insurance benefits of VAT amounts and/or compensation due to impairment, and alleged underpayment of appraiser's fees, in contravention of the law. The causes of action: breach of statutory duty, unjust enrichment, fraud, breach of the Financial Services Supervision Law (Insurance), 1981, breach of the Supervision of Insurance Business Regulations (Motor Insurance Contract Terms), 1986, and the Supervision of Insurance Business Regulations (Home and Belongings Insurance Contract Terms), 1986, breach of contract, and breach of the duty of good faith. The main remedies being sought: to compel the respondent to return the VAT amounts and the impairment amounts that were not paid to the class members, as well as the appraiser's fees reimbursement amounts that were never paid, in real values plus lawful linkage differences and interest; moreover, to find that the deduction method the respondent employs is unlawful and to order the respondent to cease using it.	Any policyholder, beneficiary, or third party who did not repair the damage to the policyholder's property prior to filing a claim for insurance benefits, and who was paid damages, insurance benefits, and/or indemnity, and/or reimbursements for appraiser's fees, out of which amounts are claimed to have been unlawfully deducted, including the VAT and/or the impairment amounts or some of them.	The lawsuit is at the stage of motion to certify as a class action. Menora Insurance has submitted its response to the motion. The case was referred to mediation. On September 6, 2023, a motion was filed to approve a settlement agreement that is subject to the court's approval.	Not quantified. Estimated at approx. NIS 60 million per year

Notes to the Consolidated Interim Financial Statements

NOTE 6 - CONTINGENT LIABILITIES (cont.)

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

Serial No.	Date and court (1)	Parties	Main arguments, causes and remedies	Represented class (2)	Details	Claimed amount (3)
7.	07/2018 District Court – Central	Motor insurance policyholders v. Menora Insurance	Failure to compensate policyholders who purchased "motor insurance policies for non-private vehicles and commercial vehicles weighing up to 3.5 tons" for impairment damage caused to their vehicles due to an insured accident. The main causes of action are: breach of contract, unjust enrichment, misleading, bad faith and exploitation of distress and an unduly disadvantageous condition in a standard contract. The main remedies being sought: to issue a mandatory injunction/declaratory remedy and order the defendant to recognize the impairment damage due to an accident as covered damage under the policy; to compensate its policyholders for impairment damage due to an accident, and to award any other remedy that the Honorable Court deems equitable under the circumstances.	All of the respondent's policyholders who were insured under a 'motor insurance policy for non-private vehicles and commercial vehicles weighing up to 3.5 tons,' and whose vehicles had a traffic accident that resulted in their vehicles suffering impairment damage for which the respondent did not compensate them.	The lawsuit is at the stage of motion to certify as a class action. Menora Insurance has submitted its response to the motion. The mediation proceeding between the parties was unsuccessful and the case was returned to the Court. The lawsuit is at the summation stage.	NIS 63 million
8.	12/2018 District Court - Tel Aviv	A private dwelling insurance policyholder v. Menora Insurance et al.	The lawsuit concerns the claim that superfluous and excessive insurance premiums were charged unlawfully for unnecessary insurance policies that had been issued to structure owners who had taken out a mortgage loan and had been required to insure the structure in favor of the lending bank, despite the fact that there was already a policy in place then they were issued, whether with the same insurer or with another insurer, that insured the same structure for the same period; the above – allegedly in breach of the provisions of the law and while misleading the policyholders. The main causes of action according to the motion are, inter alia: deception, breach of the duty of good faith, negligence, unjust enrichment, and breach of statutory duty. The main remedies the plaintiffs are petitioning for are: a refund of the excessive premium amounts they were unlawfully charged, allegedly, as well as a mandatory injunction compelling the respondents to change their modus operandi.	Anyone who took out a mortgage loan from one or more of Respondents 4-7 and was insured by one or more of Respondents 1-3 under a private dwelling insurance policy that is one of two or more policies in connection with the same structure during the same period.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion. The lawsuit is at the summation stage. On November 24, 2023, the Court certified the motion to certify the lawsuit as a class action lawsuit.	Approx. NIS 280 million for all defendants

Notes to the Consolidated Interim Financial Statements

NOTE 6 - CONTINGENT LIABILITIES (cont.)

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

Serial No.	Date and court (1)	Parties	Main arguments, causes and remedies	Represented class (2)	Details	Claimed amount (3)
9.	11/2019 District Court - Tel Aviv	A health insurance policyholder v. Menora Insurance	The motion concerns the claim that the defendant allegedly raises the insurance premiums in contrast with the insurance premiums variation table in the list of terms attached to the policy, and, furthermore, that it changes the insurance premiums during the insurance period, such that fixed insurance premiums become variable insurance premiums, unilaterally and – allegedly – against the law.	All the defendant's policyholders, including in health, long-term care, and life insurance policies of any kind, for whom the defendant raised the insurance premiums, at times and at rates that are not specified in the policy, in the 7 years prior to filing the lawsuit, and/or policyholders for whom the defendant raised the insurance premiums even though their policies are claimed to have clarified that their insurance premiums are fixed.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion. The lawsuit is under a mediation procedure. On March 10, 2021, the movant announced that the mediation process had ended without reaching a consensus, and the case was returned to the court. On August 2, 2021, there was a pre-trial hearing, in which the parties agreed to hold another mediation process. Further to the unsuccessful mediation and conciliation processes, the lawsuit is in the summation stage. Pursuant to the court hearing, the parties entered an additional mediation proceeding.	At least NIS 25 million
10.	04/2020 District Court - Haifa	A policyholder v. Menora Insurance et al.	The motion concerns the claim that the defendants have been collecting excessive insurance premiums on compulsory motor and property insurance policies, despite the significantly lower risk in light of the dramatic reduction in mileage volumes following the spread of Covid-19.	All compulsory motor insurance or comprehensive or third-party insurance policyholders during the "effective period" or part thereof, i.e., from March 8, 2020, and until the full and absolute revocation of the movement restrictions imposed on the residents of Israel due to Covid-19.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion. The lawsuit is at the summation stage.	NIS 132 million

Notes to the Consolidated Interim Financial Statements

NOTE 6 - CONTINGENT LIABILITIES (cont.)

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

Serial No.	Date and court (1)	Parties	Main arguments, causes and remedies	Represented class (2)	Details	Claimed amount (3)
11.	04/2020 District Court - Haifa	A policyholder v. Shomera Insurance et al.	The motion concerns the claim that the defendants have been collecting excessive insurance premiums on compulsory motor and property insurance policies, despite the significantly lower risk in light of the dramatic reduction in mileage volumes following the spread of Covid-19.	All compulsory motor insurance or comprehensive or third-party motor insurance policyholders during the "effective period" or part thereof, i.e., from March 8, 2020, and until the full and absolute revocation of the movement restrictions imposed on the residents of Israel due to Covid-19.	The lawsuit is at the stage of certification as a class action. Shomera Insurance has yet to submit its response to the motion. The lawsuit is at the summation stage.	NIS 74 million
12.	04/2020 District Court - Central	A policyholder v. Menora Insurance et al.	The motion concerns the claim that the defendants do not reduce and do not refund their compulsory motor insurance and comprehensive and third party motor property insurance policyholders for the allegedly excessive insurance premiums they had paid, in light of the extremely reduced risk level to which the defendants are exposed following the dramatic reduction in economic activity due to Covid-19 outbreak and the reduced volumes of road traffic.	All the defendants' policyholders who held compulsory motor insurance or comprehensive property and third party motor insurance policies on March 12, 2020, and until the date the lawsuit was filed (hereinafter - the "**Relevant Period**") and who did not receive a refund or reduced insurance premiums with respect to this period, at a rate and at an amount that correspond to the reduction in the insurance risk.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion. The lawsuit is at the summation stage.	NIS 107 million

Notes to the Consolidated Interim Financial Statements

NOTE 6 - CONTINGENT LIABILITIES (cont.)

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

Serial No.	Date and court (1)	Parties	Main arguments, causes and remedies	Represented class (2)	Details	Claimed amount (3)
13.	08/2020 District Court - Central	A planholder v. Menora Insurance et al.	The lawsuit concerns the claim that when stipulating an exclusion in the policy due to the policyholder's medical condition, the defendants allegedly charge an excess premium, because the exclusion is claimed to reduce the insurer's insurance risk, compared with policies with no exclusions.	Anyone who was a policyholder in the period beginning 7 years before the day of filing the claim and ending on the day of its certification as a class action, under an insurance policy for disability, long-term care, life, permanent health insurance, personal accidents, health (including critical illness, surgeries and transplants in Israel or abroad, medications, ambulatory procedures or any other medical coverage) that contains an exclusion.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion.	Approx. NIS 1.9 billion for all defendants, of which, an estimated 6% are against Menora Insurance.
14.	12/2020 District Court - Central	A policyholder v. Menora Insurance	The lawsuit concerns the claim that the defendant markets health insurance policies that include riders that are intended to provide the policyholders with medical services, but in practice, allegedly, the medical service is not provided, or it is provided only partially by the defendant or anyone on its behalf. The main causes of action according to the motion are, inter alia: breach of contract, breach of the duty of good faith in fulfilling a contract, unjust enrichment. The main remedies the plaintiffs are petitioning for are: reimbursement of the insurance premiums that were allegedly charged unlawfully, reimbursement of any amount the class members paid for treatment privately, and alternatively, the difference between any amount thus paid and the amount received from the defendant, and reimbursement of deductible amounts; the above – plus linkage differences and interest.	All the defendant's policyholders that have health insurance policies that include riders, to whom the service was not provided by the defendant or anyone on its behalf in practice, in the 3 years prior to filing the lawsuit (regarding payment of insurance benefits), and 7 years prior to filing the lawsuit (regarding the reimbursement of insurance premiums), as applicable.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion. The lawsuit is under a mediation procedure.	NIS 46.4 million

Notes to the Consolidated Interim Financial Statements

NOTE 6 - CONTINGENT LIABILITIES (cont.)

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

Serial No.	Date and court (1)	Parties	Main arguments, causes and remedies	Represented class (2)	Details	Claimed amount (3)
15.	07/2021 District Court - Tel Aviv	A policyholder v. Menora Insurance et al.	The lawsuit concerns the claim that when paying pensions, the defendant reduces the accrued monthly return for the "cash surrender value" balance, at a rate of 2.5% (or any other rate), allegedly without a contractual basis in the policy's terms and in contravention of the law. The main causes of action are, inter alia: breach of contract, breach of statutory duty, breach of duty of disclosure, breach of fiduciary duty and the duty of good faith, and unjust enrichment. The main remedies are, inter alia: to issue a declaratory order stating that deducting the interest from the monthly return is a breach in accordance with the aforementioned causes of action, and to order the recovery of all amounts that were unlawfully withheld, plus linkage differences and interest, as well as to order the defendants to cease deducting interest from the monthly return.	All of the defendant's policyholders who purchased life insurance policies that include savings accrual from the defendant, issued between the years 1991 and 2004, from whom interest was and/or will be deducted at a rate that is not specified in the policy.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion.	Much higher than NIS 2.5 million
16.	10/21 District Court - Central	A policyholder v. Menora Insurance	The lawsuit concerns the claim that the defendant is conditioning payment of coverage for accidental disability under personal accident policies on the disability arising during the insurance period, and in so doing, the defendant is allegedly denying its policyholders compensation in accordance with the provisions of the policy and the law, and in particular, with respect to individuals who are no longer insured under the insurance (whether they terminated the policy at their own initiative or because the policy was terminated due to their age).	Anyone who purchased a personal accident insurance policy from the defendant and suffered an insured event in the past 7 years (hereinafter - the "**Represented Class**").	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion. The lawsuit is under a mediation procedure.	Much higher than NIS 31 million
17.	09/22 District Court - Tel Aviv	A policyholder v. Menora Insurance and additional insurance companies	The lawsuit concerns the claim that the defendants violate the terms of the insurance contract between the parties by refusing to cover medical cannabis purchase expenses.	All of the defendants' policyholders who had purchased coverage for pharmaceuticals that are excluded from the Healthcare Services Basket, who were not reimbursed for their medical cannabis expenses.	The lawsuit is at the stage of certification as a class action. Menora Insurance has yet to submit its response to the motion.	NIS 30 million (at least)

Notes to the Consolidated Interim Financial Statements

NOTE 6 - CONTINGENT LIABILITIES (cont.)

C. Other lawsuits:

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

Serial No.	Date and court	Parties	Main arguments	Details	Claimed amount
1.	08/2019 District Court - Central	Israel Consumers Council v. Menora Insurance et al.	The lawsuit concerns the claim that when there is a total loss event following an accident or theft (hereinafter - the "**Insured Event**"), the defendants do not return the rate of the insurance premiums attributed to the policy's various riders (e.g., roadside repairs, towing, and windshield repair) for the remaining insurance period after the date of the aforementioned Insured Event.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion. On December 5, 2023, the Court certified the lawsuit as a class action. on February 1, 2024, Menora Insurance filed a motion to appeal the decision to the Supreme Court. The hearing on the motion for leave to appeal took place on May 22, 2024, and Menora Insurance withdrew the motion for leave to appeal in accordance with the court's recommendation.	Not quantified, in the absence of data (the lead plaintiffs estimate that the damage to all class members is measurable in tens of millions of shekels).
2.	08/2019 District Court - Central	Israel Consumers Council v. Shomera et al.	A lawsuit in which the subject matter, causes of action, and main sought remedies are similar to the lawsuit described above in Section 4.	The lawsuit is at the stage of certification as a class action. Shomera has submitted its response to the motion. See further details in Section 2 above.	Not quantified, in the absence of data (the lead plaintiffs estimate that the damage to all class members is measurable in tens of millions of shekels).
3.	05/2020 District Court - Tel Aviv	A planholder v. Menora Mivtachim Pension and Provident Funds and Menora Mivtachim Federation of Engineers et al.	The lawsuit concerns the claim that the defendants erroneously record some of the contributions into study funds as contributions that exceed the qualifying contribution ceiling, and therefore, the gains arising from these contributions are taxed with the capital gains tax.	The lawsuit is at the stage of certification as a class action. Menora Mivtachim Pension and Provident Funds has submitted its response to the motion. The lawsuit is under a mediation procedure.	Not quantified.

Notes to the Consolidated Interim Financial Statements

NOTE 6 - CONTINGENT LIABILITIES (cont.)

C. Other lawsuits: (cont.)

Serial No.	Date and court	Parties	Main arguments	Details	Claimed amount
4.	07/2020 District Court - Tel Aviv	A policyholder v. Menora Insurance	The lawsuit concerns the claim that when paying insurance benefits, the defendant allegedly violates the terms of the policy and indemnifies the policyholders for the nominal amount specified in the policies, without linking that amount to the consumer price index and, in particular, to the applicable index as of the date of entering the insurance contract.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion. The mediation proceeding between the parties was unsuccessful and the case was returned to the Court.	Over NIS 2.5 million (including non-pecuniary damage).
5.	02/2021 Lod District Court	A policyholder v. Menora Insurance	The lawsuit concerns the claim that the defendant interprets the provisions of the Supervision of Insurance Business Regulations, according to which only claims submitted by the policyholder and whose amount exceeds 35% of the annual premium paid by the policyholder may be included in the policyholder's claims report, in an arbitrary manner and in bad faith, in that its report also includes cases in which, within the defendant's independent treatment of and investigation into the policyholder's claim, it paid funds to various entities other than the policyholders.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion. The mediation proceeding between the parties was unsuccessful and the case was returned to the Court.	Not quantified.
6.	04/2021 District Court - Tel Aviv	A policyholder v. Menora Mivtachim Pension and Provident Funds	The lawsuit concerns the claim that when the defendants' customers browsed their personal information section using the digital services on the defendants' website and/or mobile applications, the customers' personal and confidential information was transferred to third parties (without their consent), specifically to Google and its advertising service.	The lawsuit is at the stage of certification as a class action. Menora Mivtachim Pension and Provident Funds has submitted its response to the motion. The mediation proceeding between the parties was unsuccessful and the case was returned to the Court.	More than NIS 2.5 million
7.	04/2022 District Court - Jerusalem	A policyholder v. Menora Insurance	The lawsuit concerns the claim that the defendant does not recognize a surgery that must be performed as an insured event, arguing that it is a preventive surgery that does not fall under the definition of "surgery" according to the policy.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion. The lawsuit is at the summation stage.	NIS 3 million

Notes to the Consolidated Interim Financial Statements

NOTE 6 - CONTINGENT LIABILITIES (cont.)

C. Other lawsuits: (cont.)

Serial No.	Date and court	Parties	Main arguments	Details	Claimed amount
8.	09/2022 District Court - Tel Aviv	A policyholder v. Menora Insurance	The lawsuit concerns the claim that the defendant allegedly discriminates against the insured men in its health insurance policies' ambulatory services appendix, by refusing to reimburse men for the cost they had incurred in pregnancy-related, childbirth-related and newborn care-related expenses.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion.	More than NIS 2.5 million
9.	11/2022 District Court - Central	A policyholder v. Shomera	The lawsuit concerns the claim that the defendant markets certain motor property insurance plans to its policyholders that include riders as an inherent part, allegedly without presenting the price of the rider to the customers in the marketing process and after it is complete, and without allowing them to waive the rider and in return, be offered a lower price that would reflect the excluded service cost, such that purchasing the riders allegedly becomes a condition for the insurance plan.	The lawsuit is at the stage of certification as a class action. Shomera Insurance has yet to submit its response to the motion. The lawsuit is at the summation stage.	More than NIS 2.5 million
10.	12/2022 District Court - Tel Aviv	A policyholder v. Menora Insurance	The lawsuit concerns the claim that the defendant allegedly reduces the insurance benefits its policyholders are entitled to permanent health insurance, for policyholders who are considered to be entitled to income protection, by linking their payments from the 25th month and onward, to the consumer price index, which is lower than the investment profitability index, instead of linking them to the investment profitability index, and in so doing, the defendant is allegedly paying its policyholders lower amounts than the amounts it had committed to pay in accordance with the terms of the policy.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion.	More than NIS 2.5 million

NOTE 6 - CONTINGENT LIABILITIES (cont.)

C. Other lawsuits: (cont.)

Serial No.	Date and court	Parties	Main arguments	Details	Claimed amount
11.	12/2022 District Court - Central	A policyholder v. Menora Insurance	The lawsuit concerns the claim that when a policyholder who has filed a motor property insurance claim decides to repair their vehicle at an auto repair shop that is not one of the authorized auto repair shops according to the defendant's arrangement, the defendant offsets various amounts out of the insurance benefits, even though it has confirmed the appraiser's assessment, by claiming that the auto-repair shop can purchase the required spare parts for the repair from the defendant's vendor at a lower price than these spare parts' market price, which is claimed to result in the policyholder who has chosen to repair their vehicles at a non-authorized auto repair shops retrospectively being paid insurance benefits that do not cover the real cost of the damage, as determined by the appraiser, or alternatively, in that policyholder being forced to repair their vehicles at authorized auto repair shops.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion.	More than NIS 2.5 million
12.	02/2023 District Court - Tel Aviv	A policyholder v. Menora Insurance	The lawsuit concerns the claim that in a policy with a variable premium mechanism, the defendant apparently raises the insurance premiums after the date on which the premium becomes fixed and is no longer variable, according to the policyholder's age, in an apparent breach of the policy's terms.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion.	More than NIS 2.5 million
13.	03/2023 District Court - Tel Aviv	A policyholder v. Menora Insurance	The lawsuit concerns the allegation that the defendant 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. According to the movant, in so doing, the defendant is in violation of the law, the regulator's position, decided case law, and its obligation under the policy.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion.	More than NIS 2.5 million

NOTE 6 - CONTINGENT LIABILITIES (cont.)

C. Other lawsuits: (cont.)

Serial No.	Date and court	Parties	Main arguments	Details	Claimed amount
14.	03/2023 District Court - Central	A policyholder v. Shomera	The lawsuit concerns the claim that the defendant only pays partial appraiser's fees to injured parties in motor insurance claims, without justification and without explaining why the fees were reduced. According to the movant, in so doing, the defendant is in violation of the law, the regulator's position, decided case law, and its obligation under the policy.	The lawsuit is at the stage of certification as a class action. Shomera has yet to submit its response to the motion.	More than NIS 2.5 million
15.	7/2023 District Court - Tel Aviv	A policyholder v. Menora Insurance	The lawsuit concerns the claim that the defendant does not make adequate representations regarding the professional liability policies for lawyers that it has been marketing since it has won the Israel Bar Association's tender in 2016, and that when a policyholder seeks to realize their coverage under the aforementioned policy and/or under any other policy marketed by Menora Insurance and that covers legal expenses and/or defense expenses – Menora Insurance violates its obligations under the policy and acts unlawfully by impairing the policyholder's ability to be defended by an attorney who is not on Menora Insurance's list of service providers, including by limiting the attorney's fees payable to them.	The lawsuit is at the stage of certification as a class action. Menora Insurance has yet to submit its response to the motion.	More than NIS 2.5 million
16.	8/2023 District Court - Central	A policyholder v. Shomera	The lawsuit concerns the claim that the respondent is attempting to "coerce" its policyholders and/or third-party injured parties to choose the respondent's authorized auto repair shops to repair their vehicles, thus infringing on their discretion to choose any auto-repair shop that would repair their vehicle. In addition, according to the movant, the defendant is attempting to influence its policyholders and/or third-party injured parties to buy spare parts to repair their vehicles from the respondent, thus attempting to influence the purchase of spare parts from a particular source. According to the movant, in so doing, the respondent is in violation of the law, the regulator's position, and its obligation under the policy.	The lawsuit is at the stage of certification as a class action. Shomera has yet to submit its response to the motion.	More than NIS 2.5 million.

NOTE 6 - CONTINGENT LIABILITIES (cont.)

C. Other lawsuits: (cont.)

Serial No.	Date and court	Parties	Main arguments	Details	Claimed amount
17.	11/2023 District Court - Tel Aviv	A policyholder v. Menora Insurance et al.	The lawsuit concerns the claim that following an extreme event, such as the Iron Swords War, the risk declines dramatically, which is expected to result in a substantial and unplanned profit for insurance companies. That at the time of purchasing the policies of any of the respondents by the movants and class members, the risk and/or odds of a sudden attack, as had occurred in the Iron Swords War, was not taken into account when the premiums had been set, and that not providing the service and/or full or partial insurance coverage is egregious in light of the substantially reduced risk, especially to those who had been conscripted in an emergency call-up of reservists.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion.	NIS 10 million.
18.	1/2024 Labor Court - Haifa	A policyholder v. Menora Mivtachim Pension and Provident Funds	The action involves the claim that the pension fund managed by the defendant unlawfully collects insurance coverage costs (insurance premiums), which are higher than those it was entitled to collect, while reducing the accumulation amount, for the following reasons: (a) The calculation of the determinative salary is too high in relation to the correct calculation and therefore the collection of insurance coverage costs are higher than the insurance coverage costs that were supposed to be collected; (b) Collection of insurance coverage costs for a full month in relation to the month in which the planholder joined the pension fund (instead of only partial collection according to the part of the month in which the planholder was actually a planholder and received insurance coverage from the pension fund); (c) Collection of insurance coverage costs for a deposit received from the employer retroactively, even though according to the regulations, a retroactive deposit does not grant the planholder insurance coverage for the period preceding the date of its receipt.	The lawsuit is at the stage of certification as a class action. Menora Pension and Provident Funds has yet to submit its response to the motion.	More than NIS 2.5 million.

Notes to the Consolidated Interim Financial Statements

NOTE 6 - CONTINGENT LIABILITIES (cont.)

C. Other lawsuits: (cont.)

Serial No.	Date and court	Parties	Main arguments	Details	Claimed amount
19.	2/2024 District Court - Tel Aviv	A policyholder v. Shomera	The action involves the claim that the defendant reduces various amounts when paying insurance benefits as part of comprehensive motor insurance policies, based on “reducing variables" or "special variables," which were not specified to policyholders in the pre-contractual phase, contrary to the circular entitled "Car Insurance (Property) - Insurance Benefits in Case of a Total Loss."	The lawsuit is at the stage of certification as a class action. Shomera has yet to submit its response to the motion.	More than NIS 2.5 million.
20.	5/2024 District Court - Central	A policyholder v. Menora Insurance et al.	The claim alleges that the respondents violate the provision of the Supervision Law and Commissioner’s Circulars with respect to marketing and sale of riders for related services in motor comprehensive or third-party insurance, such as: repair of windshields and headlights, towing and rescue, etc.	The lawsuit is at the stage of certification as a class action. Menora Insurance has yet to submit its response to the motion.	More than NIS 2.5 million.
21.	6/2024 District Court - Haifa	A policyholder v. Shomera	The lawsuit concerns the allegation that the windshield installers working on behalf of the respondents under a “windshield insurance” rider (hereinafter: the “**Rider**”) do not carry out an inspection and/or calibration of the safety system installed on the vehicle’s front windshield when dismantling the broken windshield and installing the new (spare) windshield, and are thus in breach of the provisions of the law and its undertakings under the policy and the Riders.	The lawsuit is at the stage of certification as a class action. Shomera has yet to submit its response to the motion.	More than NIS 2.5 million.
22.	6/2024 District Court - Central	A policyholder v. Menora Insurance	The lawsuit concerns the allegation of the respondent’s allegedly wrongful and unlawful practice of automatically renewing home insurance policies, while raising the premiums, on the pretext of revoking a “special discount” that does not apply to renewals, without notice and without consent, in contravention of the law.	The lawsuit is at the stage of certification as a class action. Menora Insurance has yet to submit its response to the motion.	More than NIS 2.5 million

Notes to the Consolidated Interim Financial Statements

NOTE 6 - CONTINGENT LIABILITIES (cont.)

C. Other lawsuits: (cont.)

Serial No.	Date and court	Parties	Main arguments	Details	Claimed amount
23.	7/2024 Court - Haifa	A policyholder v. Menora Insurance et al.	The lawsuit concerns the allegation that the defendants allegedly breach the duty of good faith and the duty of disclosure to the policyholders, by not disclosing to them that the permanent health insurance does not cover them until the date the policyholders had specified in the insurance offer, claiming that the defendants allegedly did not pay the policyholders the monthly insurance benefits until the end of the insurance period, as requested in the offer; and claiming, moreover, that the defendants allegedly breach the directives issued by the Commissioner of the Capital Market in this regard, under which the insurance period in a plan that includes permanent health insurance coverage would continue at least until the policyholder reaches the mandatory retirement age, according to their calendar age.	The lawsuit is at the stage of certification as a class action. Menora Insurance has yet to submit its response to the motion.	More than NIS 2.5 million
24.	7/2024 District Court - Lod	A policyholder v. Menora Insurance	The lawsuit concerns the allegation that the defendant allegedly breaches the terms of the critical illness insurance policies and the Capital Market Commissioner's circular, in that, as alleged, the defendant allegedly denies cases that are medically diagnosed as severe heart attacks and does not define them as insured events under the policy, allegedly based on archaic laboratory-biochemical criteria.	The lawsuit is at the stage of certification as a class action. Menora Insurance has yet to submit its response to the motion.	More than NIS 2.5 million
25.	7/2024 District Court - Lod	A policyholder v. Menora Insurance	The lawsuit concerns the allegation that the defendant allegedly breaches the terms of its TOP Premium (Mushlemet TOP) health insurance policies, in that, according to the allegation, claims due to the medical procedure of ultrasound imaging-guided injections are allegedly denied by the defendant, unlawfully, due to an injection exception in the definition of "surgery" under the policy, and in that, according to the allegation, compensation claims for surgeries carried out overseas are allegedly denied unlawfully on the grounds that the coverage for private surgeries overseas does not include compensation for the surgery but indemnification for receipts and/or direct payment to the service providers, in accordance with the terms.	The lawsuit is at the stage of certification as a class action. Menora Insurance has yet to submit its response to the motion.	More than NIS 2.5 million

Notes to the Consolidated Interim Financial Statements

NOTE 6 - CONTINGENT LIABILITIES (cont.)

D. Concluded lawsuits:

Serial No.	Date and court (1)	Parties	Main arguments, causes and remedies	Details	Claimed amount (3)
1.	11/2020 Regional Court - Tel Aviv	A policyholder v. Menora Insurance	The lawsuit concerns the claim that when the Company refunds policyholders following the detection of errors in the collection of premiums on savings policies, the company refunds the overcharged amounts to the policyholder's policies, not directly to the policyholder, and does not even inform the policyholder of transferring the funds to the policy.	On January 11, 2024, the court approved the settlement agreement that was filed in the lawsuit, and thus the lawsuit was concluded.	Not quantified.
2.	12/2022 Bat Yam Magistrate Court	A policyholder v. Menora Insurance	The lawsuit concerns the claim that the defendant violated the provisions of the Communications Law by sending "advertisements" without obtaining the recipients' prior consent, by not including the word "advertisement" in the email header, and by not allowing the recipients to be removed from the mailing list using the method using which the advertisement was sent, but by clicking a link at the bottom of the message.	On February 21, 2024, the court granted a motion to withdraw, and thus the lawsuit was concluded.	More than NIS 2.5 million
3.	01/2023 Regional Labor Court - Tel Aviv	A policyholder v. Menora Mivtachim Pension and Provident Funds	The lawsuit concerns the claim that the defendant sent the plaintiff a text message that is claimed to be considered an advertisement, after the plaintiff had requested to transfer his pension fund to another institutional entity, without the plaintiff consenting to receive advertisements, and therefore (it is claimed), this is a violation of the provisions of Section 30A of the Communications Law (Bezeq and Broadcasting), 1982.	On April 2, 2024, the Regional Court granted a motion to withdraw, and thus the lawsuit was concluded.	More than NIS 2.5 million
4.	08/2016 Regional Labor Court - Tel Aviv	A pension fund policyholder v. Menora Mivtachim Pension and Provident Funds.	The claim alleges that charging "investment management expenses" ("direct expenses") out of the total savings amount - in addition to the management fees, in the absence of a contractual provision that allows charging this amount - is in violation of the law and pension fund's bylaws.	On April 15, 2024, the court granted a motion to withdraw, and thus the lawsuit was concluded.	Approx. NIS 478.6 million
5.	01/2017 Regional Labor Court - Tel Aviv	An executive insurance policyholder v. Menora Insurance	The claim alleges that charging "investment management expenses" ("direct expenses") for executive insurance policies marketed by the defendant - in addition to the management fees and/or insurance premium and in the absence of a provision in the policy that allows charging this amount - is in violation of the law.	On April 15, 2024, the court granted a motion to withdraw, and thus the lawsuit was concluded.	Approx. NIS 185 million
6.	05/2020 District Court - Central	A policyholder v. Shomera et al.	The lawsuit concerns the claim that at the occurrence of insured events, the defendants provide customers who are insured under windshield fracture coverage riders with windshields that do not comply with the Israeli standards mark requirements pursuant to the Standards Law, 1953, in contrast with their alleged undertakings in the rider.	On July 4, 2024, the court handed down a judgment that denied the motion and the movants' personal lawsuit, and the lawsuit was thus concluded.	Not quantified.

NOTE 6 - CONTINGENT LIABILITIES (cont.)

D. Concluded lawsuits: (cont.)

Serial No.	Date and court (1)	Parties	Main arguments, causes and remedies	Details	Claimed amount (3)
7.	01/2017 District Court - Central	A policyholder v. Menora Insurance and another company.	Overcharging committed by the defendants, while refraining from treating the policyholders in accordance with the asserted common practice of reducing the insurance premiums when the policyholder crosses a certain age bracket and/or driving experience bracket that entitles the policyholder to reduced insurance premiums.	On July 16, 2024, the court granted a motion to withdraw, and thus the lawsuit was concluded.	Menora Insurance's relative share was estimated at approx. NIS 12.25 million.
8.	01/2017 District Court - Central	A policyholder v. Shomera Insurance.	The defendant's failure to initiate disclosure to its policyholders who hold compulsory motor insurance, comprehensive motor insurance, and third-party insurance policies, that they are expected to reach the age brackets and/or driving experience brackets that would entitle them to reduced insurance premiums during the insurance period, in contrast with common practice, as asserted by the plaintiff.	On February 16, 2024, the court granted a motion to withdraw, and thus the lawsuit was concluded.	NIS 12.25 million.
9.	04/2011 District Court - Central	A life insurance policyholder v. Menora Insurance and additional insurance companies.	Collection of funds referred to as "policy factor" and/or as "other management fees".	On August 15, 2024, the court approved the settlement agreement that was filed in the lawsuit, and thus the lawsuit was concluded.	Total of approx. NIS 254 million, out of a total of approx. NIS 2.3 billion attributed to all the respondents.
10.	05/2019 Regional Labor Court - Tel Aviv	A pension fund planholder v. Menora Mivtachim Pension and Provident Funds	The lawsuit concerns the claim that the defendant charged planholders of the general pension fund it manages – who had joined the fund due to a contribution in the comprehensive pension fund that exceeds the permissible statutory contribution ceiling – the maximum management fees, rather than the reduced management fees they pay in the comprehensive fund, without their consent and without notifying them.	On August 21, 2024, the court approved the settlement agreement that was filed in the lawsuit, and thus the lawsuit was concluded.	At least NIS 2.5 million.

Notes to the Consolidated Interim Financial Statements

NOTE 6 - CONTINGENT LIABILITIES (cont.)

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

Summary table:

The following table summarizes the amounts claimed in pending motions to certify claims as class actions, claims certified as class actions and other material claims against the Group, as noted by the plaintiffs in the statements of claim filed on their behalf. It is hereby clarified that the amount claimed does not necessarily constitute a quantification of the exposure amount assessed by the Group, since these are assessments on behalf of the plaintiffs which will be litigated as part of the legal proceedings. It is further clarified that the table below does not include proceedings that have been concluded, including proceedings that concluded after a settlement agreement was approved in respect thereof.

	No. of lawsuits	Amount claimed
		Unaudited
		NIS thousand
Certified class actions:		
Stated amount attributed to the Group	3	299,000
The lawsuit pertains to a number of companies and no specific amount was attributed to the Group	2	328,000
No claim amount was specified	1	-
Pending motions to certify claims as class actions:		
Stated amount attributed to the Group	31	685,400
The lawsuit pertains to a number of companies and no specific amount was attributed to the Group	1	2,000,000
No claim amount was specified	4	-

As of the reporting date, the cumulative provision for lawsuits filed against the Company, as detailed above, totals approx. NIS 164 million (as of June 30, 2023 – NIS 152 million, and as of December 31, 2023 – NIS 159 million).

From time to time, the Commissioner issues position papers, principles for drafting insurance plans, papers on proper and improper practices and other documents or draft documents that are relevant to the Group’s areas of operation and which may have an effect on the rights of the policyholder/s and/or planholder/s and may create an exposure for the Group in certain cases with respect to both its period of operation prior to those documents coming into effect and the future.

It is impossible to predict in advance whether and to what extent the Group is exposed to allegations connected to and/or resulting from directives that may arise in part through the procedural mechanism set forth in the Class Actions Law. Similar circulars issued by the Commissioner with a future effective date may have such an effect.

From time to time complaints are filed against the Group, including complaints to the Commissioner with respect to rights of policyholders and/or planholders according to insurance plans and/or funds and/or the law. These complaints are handled regularly by the Group's Ombudsman. At times, the Commissioner's decisions (or draft decisions) on these complaints are rendered across the board for a class of policyholders.

Notes to the Consolidated Interim Financial Statements

NOTE 6 - CONTINGENT LIABILITIES (cont.)

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

Furthermore, from time to time, and also following policyholders' complaints, the Commissioner conducts audits on his behalf at the Group's institutional entities and/or sends requests to them to receive information on various issues of management of the institutional entities and management of the rights of the institutional entities' policyholders and planholders, as well as audits to verify the implementation of regulatory directives and/or lessons from previous audits, wherein, among others, demands are received to make changes in various products and instructions are given for implementing circulars and/or guidelines and/or for rectifying deficiencies or for the taking of actions by the institutional entities, including making refunds to policyholders and planholders. On the basis of the audit findings or the information provided, the Commissioner sometimes imposes financial sanctions pursuant to the Enforcement Authority Law.

There is an overall exposure, which cannot be assessed and/or quantified, due to, among other things, the complexity of the services provided by the Group to its policyholders. The complexity of these arrangements inevitably leads to interpretive claims and other claims due to information gaps between the Group and third parties to the insurance contracts in connection with a long list of commercial and regulatory terms. This exposure is expressed mainly in connection with pension savings and long-term insurance products, including health insurance, in which the Group operates, due to them being characterized by a prolonged lifespan and extreme complexity, particularly in view of the legislative arrangements relating both to management of the products and to taxation, including on issues concerning the contributions made by employers and policyholders, separation and attribution of the contributions to the various policy components, investment management, the policyholder's employment status, his contribution payments, etc. These products are managed over years during which there are changes in policy, regulatory requirements and legal trends, including in court rulings. These changes are implemented by automated systems that undergo frequent changes and adjustments. The complexity of these changes and application of changes with respect to many years creates increased operating exposure. Receipt of a new interpretation to insurance policies and long-term pension products may, at times, affect the Group's future profitability with respect to the existing portfolio, in addition to the exposure involved in the demands to compensate customers for past activities. It is impossible to anticipate the types of claims that will be raised in this area or the exposure arising from these and other claims in connection with insurance contracts - claims which are raised through, among other things, the procedural mechanism set forth in the Class Actions Law.

Furthermore, the insurance domain in which the Group companies operate is high in detail and circumstances, and has an inherent risk that cannot be quantified as to the occurrence of an error or series of mechanical or human errors, in both structured work processes and when handling a specific customer, and which may cause expansive consequences as to both the effect on a large number of customers or cases and the relevant monetary effect concerning an individual customer. The Group's institutional entities regularly cleanse the rights of policyholders, in all that concerns management of the products at institutional entities, according to gaps that are discovered from time to time.

The Group is exposed to claims and allegations on the level of contract laws and fulfillment of the insurance liabilities in the policy, deficient consultation, breach of fiduciary duty, conflict of interests, duty of care, negligence as part of the professional liability of the professional entities in the Group including the Group’s agencies as well as engagements with reinsurers etc., allegations relating to the services provided by the Group companies, and from time to time there are circumstances and events that raise concerns regarding allegations of that type. The Group purchases professional liability insurance policies, including as required by the legislative arrangement, and when necessary it reports to this policy or policies in order to cover an obligation deriving from professional liability that can be protected by purchasing insurance. The amounts of the possible exposure are higher than the amounts covered and there is no certainty that the insurance coverage will actually be received upon the occurrence of an insured event.

NOTE 7 - SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD

A. Changes in interest rate curve and estimates

The Group calculates the life insurance reserves for payment of annuity, the adequacy of the reserve in health insurance, and some of the insurance liabilities in property and casualty insurance, based on a risk-free interest curve plus an illiquidity premium (hereinafter - the "**interest rate curve**"). Following are the changes as a result of the change in the interest rate curve:

	For the 6 months ending June 30		For the 3 months ending June 30		For the year ended December 31
	2024	2023	2024	2023	2023
	Unaudited		Unaudited		Audited
	NIS thousand				
Life insurance					
Revision to the supplementary retirement pension reserve due to the change in the discount rate and the illiquidity premium	111,991	(26,407)	144,508	(53,983)	62,107
Claims assumption update	-	-	-	-	(9,578)
Annuity uptake assumption revision ***)	54,561	-	54,561	-	-
Cancellations assumption update	4,292	-	4,292	-	3,826
Expenses assumption update	(1,160)	-	(1,160)	-	(1,370)
Revision of mortality tables **)	(88,351)	-	(88,351)	-	-
Total effect on the Life Insurance Segment	**81,333**	**(26,407)**	**113,850**	**(53,983)**	**54,985**
Health Insurance					
Individual long-term care					
Risk-free interest rate and illiquidity premium	68,461	(16,074)	90,432	(38,164)	82,421
Fair value of illiquid debt assets	(20,764)	(17,626)	(26,626)	2,701	(42,733)
Total interest effect	47,697	(33,700)	63,806	(35,463)	39,688
Morbidity assumption update	-	-	-	-	(75,842)
Cancellations assumption update	-	-	-	-	(1,520)
Other updates	(1,767)	-	-	-	-
Total update of individual long-term care assumptions	(1,767)	-	-	-	(77,362)
Total individual long-term care	45,930	(33,700)	63,806	(35,463)	(37,674)
All other Health Insurance subsegments					
Morbidity assumption update	(12,382)	(12,810)	(12,382)	(12,810)	(24,218)
Cancellations assumption update	(952)	(1,050)	(952)	(1,050)	(1,050)
Other updates	(2,510)	-	(0)	-	13,470
Total update of assumptions in all other Health Insurance subsegments	(15,844)	(13,860)	(13,334)	(13,860)	(11,798)
Total effect on the Health Insurance Segment	**30,086**	**(47,560)**	**50,472**	**(49,323)**	**(49,472)**
Property and Casualty Insurance					
Risk-free interest rate and illiquidity premium	51,323	31,769	50,345	2,052	(5,231)
Fair value hedges *)	18,021	(3,694)	8,998	689	16,961
Total effect on the Property and Casualty Insurance Segment	**69,344**	**28,075**	**59,343**	**2,741**	**11,730**
Total before tax	180,763	(45,892)	223,665	(100,565)	17,243
Total after tax	118,960	(30,202)	147,194	(66,182)	11,348

*) In accordance with Menora Insurance's asset allocation procedure, Menora Insurance reclassified assets with excess fair value to the P&C Segment and, as a result, the P&C insurance liabilities decreased during the reporting period by approx. NIS 22.6 million.

Notes to the Consolidated Interim Financial Statements

NOTE 7 - SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD (cont.)

A. Changes in interest rate curve and estimates (cont.)

**) A change to the provisions relating to life insurance plans incorporating savings that include "annuity conversion factors taking into account guaranteed life expectancy"

Further to the draft published in June 2024, in July 2024, the Capital Market Authority published a circular entitled Amendment of the Consolidated Circular Provisions on Measuring Liabilities - Revising the Demographic Assumptions in Life Insurance and Pension Funds (hereinafter - the “**Circular**”).

The Circular lists updated default assumptions on the basis of which insurance companies will calculate the liabilities in respect of life insurance policies, which allow them to receive an annuity according to guaranteed conversion rates based on up-to-date demographic assumptions.

The Circular refers, among other things, to a change in life expectancy, including future improvements, and the resulting consequences for the level of reserves and how they are created. In addition, the circular includes a new life table for retirees of insurance companies, which is based, among other things, on past experience regarding mortality of retirees of insurance companies.

Menora Insurance has updated its estimates of pension liabilities based on the new mortality table and future life expectancy improvements included in the Circular.

As a result, Menora Insurance increased the provision in respect of the supplementary pension reserve and reduced the comprehensive income by approx. NIS 88 million before tax and approx. NIS 58 million after tax. In addition, a balance of approx. NIS 17 million before tax and approx. NIS 11 million after tax will be spread in profit and loss, until the expected retirement age, using discount factor K. The said amounts refer to the funds accrued in policies until June 30, 2024 and do not include future supplementation for amounts to be accumulated in the future.

***) During the reporting period, Menora Insurance revised the life insurance assumptions following a study on retirement age and annuity uptake rates. This revision reduced the insurance reserves and increased the profit by approx. NIS 55 million.

B. Increase in VAT rate

In March 2024 an amendment was published to the Value Added Tax Ordinance (Tax Rate for Non-Profit Organizations and Financial Institutions), 2024 (hereinafter - the “**Ordinance**”), which prescribes that as from January 1, 2025 the rate of payroll tax applicable to financial institutions will stand at 18% of the wage paid for work, and the profit tax shall stand at 18% of the income generated.

The deferred tax balances included in the financial statements as of June 30, 2024 take into account the effects, which arise from the increase in tax rates as described above.

The effect of the amendment on the balances of deferred taxes during the reporting period is an increase of approx. NIS 3,405 thousand, of which approx. NIS 2,776 thousand will be recognized in profit or loss and a total of approx. NIS 629 thousand - in other comprehensive income.

Notes to the Consolidated Interim Financial Statements

NOTE 7 - SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD (cont.)

C. Agreement with Maccabi Healthcare Services

In December 2023, an agreement in principle was signed with Maccabi Healthcare Services (hereinafter - "**Maccabi**") for the operation of long-term care insurance for Maccabi members, as from January 1, 2024, for a period of one year, with an extension option subject to meeting the terms and conditions detailed in the agreement in principle. The agreement in principle shall constitute the basis for a detailed agreement that will be signed between the parties in the forthcoming period, the key points of which are: Operation of the long-term care insurance of Maccabi members without bearing the insurance risk, against a consideration comprising management fees and reimbursement of expenses; dealing with long-term care insurance claims in accordance with the terms and conditions of the policy; management of the investments of the "Policyholders' Fund", all based on the revised legislative arrangement that was published in December 2023 by the Capital Markets Authority regarding collective long-term care insurance to members of health maintenance organizations; and arrangements and agreements regarding other operational and service-related issues, as will be agreed between the parties under the detailed agreement. On December 26, 2023, the Commissioner's approval to operate the health insurance plan was received, thereby fulfilling the conditions precedent for the coming into effect of the agreement in principle.

D. A collective long-term care insurance policy for members of Leumit Health Services

Menora Insurance is the insurer in a collective long-term care insurance policy for members of the Leumit Health Services HMO. On March 26, 2024, the parties signed an addendum to the agreement such that from April 2024, the agreement with Leumit will be converted to an agreement for the operation of long-term care insurance claims for Leumit members in return for management fees as detailed in the addendum to the agreement.

E. Quality's acquisition agreement

In September 2022, a collaboration agreement was signed for the provision of reverse mortgage loans by Menora Insurance to borrowers located by Quality Credit Holdings Ltd. (hereinafter - "**Quality**" and the "**Original Agreement**"). On March 7, 2024, an agreement was signed between Menora Finance and Quality regarding an addendum to the original agreement in which it was agreed that Menora will exercise the call option granted to it to purchase shares in Quality at a rate not exceeding 27.5% of the issued and paid up share capital of Quality against payment to Quality of an amount based on a value of approx. NIS 70 million for the Company with respect to Quality Holdings. In June 2024, the approval of the Israel Competition Authority and the Capital Market, Insurance and Savings Authority was received, and this fulfilled the conditions precedent for the coming into force of the agreement.

F. Investment in Ampa Capital

In March 2024, the Company's Board of Directors approved an investment in Ampa Capital in the amount of approx. NIS 50 million. The investment was made in two stages, half in April 2024 and the second half on December 31, 2024. The purpose of the investment is to increase the shareholders' equity to support the growth of Ampa Capital's activities. It is noted that the above investment will not change the Company's holding rate in Ampa Capital.

Notes to the Consolidated Interim Financial Statements

NOTE 7 - SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD (cont.)

G. Share-based payment

Further to Note 34 to the Annual Financial Statements, following are additional allocation data, made during the reporting period:

	Unaudited	
Allocation date	**March 27, 2024**	**May 28, 2024**
Exercise premium per option in NIS	96.85	91.49
Expected volatility of share prices	33.6% - 36.5%	33.9% - 37%
Risk-free interest rate	3.93% - 4.03%	4.41% - 4.56%
Expected life of the options	4-6 years	4-6 years
Weighted average of the share prices (in NIS)	26.52 -27.22	23.68 - 24.47
Fair value per option in NIS	26.98	24.16
Total value of options allocated, in NIS thousand	630	480

H. Business combination

In November 2022, a consolidated company - Shomera Agencies Ltd. (hereinafter - "**Shomera Agencies")** - signed an agreement for the purchase of 70% of the shares of Nimrodi Yoav Insurance Agency Ltd. (hereinafter - "**Nimrodi**") in consideration for NIS 3,710 thousand. The transaction was completed in April 2024. Shomera Agencies recognized the fair value of the assets acquired and the liabilities assumed as part of the business combination according to a provisional measurement.

	Fair value
	Unaudited
	NIS thousand
Fair value of net identifiable assets - Intangible assets	2,107
Goodwill arising from the acquisition *)	2,235
Non-controlling interests **)	(632)
Total acquisition cost	3,710

*) The goodwill arising from the acquisition is attributed to the expected benefits from the synergy arising from combining the activities of Shomera and Nimrodi Agencies.

**) The non-controlling interests in Nimrodi were measured in accordance with their proportionate share in the fair value of the net identifiable assets.

	Unaudited
	NIS thousand
Cash paid as acquisition proceeds	3,710
Cash in Ishai Agencies	215
Net cash used in acquisition	3,495

I. Settlement agreement in a material class action

After the reporting date, on August 15, 2024, the court approved a settlement agreement in a class action against Menora Insurance and validated it as a judgment, as described in Note 6D.9 above.

J. Dividend from a consolidated company declared subsequent to the reporting date

Subsequent to the reporting date, on August 28, 2024, the Board of Directors of Menora Insurance declared a dividend distribution of NIS 100 million.

K. Dividend declared by the Company

After the reporting date, on August 28, 2024, the Company's Board of Directors announced an NIS 170 million dividend, representing NIS 2.74 per each share with a par value of NIS 1.

Notes to the Consolidated Interim Financial Statements

NOTE 8 - 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

Further to that stated in Note 2V to the Consolidated Annual Financial Statements, in May 2017 the International Accounting Standards Board (IASB) published IFRS 17 - Insurance Contracts. Furthermore, in June 2020 and December 2021, the IASB published amendments to the standard (hereinafter - "**IFRS 17**").

IFRS 17 sets rules for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes the current guidance on this issue under IFRS 4 and the directives of the Capital Market, Insurance and Savings Authority. The new standard is expected to trigger material changes in the consolidated insurance companies.

The first-time application date set in IFRS 17 is January 1, 2023; however, in accordance with the requirements of the Commissioner, which were published as part of the "Roadmap for the Adoption of International Financial Reporting Standard (IFRS) 17 - Insurance Contracts" (hereinafter - the "**Roadmap**"), the first-time application date of IFRS 17 in Israel was postponed to the quarterly and annual periods beginning on January 1, 2025, and the transition date is January 1, 2024.

In July 2014, the IASB published IFRS 9 regarding Financial Instruments (hereinafter - "**IFRS 9**"), which supersedes IAS 39 and sets new rules for classification and measurement of financial instruments, with an emphasis on financial assets. The first-time application date set in IFRS 9 is January 1, 2018. In September 2016, an amendment to IFRS 4 was published, which allowed entities which issue insurance contracts and meet certain prescribed criteria to postpone the adoption of IFRS 9 to January 1, 2023 (the first-time application date of IFRS 17), in order to eliminate the accounting mismatch which may arise from the application of IFRS 9 prior to the application of IFRS 17. The consolidated insurance companies complied with the said criteria and postponed the application of IFRS 9 accordingly. Upon the deferral of the first-time application date of IFRS 17 to January 1, 2025, the Commissioner also postponed the first-time application date of IFRS 9 to January 1, 2025, accordingly.

A. The consolidated insurance companies' preparations for the application of IFRS 17 and IFRS 9 (hereinafter - the "**Companies**")

On August 12, 2024, the Commissioner published the Fourth Revision to the Roadmap, whereby it is not mandatory (but rather voluntary) for an insurance company to disclose the opening balances data as of the transition date in the Financial Statements of the third quarter of 2024. In accordance with the requirements, Menora Insurance filed the QIS-2 results, which includes the calculation of the opening balances only, on July 10, 2024. In addition, the companies are making preparations to submit to the Commissioner, by September 15, 2024, a report comprising on-balance sheet data in accordance with IFRS 17 and IFRS 9 as of January 1, 2024 and March 31, 2024, and operating results data for the three-month period ended March 31, 2024.

Notes to the Consolidated Interim Financial Statements

NOTE 8 - 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 (cont.)

A. The consolidated insurance companies' preparations for the application of IFRS 17 and IFRS 9 (hereinafter - the "**Companies**") (cont.)

For the purpose of the preparations made by insurance companies in Israel for the adoption of IFRS 17, on August 12, 2024, the Commissioner published a tenth revision of the draft insurance circular entitled "Professional Issues Pertaining to the Implementation of IFRS 17 in Israel" (hereinafter - the "**Professional Issues Circular**"). The Revision refers, among other things, to clarifications in connection with the calculation of the weight of the illiquidity premium and the setting of the confidence interval, and includes guidance regarding the calculation of the fair value of Hetz bonds. The accounting policies described below are based, among other things, on this circular.

As part of the standards' adoption process, Menora Insurance is in the final stages of the implementation and integration of IT systems, which are necessary for the implementation of the provisions. So far, the Companies complied with all the milestones required in the project in accordance with the Capital Market Authority's Roadmap. In addition, the Companies are testing and mapping the required controls and the flow of information to the financial statements, and making preparations for the execution of the second QIS for assessing the effects of the first-time application of IFRS 17 and IFRS 9, as noted above.

The Companies are in the final stages of formulating the accounting policies in accordance with the standard's provisions, and are assessing the effects of the draft insurance circular entitled "Professional Issues Pertaining to the Implementation of IFRS 17 in Israel", (Tenth Revision) which was published in August 2024. In addition, Menora Insurance completed the acceptance tests of the IT system, and as of the reporting date, there are a number of topics, which are being addressed by the implementer; Menora Insurance expects that they will be completed by the end of the third quarter of the year. Furthermore, the Companies mapped the key controls in the new reporting process, and are currently alter the controls based on parallel runs.

B. IFRS 17 - Main changes in the accounting policies

Following are the main requirements and accounting policies, which were selected by the consolidated insurance companies (hereinafter - the "**Companies**"):

- **The Standard's scope**

IFRS 17 applies to contracts, which meet the definition of an insurance contract and include:

a) Insurance contracts, including reinsurance contracts issued by the companies;
b) Reinsurance contracts held by the Companies; and
c) Investment contracts with discretionary participation features, which the companies issue, provided they also issues insurance contracts.

An insurance contract may contain one or more components, which would be within the scope of another standard if they were separate contracts. For example, insurance contracts may include:

- Investment component
- A service component in addition to the insurance contract services (hereinafter - the "**Service Component**")
- Embedded derivatives

IFRS 17 stipulates that an Investment Component and a Service Component will be separated from the insurance contract only if they are distinct. An embedded derivative shall be separated only if it meets the criteria set forth in IFRS 9. Where these components were separated from the insurance contract, they will be accounted for within the scope of the relevant standard.

NOTE 8 - 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 (cont.)

B. IFRS 17 - Main changes in the accounting policies (cont.)

- **Measurement model**

The standard includes three models for measuring the liability in respect of insurance contracts:

1. The general measurement model (GMM)

   In accordance with this model, which constitutes the standard's default model, the liability in respect of groups of insurance contracts should be measured, at the initial recognition date, as the present value of the discounted best-estimate of future cash flows, plus an explicit risk adjustment (RA) in respect of the non-financial risks. The expected income from the insurance contracts, which is derived from such calculations, shall be recognized as a liability (contractual service margin - CSM), which will be recognized in profit and loss over the coverage period. If there is an expected loss, a loss component will arise, and it will be recognized immediately. Such liability components are classified into two types of liabilities: Liability for remaining coverage (LRC) and liability for incurred claims (LIC).

   In subsequent periods, the contractual service margin will be adjusted in respect of changes in non-financial assumptions related to the future service. If the contractual service margin reached zero as a result of those changes, any change beyond that will be recognized immediately in profit and loss. On the other hand, changes arising from the time value of money and financial risks are recognized immediately under finance expenses in respect of insurance contracts.

   In held reinsurance contracts, the contractual service margin may be an asset or a liability and it represents the net expected cost or the net expected income, respectively. If a reinsurance contract exists upon recognition of a loss component in respect of a group of insurance contracts covered by it, the companies will recognize immediately an income in respect of the reinsurance contract (loss recovery component) against adjustment of the contractual service margin.

   The net cost of a held reinsurance contract, which covers the negative development of insured events, which took place before the contract was entered into, will be recognized as an expense immediately. On the other hand, a net gain of such a reinsurance contract will be recognized in profit and loss over the coverage period.

   Menora Insurance is expected to implement the GMM model for all life and health insurance products, which are not sold as part of a contract with a yield-dependent savings component, except for Short-Term Health Insurance subsegments, whose coverage period is up to one year. All reinsurance contracts in the Life and Health Insurance Segments will be measured using the GMM model.

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 Insurance 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.

   IFRS 17 defines an insurance contract with direct participation features as an insurance contract, unpot the entering into which:

Notes to the Consolidated Interim Financial Statements

NOTE 8 - 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 (cont.)

B. IFRS 17 - Main changes in the accounting policies (cont.)

- **Measurement model** (cont.)

The standard includes three models for measuring the liability in respect of insurance contracts: (cont.)

2. Variable fee approach - the VFA model (cont.)

a) The contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;

b) The Insurance Company expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and

c) The Insurance 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.

In accordance with the VFS model, the cash flows for the fulfillment of the contract are composed of the liability to pay the policyholder an amount equal to the fair value of the underlying items, net of the variable fee in respect of the service. A change in the liability to pay the policyholder an amount equal to the fair value of the underlying items is recognized directly in finance expenses in respect of insurance contracts. The contractual service margin is adjusted in respect of changes in non-financial assumptions, as is the case in the GMM model, and in respect of financial changes, which affect the variable fee.

The VFS model is expected to significantly reduce the fluctuations in the Insurance Company's results in respect of insurance contracts, which include a participating savings component, arising from the actual performance of the capital market in the reporting period.

Reinsurance contracts held by the Companies do not qualify for measurement using the VFA model, in accordance with the standard's provisions.
Based on the mapping of the products with participation features, and the assessment of their components, the type of the charges, and the nature of investment management in respect thereof, Menora Insurance uses the VFA model to measure all policies, which include a yield-dependent savings component.

3. The premium allocation approach - the PAA model

This model is a simplification of the general measurement model; it can be applied to certain groups of insurance contracts, for which it provides a measurement, which is a reasonable approximation to a measurement in accordance with the general measurement model.

In accordance with this model, the liability in respect of the remaining coverage is determined as the total amount of the premiums received net of any insurance acquisition cash flows, and net of the premium amounts and insurance acquisition cash flows, which were recognized in profit or loss in respect of the coverage period, which elapsed. Premiums received and insurance acquisition cash flows are recognized in profit or loss over the coverage period on the basis of the passage of time. If insurance contracts in the group have a significant financing component, the companies shall adjust the carrying amount of the liability for remaining coverage to reflect the time value of money and the effect of financial risk in accordance with the interest rate curve as of initial recognition date, which is calculated as detailed in this note.

If facts and circumstances indicate that a group of insurance contracts is onerous, the companies measure the present value of the future cash flows plus a risk adjustment in respect of non-financial risks, as is the case in the principles of the general measurement model. If this amount exceeds the carrying amount of the liability in respect of the remaining coverage, the companies shall increase the liability in respect of the remaining coverage against an immediate recognition of a loss in the statement of profit and loss.

NOTE 8 - 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 (cont.)

B. IFRS 17 - Main changes in the accounting policies (cont.)

- **Measurement model** (cont.)

The standard includes three models for measuring the liability in respect of insurance contracts: (cont.)

3. The Premium Allocation Approach - the PAA model (cont.)

If a reinsurance contract exists upon recognition of a loss component in respect of a group of insurance contracts covered by it, the companies will recognize immediately an income in respect of the reinsurance contract (loss recovery component) against adjustment of the carrying amount of the asset for remaining coverage.

An insurance company may implement the Premium Allocation Approach only if upon inception of the group:

a) The coverage period of each contract in the group is one year or less; or

b) The companies reasonably expect that such simplification would produce a measurement of the liability for the remaining coverage period provided by the group that would not differ materially from the measurement that would result from applying the general measurement model.

The companies may apply the Premium Allocation Approach for held groups of reinsurance contracts, adapted to reflect the features of reinsurance contracts held, which differ from insurance contracts issued.

The Companies apply the premium allocation model (PAA) for all products (issued insurance contracts and held reinsurance contracts) in property and casualty insurance and short-term health insurance, excluding certain cases in which the Companies assess the effects on financial reporting as part of PAA eligibility tests, mainly due to issues of contract boundaries, and their effect on the measurement in terms of recognition of income from products where the release of the risk margin varies materially from the passage of time. For those cases, the Companies conduct an individual test of, among other things, the revenue recognition basis and its effect.

- **Aggregation level**

IFRS 17 requires the aggregation of insurance contract into groups for recognition and measurement purposes. The companies will determine the groups upon initial recognition and will not change the composition of the groups at a later date.

Initially, the companies are required to identify portfolios of insurance contracts. A portfolio comprises contracts subject to similar risks and managed together. Once it identified a portfolio, the companies shall divide it into a minimum of the following groups, based on the expected profitability upon initial recognition:

- A group of contracts, which are onerous at initial recognition;
- A group of contracts, which at initial recognition have no significant possibility of becoming onerous subsequently; and
- A group of the remaining contracts in the portfolio.

In accordance with the standard, for contracts to which the Company applies the PPA model, the Company shall assume no contracts in the portfolio are onerous at the initial recognition date, unless facts and circumstances indicate otherwise. IFRS 17 stipulates that an entity shall not include contracts issued more than one year apart in the same group, such that each underwriting year will be associated with a separate group of insurance contracts.

Notes to the Consolidated Interim Financial Statements

NOTE 8 - 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 (cont.)

B. IFRS 17 - Main changes in the accounting policies (cont.)

- **Aggregation level (cont.)**

The companies sell insurance contracts, which include a number of coverage types, which would have been classified into different insurance contract groups, had they been separate insurance contracts. The lowest unit of account in IFRS 17 is the insurance contract, with all insurance coverages included therein; therefore, the companies will usually allocate the insurance contract in its entirety to a single group of insurance contracts. It is only in cases where the legal form of the policy does not reflect the economic substance of the rights and obligations included in the contract, that the companies separate the coverages and recognize them as separate insurance contracts. This approach is materially different from the companies' policy under IFRS 4, whereunder the companies normally recognize and measure each coverage separately.
In addition, in certain cases the companies contract the same policyholder (or a related party thereof) in a set or a series of insurance policies. Normally, each policy in a set or a series shall be recognized as a separate insurance contract. In certain cases, the set or series of policies reflects the economic substance of a single insurance contract. In such cases, the companies will recognize and measure such policies as a single insurance contract.

IFRS 17 permits the inclusion of contracts in the same group if they belong to different groups only because a law or regulation specifically constrains the companies' practical ability to set a different price or level of benefits for policyholders with different characteristics. The companies' proportionate share in compulsory motor insurance policies issued through the Pool meets this requirement; therefore, the companies opted to include its proportionate share in these policies in the same group as the ordinary compulsory motor insurance policies sold by the companies.

- **Contract boundaries**

Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations which exist during the reporting period in which the companies can compel the policyholder to pay the premiums or in which they have a substantive obligation to provide the policyholder with services. A substantive obligation to provide services ends when the companies has the practical ability to reassess the risks of the particular policyholder (single policyholder) or the insurance contracts portfolio. At this point, the companies have the practical ability to set a new price or to change the terms of the benefits that fully reflect the same risks, provided that in the pricing at the portfolio level the overall premium did not include a future cost risk. The companies' practical ability to set a price at a future date, which fully reflects the risks in the contract from that date, exists in the absence of constraints, which prevent the companies from setting the same price they would for a new contract with the same characteristics as the existing contract.
When determining the contract boundaries of insurance contracts, the companies assess each contract separately and weigh all the substantive obligations and rights, regardless of whether they arise from a contract, law or regulation, and ignoring conditions with no commercial substance.

Cash flows are within the boundary of a reinsurance contract if they arise from substantive rights and obligations, which exist during the reporting period, in which the companies are compelled to pay amounts to the reinsurer or have a substantive right to receive services from the policyholder. A substantive right to receive services from the reinsurer ends when the reinsurer has a practical ability to reassess the risks transferred to it, and can set a new price or change the terms of the benefits, such that they fully reflect those risks, or alternatively, when the reinsurer has a substantive right to discontinue the coverage.
As part of the analysis of the discrepancies between the current contract boundaries approach and the standard's requirements, no material discrepancies were identified.

Notes to the Consolidated Interim Financial Statements

NOTE 8 - 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 (cont.)

B. IFRS 17 - Main changes in the accounting policies (cont.)

- **Risk adjustment (RA) in respect of non-financial risk**

The RA reflects the compensation, which the companies demand for bearing the uncertainty regarding the amount and timing of the cash flows arising from non-financial risks, which include insurance risk and other non-financial risks, such as lapse risk, and expenses risk. The RA also reflects the following:

- The level of compensation for diversification that the companies include when setting the compensation it claims for bearing that risk; and
- Both favorable and unfavorable outcomes, in a way which reflects the companies' degree of risk aversion.

The companies adjust the estimated present value of the future cash flows in respect of this amount, which is reflected separately in the companies' total liabilities. IFRS 17 does not specify the estimation techniques used to determine the risk adjustment for non-financial risk. As noted above, in view of the publication of the Professional Issues Circular by the Capital Market Authority on August 12, 2024, the Companies are still assessing the manner by which they will determine the risk adjustment (RA) in respect of non-financial risk margin, and the rate of confidence interval, which will be taken into account.

- **The interest rate curves**

IFRS 17 stipulates that the estimates of future cash flows should be adjusted to reflect the time value of money and the financial risks related to those cash flows, to the extent that the financial risks are not included in the estimates of the cash flows.

The standard stipulates that the discount rates applied to the estimates of the future cash flows shall:

a) reflect the time value of money, the characteristics of the cash flows and the liquidity characteristics of the insurance contracts;

b) be consistent with observable current market prices (if any) for financial instruments with cash flows whose characteristics are consistent with those of the insurance contracts, in terms of, for example, timing, currency and liquidity; and

c) exclude the effect of factors, which influence such observable market prices but do not affect the future cash flows of the insurance contracts.

Menora Insurance will determine the discount rate curves for IFRS 17 purposes using the bottom-up approach, which is the default approach according to the Capital Market Authority's draft.

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

The CSM represents the liability in respect of the unearned income relating to future services. In accordance with the standard, the CSM will be recognized in profit and loss over the coverage period through a pattern, which reflects the insurance service provided by the companies in connection with the contracts, which are included in the insurance contracts group. 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 in connection with the insurance contracts group.

The number of coverage units in a group is the quantity of coverage 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.

NOTE 8 - 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 (cont.)

B. IFRS 17 - Main changes in the accounting policies (cont.)

- **Cash flows for purchase of insurance**

Insurance acquisition cash flows are cash flows arising from the costs to sell, underwriting and starting a group of insurance contracts which are directly attributable to the portfolio of insurance contracts to which the group belongs. When insurance acquisition cash flows are directly attributable to a group of insurance contracts, they will be allocated to that group and to groups, which will include insurance contracts, which are expected to arise from renewals of the insurance contracts within that group, where relevant. Insurance acquisition cash flows, which are directly attributable to a portfolio of insurance contracts, will be allocated to groups of contracts in the portfolio, including groups of insurance contracts, which have not yet been recognized. If the companies allocated an insurance acquisition cash flows amount to insurance contracts which have not yet been recognized, this amount will be recognized as a separate asset.

Insurance acquisition cash flows relating to insurance contracts, which have already been recognized, will be included in the measurement of the insurance contracts as part of the present value of the future cash flows, and will reduce the value of the CSM (in the GMM/VFA model), or the carrying amount of the liability in respect of the remaining coverage in the PAA model. This is a significant change in relation to the policy as per IFRS 4, whereby all insurance acquisition cash flows were recognized and measured as a separate asset in the statement of financial position. It should be noted that consequently in the GMM/VFA model the insurance acquisition cash flows will be recognized in the companies' profit or loss in accordance with the timing of the CSM release, instead of the amortization method currently in place, which is based on straight line amortization plus taking into account actual cancellations.

- **Presentation**

Under IFRS 17, the companies will disaggregate the amounts recognized in the statement profit or loss and other comprehensive income into:

A. Insurance service results, comprising insurance revenue and insurance service expenses; and

B. Finance income or finance expenses from insurance.

The above disaggregation shall increase transparency as to the companies' sources of income.

Insurance service results

Total income from insurance contracts for a group of insurance contracts is the consideration for the contracts adjusted to reflect finance effects.

Income from insurance services in the GMM and VFA model shall be calculated based on the decrease in liability in respect of the remaining coverage in respect of the services provided in the period plus the allocation of the premiums amount relating to recovery of the insurance acquisition cash flows for the reporting period. The companies will make this allocation in accordance with the coverage units used to release the CSM. In the PAA model, income from insurance services are recognized over the coverage period based on the passage of time.

Investment components, which were not separated from the insurance contracts, will not be recognized in expenses and income from insurance contracts. These components represent amounts, which will be refunded to the policyholder in any case, even if an insured event did not take place, and constitute a kind of a deposit deposited by the policyholder. Therefore, this amount does not constitute a part of the consideration received by the companies in respect of the service, and its refund does not constitute part of the companies' expenses.

Notes to the Consolidated Interim Financial Statements

NOTE 8 - 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 (cont.)

B. IFRS 17 - Main changes in the accounting policies (cont.)

- **Presentation (cont.)**

Insurance service results (cont.)

The key investment components which were identified are in products which included a savings component. Following the above, the companies expect that its income and expenses will decline significantly in the transition to IFRS 17, with no effect on comprehensive income.

Expenses which are directly attributable to sale and fulfillment of the insurance contracts shall be included in the measurement of the insurance contract, and recognized as an expense as part of insurance service results. Expenses which are not directly attributable to the insurance contracts will be recognized as an expense as incurred outside the insurance service results.

Finance income or finance expenses from insurance

Under IFRS 17, changes in the carrying amount of the group of insurance contracts arising from the effect of the time value of money and changes in the time value of money; and the effect of financial risk and changes in financial risk are recognized as insurance finance income or expenses.

IFRS 17 stipulates that the companies shall make an accounting policy choice between:

a) including insurance finance income or expenses for the period in profit or loss; or
b) Disaggregating insurance finance income and expenses for the period between profit or loss and other comprehensive income.

This selection is carried out at the level of the insurance contracts portfolio.

- **Transitional Provisions**

IFRS 17 should be applied retrospectively (hereinafter - "**Full Retrospective Application**"), unless this is impractical.

In applying the Full Retrospective Application, the companies shall identify, recognize and measure each group of insurance contracts and any assets with respect to insurance acquisition cash flows as if IFRS 17 is applied retrospectively. Furthermore, the companies shall derecognize any existing balances, which would not exist had IFRS 17 always applied. Any resulting net difference will be recognized in equity. The transition date is January 1, 2024, such that upon initial application the companies will restate the comparative figures for 2024.

If Full Retrospective Application for a group of insurance contracts and/or an asset in respect of insurance acquisition cash flows is impractical, the companies shall apply one of the following approaches:

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 (FVA) - in this approach the company determines 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.

The Companies will implement the retrospective application approach for the property and casualty insurance portfolios.

Menora Insurance is of the opinion that it is impractical to apply IFRS 17 retrospectively to groups of life and health insurance contracts.

Notes to the Consolidated Interim Financial Statements

NOTE 8 - 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 (cont.)

B. IFRS 17 - Main changes in the accounting policies (cont.)

- **Classification and measurement**

Financial assets

In implementing IFRS 9, the companies will classify financial assets in accordance with their subsequent measurement at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss, based on the entity's business model for financial asset management, and the characteristics of the projected cash flow from the financial asset.

A financial asset will be measured at amortized cost if the two following conditions are fulfilled:

a) The financial asset is held according to 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**").

A financial asset will be measured at fair value through other comprehensive income if the two following conditions are fulfilled:

a) The financial asset is held within a business model whose objective is to collect contractual cash flows and to sell financial assets; and

b) The principal and interest criterion is fulfilled.

A financial asset will be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income.

Notwithstanding the foregoing, on initial recognition date, the companies may designate a financial asset as measured at fair value through profit or loss if such designation eliminates or significantly reduces a measurement or recognition inconsistency, which would have otherwise arisen from the measurement of assets or liabilities or from recognition of gains and losses thereon using other bases.

C. IFRS 9 - Main changes in the accounting policies

- **Financial asset impairment model**

At each reporting date, the companies 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 companies shall differentiate between two situations of recognition of a provision for loss:

a) Debt instruments with no significant impairment in credit quality since initial recognition 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 initial recognition 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 companies shall apply the expedient provided by the Standard, under the assumption 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.

The impairment in respect of debt instruments measured at amortized cost shall be recognized in profit or loss against a provision, whereas the impairment in respect of debt instruments measured at fair value through other comprehensive income shall be recognized against capital reserve, and will not reduce the carrying amount of the financial asset in the statement of financial position.

Appendix to the Consolidated Interim Financial Statements

Details of other financial investments of Consolidated Insurance Companies

A. Other financial investments

		As of June 30, 2024			
	Details in section	Measured at fair value through profit and loss	Available-for-sale	Loans and receivables	Total
		Unaudited			
		NIS thousand			
Liquid debt assets	B	20,082	3,431,994	-	3,452,076
Illiquid debt assets	C	-	-	8,172,659	8,172,659
Shares	D	6,142	1,203,043	-	1,209,185
Other	E	17,848	3,234,586	-	3,252,434
Total		44,072	7,869,623	8,172,659	16,086,354

		As of June 30, 2023			
	Details in section	Measured at fair value through profit and loss	Available-for-sale	Loans and receivables	Total
		Unaudited			
		NIS thousand			
Liquid debt assets	B	34,114	3,657,551	-	3,691,665
Illiquid debt assets	C	-	-	7,789,134	7,789,134
Shares	D	15,312	1,129,019	-	1,144,331
Other	E	7,082	3,008,482	-	3,015,564
Total		56,508	7,795,052	7,789,134	15,640,694

		As of December 31, 2023			
	Details in section	Measured at fair value through profit and loss	Available-for-sale	Loans and receivables	Total
		Audited			
		NIS thousand			
Liquid debt assets	B	28,789	4,039,165	-	4,067,954
Illiquid debt assets	C	-	-	7,848,008	7,848,008
Shares	D	6,542	1,176,047	-	1,182,589
Other	E	68,647	3,054,584	-	3,123,231
Total		103,978	8,269,796	7,848,008	16,221,782

Appendix to the Consolidated Interim Financial Statements

Details of other financial investments of Consolidated Insurance Companies (cont.)

B. Liquid debt assets

	As of June 30, 2024	
	Carrying amount	Amortized cost
	Unaudited	
	NIS thousand	
Government bonds	1,781,310	1,889,203
Other debt assets:		
Other non-convertible debt assets	1,652,896	1,737,840
Other convertible debt assets	17,870	19,539
Total liquid debt assets	3,452,076	3,646,582
Regular impairments carried to profit and loss (aggregate)	20,074	

	As of June 30, 2023	
	Carrying amount	Amortized cost
	Unaudited	
	NIS thousand	
Government bonds	1,612,300	1,596,835
Other debt assets:		
Other non-convertible debt assets	2,048,797	2,226,675
Other convertible debt assets	30,568	29,028
Total liquid debt assets	3,691,665	3,852,538
Regular impairments carried to profit and loss (aggregate)	44,630	

	As of December 31, 2023	
	Carrying amount	Amortized cost
	Audited	
	NIS thousand	
Government bonds	2,018,287	2,005,567
Other debt assets:		
Other non-convertible debt assets	2,023,495	2,102,832
Other convertible debt assets	26,172	28,236
Total liquid debt assets	4,067,954	4,136,635
Regular impairments carried to profit and loss (aggregate)	29,769	

Appendix to the Consolidated Interim Financial Statements

Details of other financial investments of Consolidated Insurance Companies (cont.)

C. Illiquid debt assets

	As of June 30, 2024	
	Carrying amount	Fair value
	Unaudited	
	NIS thousand	
Government bonds		
Designated bonds	2,620,466	3,011,009
Other debt assets:		
Non-convertible	5,552,193	5,456,036
Total illiquid debt assets	8,172,659	8,467,045
Regular impairments carried to profit and loss (aggregate)	92,229	

	As of June 30, 2023	
	Carrying amount	Fair value
	Unaudited	
	NIS thousand	
Government bonds		
Designated bonds	2,558,050	3,166,164
Other debt assets:		
Non-convertible	5,231,084	5,108,872
Total illiquid debt assets	7,789,134	8,275,036
Regular impairments carried to profit and loss (aggregate)	88,268	

	As of December 31, 2023	
	Carrying amount	Fair value
	Audited	
	NIS thousand	
Government bonds		
Designated bonds	2,574,482	3,106,021
Other debt assets:		
Non-convertible	5,273,526	5,195,055
Total illiquid debt assets	7,848,008	8,301,076
Regular impairments carried to profit and loss (aggregate)	86,917	

Appendix to the Consolidated Interim Financial Statements

Details of other financial investments of Consolidated Insurance Companies (cont.)

D. Shares

	As of June 30, 2024	
	Carrying amount	Cost
	Unaudited	
	NIS thousand	
Liquid shares	784,290	715,720
Illiquid shares	424,895	337,436
Total shares	1,209,185	1,053,156
Regular impairments carried to profit and loss (aggregate)	42,452	

	As of June 30, 2023	
	Carrying amount	Cost
	Unaudited	
	NIS thousand	
Liquid shares	710,161	615,282
Illiquid shares	434,170	318,423
Total shares	1,144,331	933,705
Regular impairments carried to profit and loss (aggregate)	60,057	

	As of December 31, 2023	
	Carrying amount	Cost
	Audited	
	NIS thousand	
Liquid shares	775,057	687,107
Illiquid shares	407,532	324,680
Total shares	1,182,589	1,011,787
Regular impairments carried to profit and loss (aggregate)	55,362	

Appendix to the Consolidated Interim Financial Statements

Details of other financial investments of Consolidated Insurance Companies (cont.)

E. Other financial investments

	As of June 30, 2024	
	Carrying amount	Cost
	Unaudited	
	NIS thousand	
Other liquid financial investments	176,730	153,990
Other illiquid financial investments	3,075,704	2,717,904
Total other financial investments	3,252,434	2,871,894
Regular impairments carried to profit and loss (aggregate)	136,894	

	As of June 30, 2023	
	Carrying amount	Cost
	Unaudited	
	NIS thousand	
Other liquid financial investments	274,739	265,634
Other illiquid financial investments	2,740,825	2,358,449
Total other financial investments	3,015,564	2,624,083
Regular impairments carried to profit and loss (aggregate)	89,757	

	As of December 31, 2023	
	Carrying amount	Cost
	Audited	
	NIS thousand	
Other liquid financial investments	200,428	185,061
Other illiquid financial investments	2,922,803	2,523,756
Total other financial investments	3,123,231	2,708,817
Regular impairments carried to profit and loss (aggregate)	112,920	

Financial investments classified as “other” mainly include investments in ETFs, participation units in mutual funds, investment funds, financial derivatives, futures, options and structured products.

Chapter D

Data from the Financial Statements Attributed to the Company

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

As of June 30, 2024

Unaudited

Regulation 38D

Menora Mivtachim Holdings Ltd.

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

As of June 30, 2024

Unaudited

Regulation 38D

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Building a better working world

To:
The Shareholders of Menora Mivtachim Holdings Ltd.

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

Introduction

We have reviewed the separate interim financial information provided in accordance with Regulation 38D to the Securities Regulations (Periodic and Immediate Reports), 1970 of Menora Mivtachim Holdings Ltd. (hereinafter – the "**Company**") as of June 30, 2024 and for the six-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.

Neither did we review these condensed interim financial information of equity-accounted companies, the investment in which amounted to approx. NIS 368,864 thousand as of June 30, 2024, and the Company's share in the profits of which amounted to NIS 31,249 thousand and a total of NIS 17,779 thousand for the six- and three-month periods then ended, respectively. The condensed interim financial information of the above companies was audited by other independent auditors, whose review reports have been furnished to us, and our conclusion, insofar as it relates to financial information in respect of these companies, is based on the review reports of the other independent auditors.

Scope of the Review

We performed our review pursuant to Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of Interim Separate Financial Information consists of inquiries, mostly of persons responsible for financial and accounting issues, and of applying analytical and other review procedures. A review is substantially smaller in scope than an audit performed pursuant to generally accepted auditing standards in Israel and, as a result, does not enable us to obtain assurance that we would become aware of all significant matters that may be identified in an audit. Consequently, we are not expressing an audit opinion.

Conclusion

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

Tel Aviv
August 28, 2024

Kost Forer Gabbay & Kasierer
CPAs

Financial Data from the Consolidated Statements of Financial Position

	As of June 30		As of December 31
	2024	2023	2023
	Unaudited		Audited
	NIS thousand		
Current assets			
Cash and cash equivalents	39,169	27,108	15,780
Financial investments	392,656	411,949	339,730
Current tax assets	7,420	-	-
Receivables and debit balances	1,315	1,184	2,501
Current balances with investees	7,937	12,428	12,704
Total current assets	448,497	452,669	370,715
Non-current assets			
Loans and receivables	31,197	24,680	31,213
Investments in investees	6,243,059	5,442,115	5,957,611
Loans to investees	353,187	636,942	398,039
Assets for employee benefits	13,540	11,260	11,565
Property, plant & equipment	1,345	1,625	1,694
Deferred taxes	16,235	20,574	18,022
Total non-current assets	6,658,563	6,137,196	6,418,144
	7,107,060	6,589,865	6,788,859
Current liabilities			
Current maturities of financial liabilities	53,273	53,233	53,322
Current tax liabilities	-	4,139	1,805
Futures	-	6,406	800
Payables and credit balances	8,861	11,315	9,211
Current balances with investees	2,672	2,417	1,886
Total current liabilities	64,806	77,510	67,024
Non-current liabilities			
Financial liabilities	272,859	320,015	269,968
Liabilities for employee benefits	21,481	20,715	21,030
Excess loss over investments in investees	-	107,605	-
Total non-current liabilities	294,340	448,335	290,998
Equity attributable to the Company's shareholders			
Share capital	99,429	99,429	99,429
Share premium	331,960	332,985	332,985
Treasury shares	(94,267)	(100,200)	(100,200)
Capital reserves	778,474	801,662	828,474
Retained earnings	5,632,318	4,930,144	5,270,149
Total equity capital	6,747,914	6,064,020	6,430,837
	7,107,060	6,589,865	6,788,859

August 28, 2024			
Approval date of the financial statements	**Eran Griffel Chairman of the Board**	**Ari Kalman CEO**	**Ran Kalmi CFO**

Financial Data from the Consolidated Statements of Profit or Loss

	For the 6 months ended June 30		For the 3 months ended June 30		For the year ended December 31
	2024	2023	2024	2023	2023
	Unaudited		Unaudited		Audited
	NIS thousand				
Income					
Income from investees	523,822	88,993	290,366	14,250	501,436
Investment and financing income (losses)	11,688	(5,875)	2,447	(1,296)	3,963
Finance income for loans to investees	11,183	25,184	7,804	12,157	24,953
Income from management fees from investees	5,772	5,497	2,704	2,680	10,896
Total income	552,465	113,799	303,321	27,791	541,248
Expenses					
Finance expenses	2,212	2,977	1,106	1,496	5,723
General and administrative expenses	7,908	8,526	3,662	4,030	18,466
Total expenses	10,120	11,503	4,768	5,526	24,189
Profit before taxes on income	542,345	102,296	298,553	22,265	517,059
Taxes on income	3,627	1,895	1,599	1,101	2,679
Net income	538,718	100,401	296,954	21,164	514,380

Financial Data from the Consolidated Statements of Comprehensive Income

	For the 6 months ended June 30		For the 3 months ended June 30		For the year ended December 31
	2024	2023	2024	2023	2023
	Unaudited		Unaudited		Audited
	NIS thousand				
Net income attributable to the Company	538,718	100,401	296,954	21,164	514,380
Other comprehensive income (loss) that, subsequent to initial recognition in comprehensive income, was or will be carried to profit and loss					
Other comprehensive income (loss) attributable to the investees, net	(46,700)	163,384	(35,897)	90,616	150,539
Other comprehensive income (loss) not transferred to profit and loss					
Loss due to remeasurement of defined benefit plans	(148)	(195)	(103)	(240)	(281)
Tax benefit	(34)	(45)	(24)	(55)	(65)
	(114)	(150)	(79)	(185)	(216)
Other comprehensive income (loss) attributable to the investees, net	(1,435)	948	(1,161)	(508)	44,155
Total other comprehensive income (loss) not transferred to profit and loss	(1,549)	798	(1,240)	(693)	43,939
Total other comprehensive income (loss), net	(48,249)	164,182	(37,137)	89,923	194,478
Total comprehensive income attributable to the Company	490,469	264,583	259,817	111,087	708,858

Financial Data from the Consolidated Statements of Cash Flows

	For the 6 months ended June 30		For the 3 months ended June 30		For the year ended December 31
	2024	2023	2024	2023	2023
	Unaudited		Unaudited		Audited
	NIS thousand				
Cash flows from operating activities					
Net income	538,718	100,401	296,954	21,164	514,380
Adjustments required to present cash flows from operating activities:					
Adjustments to profit and loss line items:					
Losses (income) from investments and financing, net	(10,125)	6,314	(106)	2,791	(7,233)
Depreciation	234	304	117	120	550
Cost of share-based payment	215	438	95	158	187
Income from investees	(523,822)	(88,993)	(290,366)	(14,250)	(501,436)
Taxes on income	3,627	1,895	1,599	1,101	2,679
	(529,871)	(80,042)	(288,661)	(10,080)	(505,253)
Changes in assets and liabilities line items:					
Change in liabilities for employee benefits	(1,672)	(63)	(1,458)	(172)	(139)
Decrease (increase) in other receivables and debit balances	6,149	6,149	253	2,384	(34,734)
Increase (decrease) in payables and credit balances	(2,697)	(40)	(2,652)	228	(1,633)
	1,780	6,046	(3,857)	2,440	(36,506)
Cash paid and received during the period:					
Interest paid	-	-	-	-	(6,279)
Interest received	5,187	5,885	1,643	3,016	16,364
Taxes paid	(11,023)	(8,034)	(3,696)	(7,942)	(8,928)
Taxes received	-	1,785	-	1,785	1,813
Dividend received	299,979	46,035	49,599	45,570	51,576
	294,143	45,671	47,546	42,429	54,546
Net cash provided by operating activities attributable to the Company as a parent company	304,770	72,076	51,982	55,953	27,167
Net cash provided by (used for) operating activities for transactions with investees	(93)	(17,343)	3,722	(8,189)	(8,719)
Net cash provided by operating activities	304,677	54,733	55,704	47,764	18,448

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

	For the 6 months ended June 30		For the 3 months ended June 30		For the year ended December 31
	2024	2023	2024	2023	2023
	Unaudited		Unaudited		Audited
	NIS thousand				
Cash flows provided by investing activities					
Purchase of property, plant and equipment	-	(9)	-	(5)	(9)
Proceeds from realization (purchases) of securities measured at fair value through profit and loss, net	(47,536)	(9,039)	(66,794)	10,060	150,066
Repayment of long-term loans	116	22,841	338	30,722	13,578
Net cash provided by (used for) investing activities attributable to the Company as a parent company	(47,420)	13,793	(66,456)	40,777	163,635
Net cash provided by (used for) investing activities for transactions with investees	(58,766)	18,894	(54,691)	153	21,966
Net cash provided by (used for) investing activities	(106,186)	32,687	(121,147)	40,930	185,601
Cash flows provided by financing activities					
Share buyback by the Company	-	-	-	-	(53,346)
Repayment of financial liabilities	(204)	(89)	(163)	(43)	-
Dividend paid to the Company's shareholders	(175,000)	(100,000)	(175,000)	(100,000)	(175,000)
Net cash used in financing activities	(175,204)	(100,089)	(175,163)	(100,043)	(228,346)
Exchange rate differences in respect of cash and cash equivalent balances	102	142	60	183	442
Increase (decrease) in cash and cash equivalents	23,389	(12,527)	(240,546)	(11,166)	(23,855)
Balance of cash and cash equivalents as of the beginning of the period	15,780	39,635	279,715	38,274	39,635
Balance of cash and cash equivalents as of the end of the period	39,169	27,108	39,169	27,108	15,780
Noncash activity					
Conversion of loans granted to consolidated companies for capital notes	-	-	-	-	244,608
Financial investments received as dividend	-	-	-	-	45,000
Dividend against receivables and debit balances	-	1,200	-	1,200	-

Additional Information

1. Significant Accounting Policies

This Interim Separate Financial Information is prepared in condensed format, in accordance with Regulation 38D of the Securities Regulations (Financial and Immediate Reports), 1970 and does not include all the information required under Regulation 9C and the Tenth Addendum to the Securities Regulation (Periodic and Immediate Reports), 1970. This financial information should be read in conjunction with the Separate Financial Information as of December 31, 2023 and for the year then ended and the accompanying notes.

The accounting policy applied to preparing this separate financial information is consistent with the one applied in preparing the separate financial information as of December 31, 2023.

2. Events during to the reporting period and thereafter

A. For details regarding the dividend distributed by the Company during and after the reporting period, see Note 5, Subsegments G and L to the Consolidated Financial Statements.

B. For details regarding the dividends distributed by the consolidated companies during the reporting period and thereafter, see Note 5, Subsections H-K to the Consolidated Financial Statements.

C. For details regarding additional investment made by the Company in Ampa Capital during the reporting period, see Note 7F.