



Analyst Presentation

# Menora Mivtachim

Quarter 1 2025



# General Clarifications

---

This presentation includes only partial information regarding the Group's results for the period ended March 31, 2025 and was prepared solely for the sake of brevity and convenience. The presentation does not include the full information needed by an investor to make a decision on investing in the Company's securities and is not intended to serve as a substitute for the need to review the full reports (both periodic and immediate) published by the Company on the MAGNA System, which include the full information regarding the Company.

This presentation does not constitute an offer to acquire securities of the Company, or an invitation to receive such offers, nor does it constitute a recommendation or an opinion regarding investment in the Company's securities, and is intended for the provision of information only, as part of providing explanations about the Company.

Forecasts, assessments, estimates, and data with respect to future events whose materialization is uncertain and/or which are not under the Group's control and/or any other information which constitutes forward-looking information (as the term is defined in the Securities Law, 1968), which are included, if any, in this presentation, are based on subjective assessments of the Group's management, at its discretion, according to past experience and professional knowledge it has gained, based on facts and data known as of this date with respect to the Company's current position and regarding the other Group companies and business analysis by area of activity, market conditions, macroeconomic forecasts and economic developments in Israel and around the world, as well as the Company's plans. Naturally, any forecasts, assessments, estimates and forward-looking information involve uncertainty and their materialization depends on various factors, including factors which are outside the control of the Company and other Group companies – each of which, or a combination thereof, as well as materialization of any of the risk factors characterizing the activities of the Company and other Group companies may cause the forecasts, assessments, estimates and forward-looking information not to materialize or to materialize differently, even in a materially different manner than expected.



**01**

**Transition from IFRS4 to IFRS17**

**02**

**Operating Results Highlights**

**03**

**Details of Changes in Income by Segment**

**04**

**The Group's strengths in the IFRS17 era**

**05**

**Business strengths of the Group**



# 01 | Transition from IFRS4 to IFRS17



The logo for IFRS 17 is displayed on a dark blue vertical banner. It features the text "IFRS" in a white serif font above the number "17" in a larger white serif font. The banner is decorated with three horizontal wavy stripes in light purple, yellow, and light purple. The background of the slide shows a modern glass skyscraper under a clear blue sky.

# IFRS 17

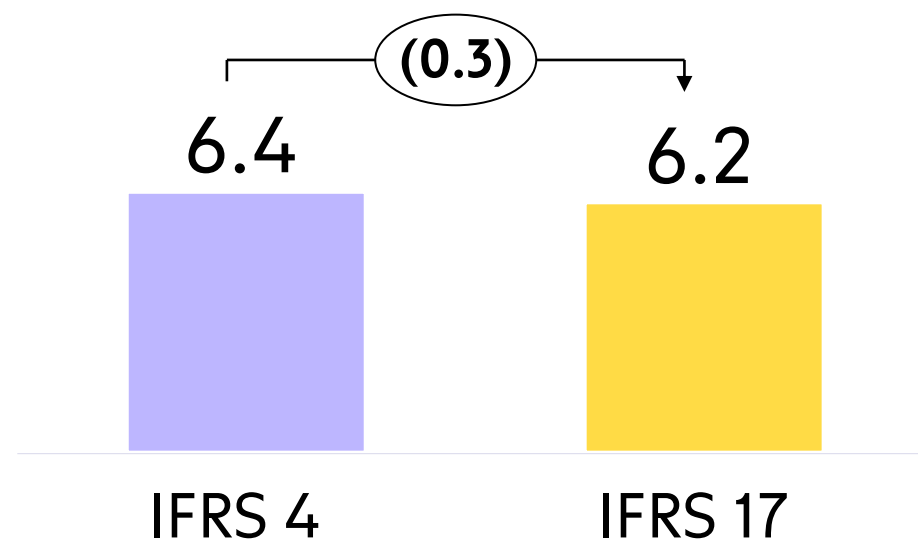
## Transition from IFRS4 to IFRS17

---

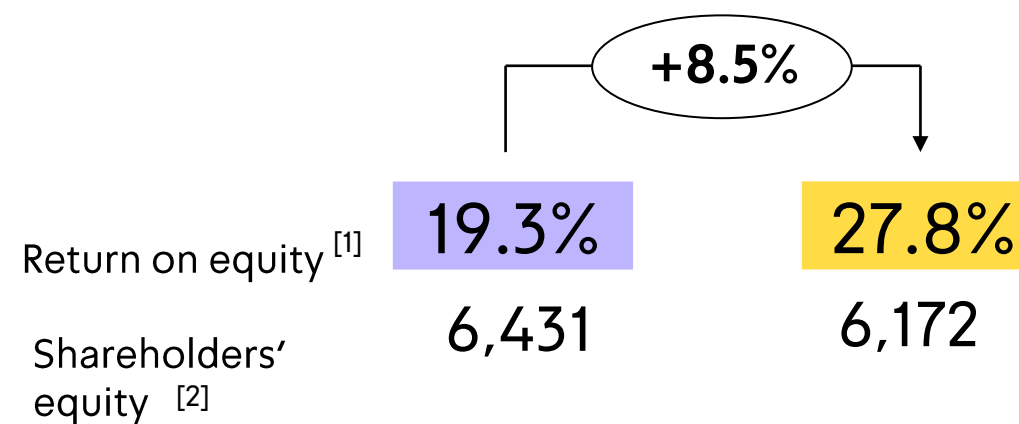
- On January 1, 2025, IFRS17 and IFRS9 standards (hereinafter referred to as "IFRS17" for convenience) are implemented for the first time, with the transition date from IFRS4 to IFRS17 being January 1, 2024. Accordingly, the comparative figures for the first quarter of 2024 and for the year 2024 have been restated
- The new standard brings significant changes to the company's financial reporting in the areas of life insurance and health insurance, with a negligible impact on general insurance. Other activities (pension, provident funds, credit, agencies, etc.) remain unchanged.

# Transition from IFRS4 to IFRS17 – Data for 2024

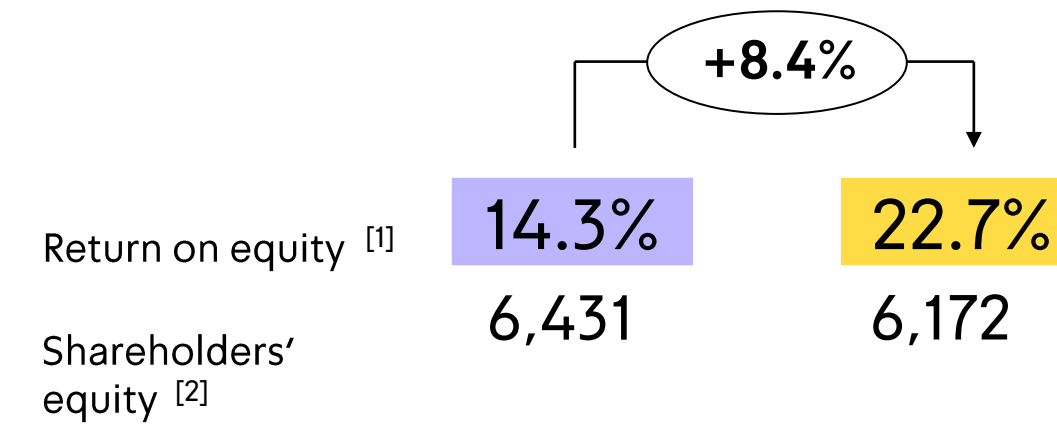
**Change in the equity**  
as of January 1, 2024 | in NIS billion



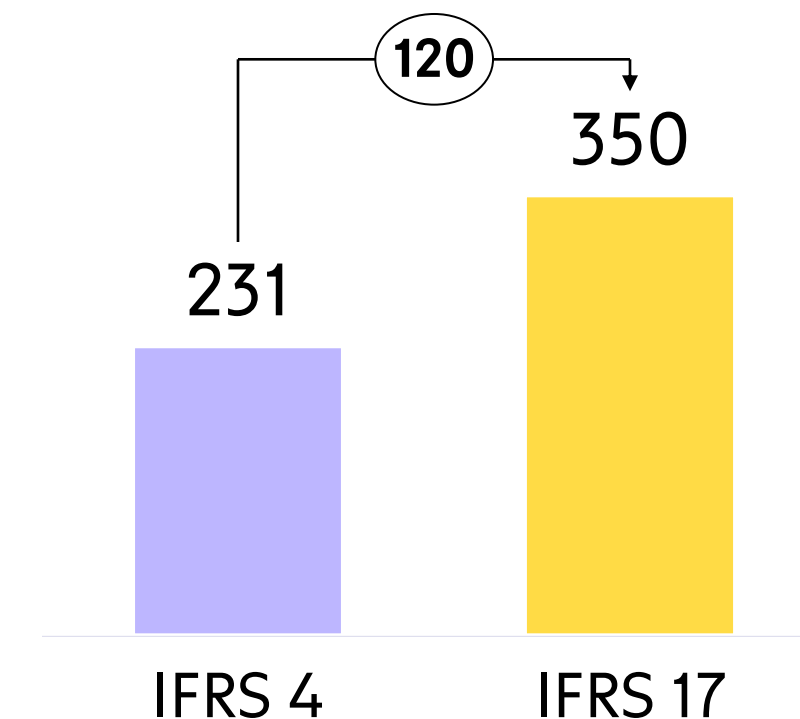
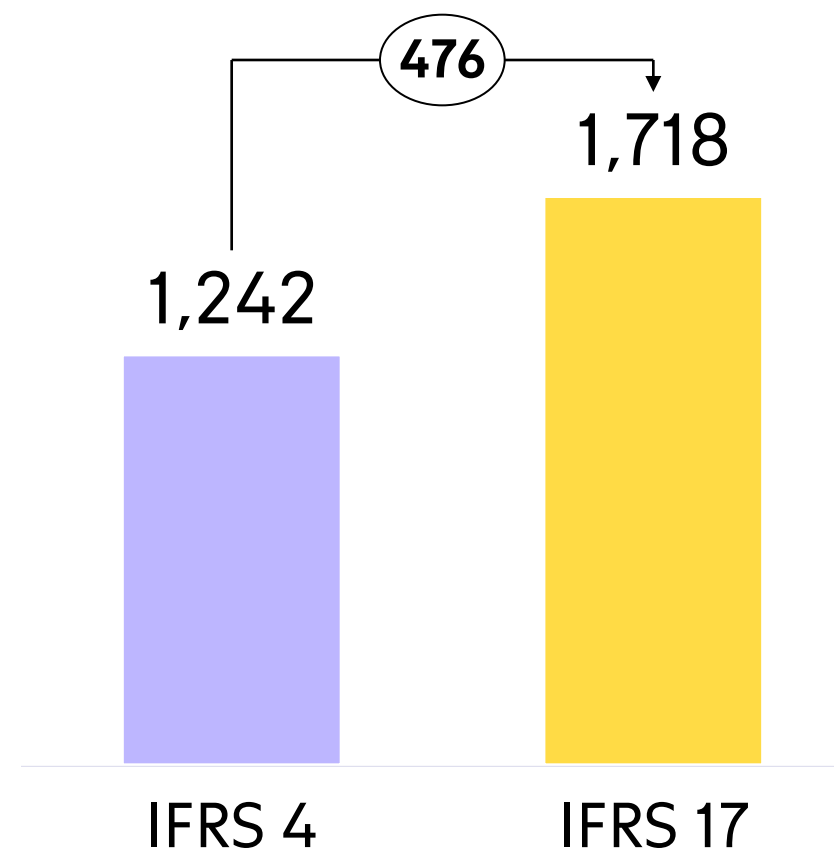
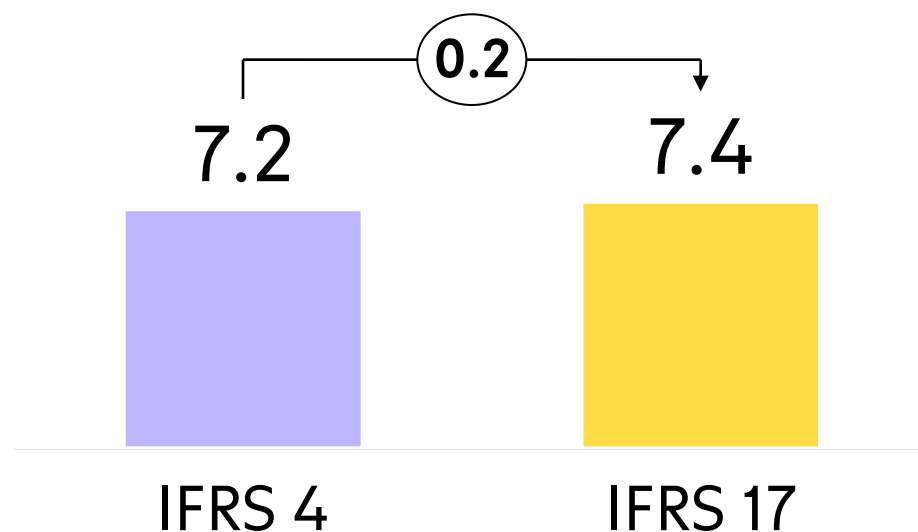
**Change in comprehensive income,**  
after tax attributable to the shareholders  
for 2024



**Change in comprehensive income,**  
after tax attributable to the shareholders  
for the 1-3/2024 quarter



**Change in the equity**  
as of December 31, 2024 | in NIS billion



[1] The return on equity is calculated based on the comprehensive income for the period (after tax) adjusted to an annual basis, divided by the opening balance of equity at the beginning of the year.

[2] Opening balance of shareholders' equity

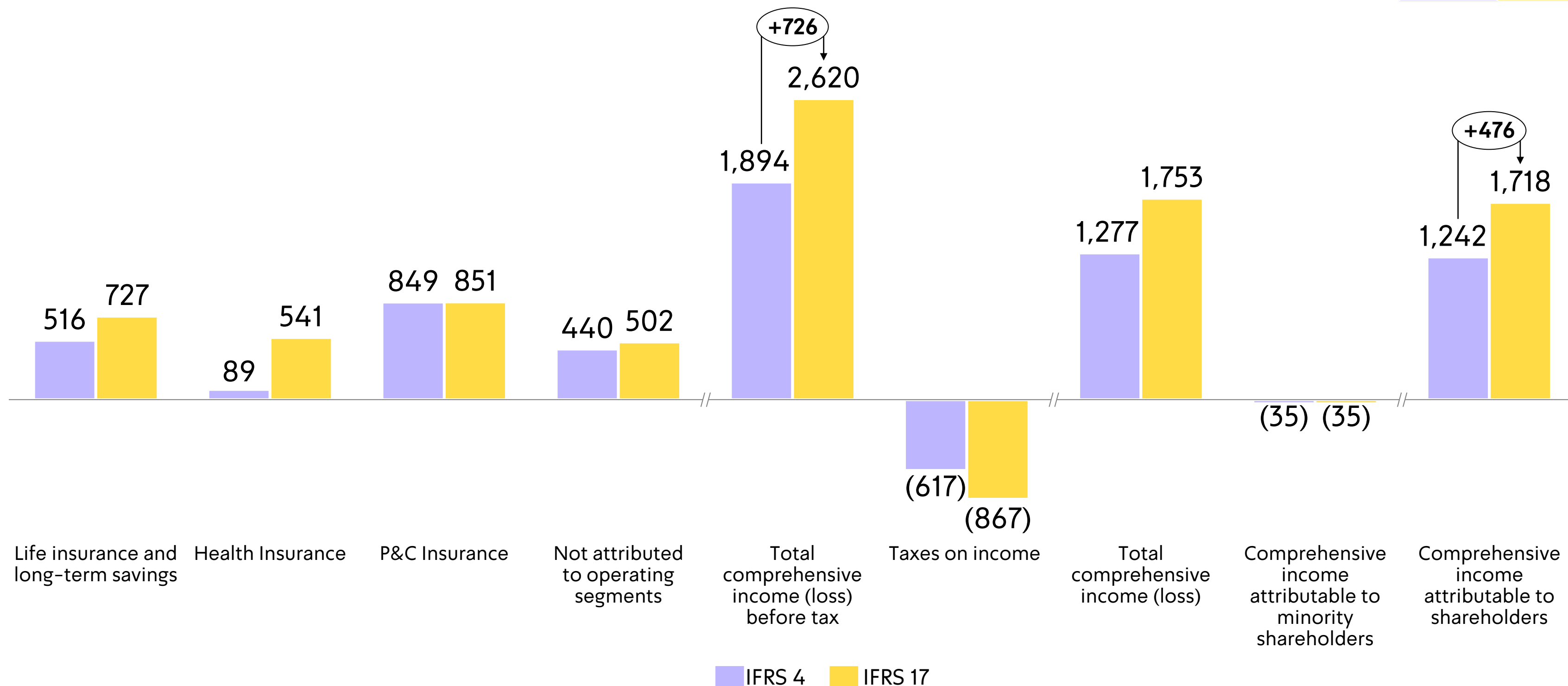


# Transition from IFRS4 to IFRS17 - Data for 2024

Profit before tax for 2024

Return on equity<sup>[1]</sup>

19.3% 27.8%



[1] The return on equity is calculated based on the comprehensive income for the period (after tax) adjusted to an annual basis, divided by the opening balance of equity at the beginning of the year.





# 02 | Operating Results Highlights





# Key Results – Menora Holdings (IFRS17)

for the 1–3 quarter | In NIS million

538

1–3/2024

583

1–3/2025

**Comprehensive income  
before tax**

Attributable to shareholders  
in NIS million

350

1–3/2024

391

1–3/2025

**Comprehensive income,  
after tax**

Attributable to shareholders  
in NIS million

22.7%

1–3/2024

21.0%

1–3/2025

**Return on equity**<sup>[2]</sup>  
based on **comprehensive income after tax**

552

1–3/2024

594

1–3/2025

**Adjusted profit before tax**<sup>[1]</sup>  
NIS million

359

1–3/2024

392

1–3/2025

**Adjusted profit after tax**<sup>[1]</sup>  
NIS million

23.3%

1–3/2024

21.1%

1–3/2025

**Return on equity**<sup>[2]</sup>  
based on **adjusted profit after tax**

[1] See the Explanation Appendix at the end of the presentation

[2] ] The return on equity is calculated based on the comprehensive income for the period (after tax) adjusted to an annual basis, divided by the opening balance of equity at the beginning of the year.



# Key data

8.0

NIS billion  
1-3/2024

Premiums and contributions  
towards benefits <sup>[3]</sup>

8.6

NIS billion  
1-3/2025

10.8%

CAGR  
(2019-3.2025)

Assets under management

377.2

NIS billion  
March 31, 2025

7.7

NIS billion  
March 31, 2025

Equity capital  
attributable to the Company's shareholders

3.1

NIS billion

Solvency ratio and capital surplus

165.7%

Net of the Transitional  
Provisions <sup>[1]</sup>

150

NIS million

Dividend <sup>[2]</sup>

Company's rating - Aa2  
Insurer's rating - Aa1

Rating

[1] Menora Insurance - without applying the Provisions for the Transitional Period, including equity transactions occurring subsequent to the calculation date. As of December 31, 2024, the solvency ratio including the Transitional Period is 181.0%.

[2] In April 2025, the Company distributed a approx. NIS 150 million dividend.

[3] See slide 15

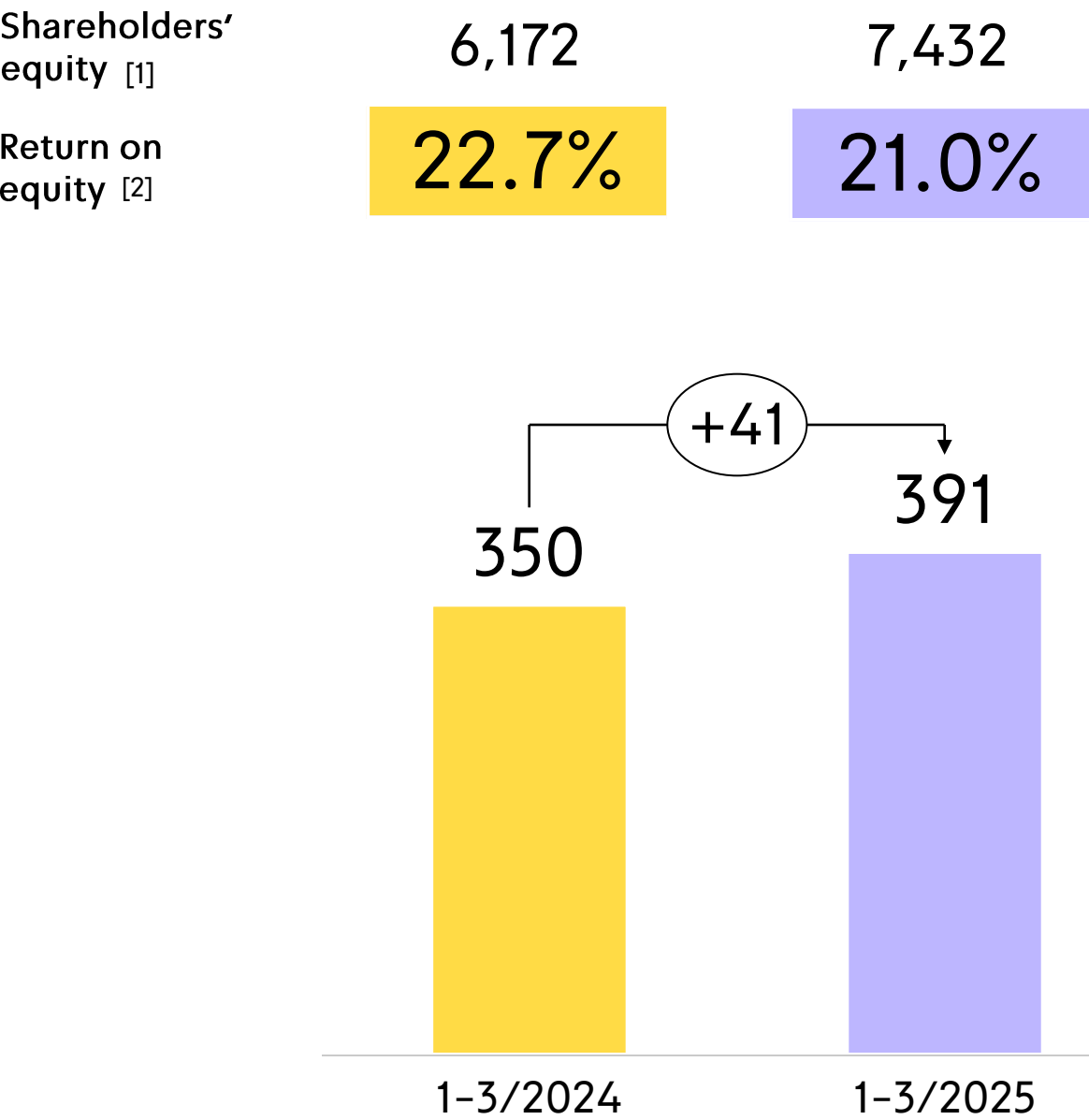




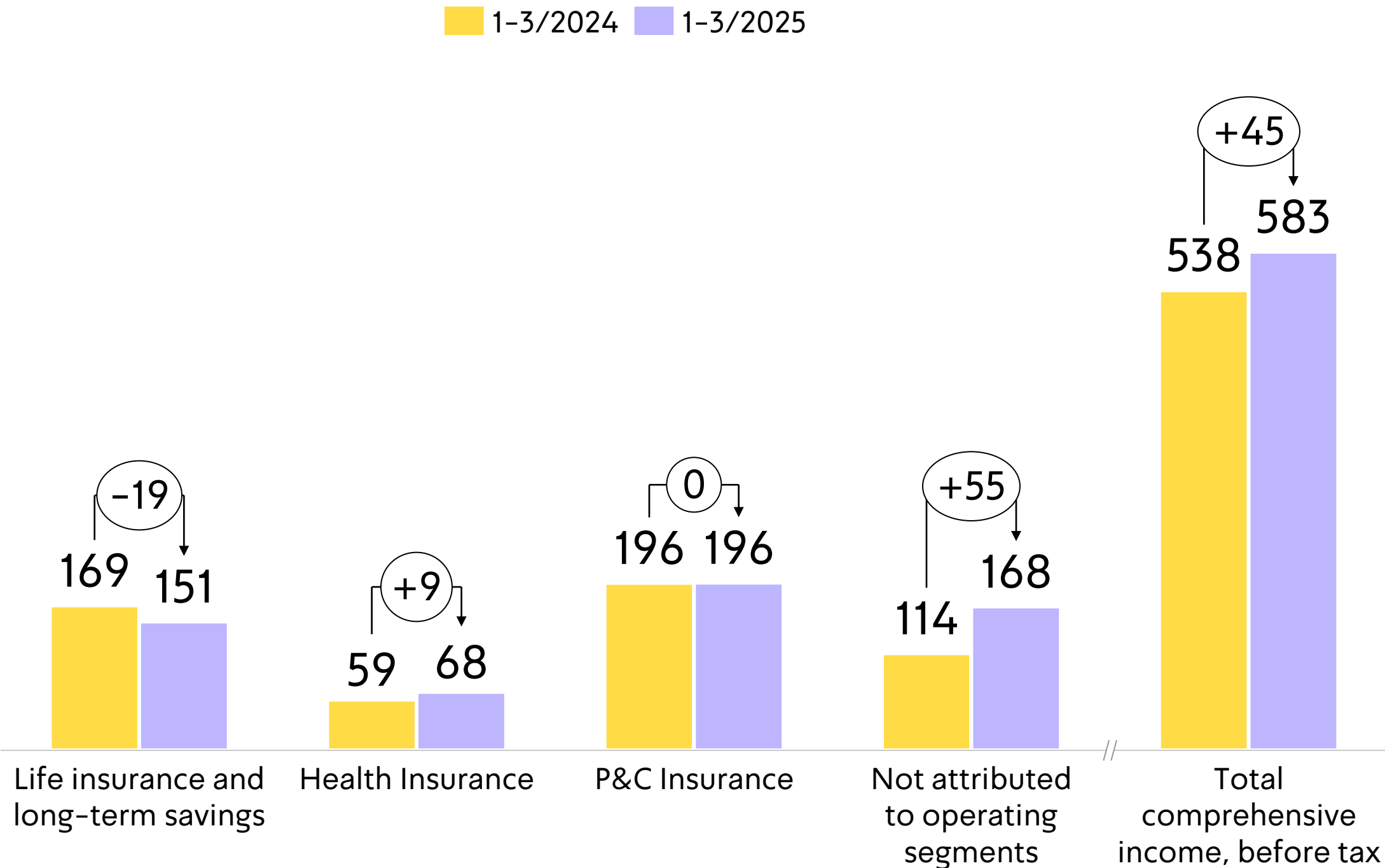
# Menora Holdings

Comprehensive profit before tax for the 1-3 quarter | in NIS million

## Comprehensive income after tax attributable to the shareholders



## Comprehensive income before tax, by operating segment



[1] Opening balance – equity capital attributable to the Company’s shareholders.

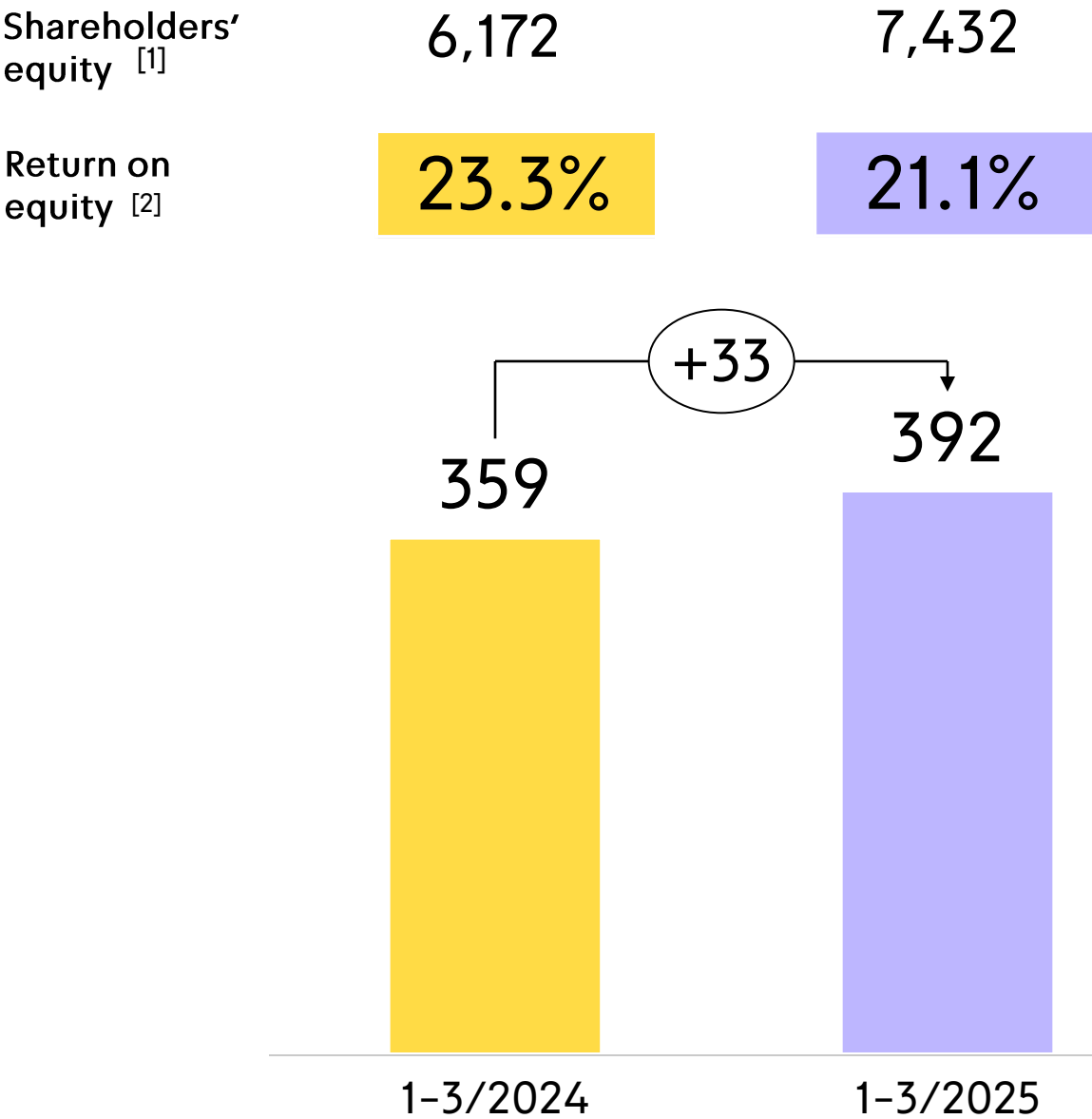
[2] The return on equity is calculated based on the comprehensive income for the period (after tax) adjusted to an annual basis, divided by the opening balance of equity at the beginning of the year.



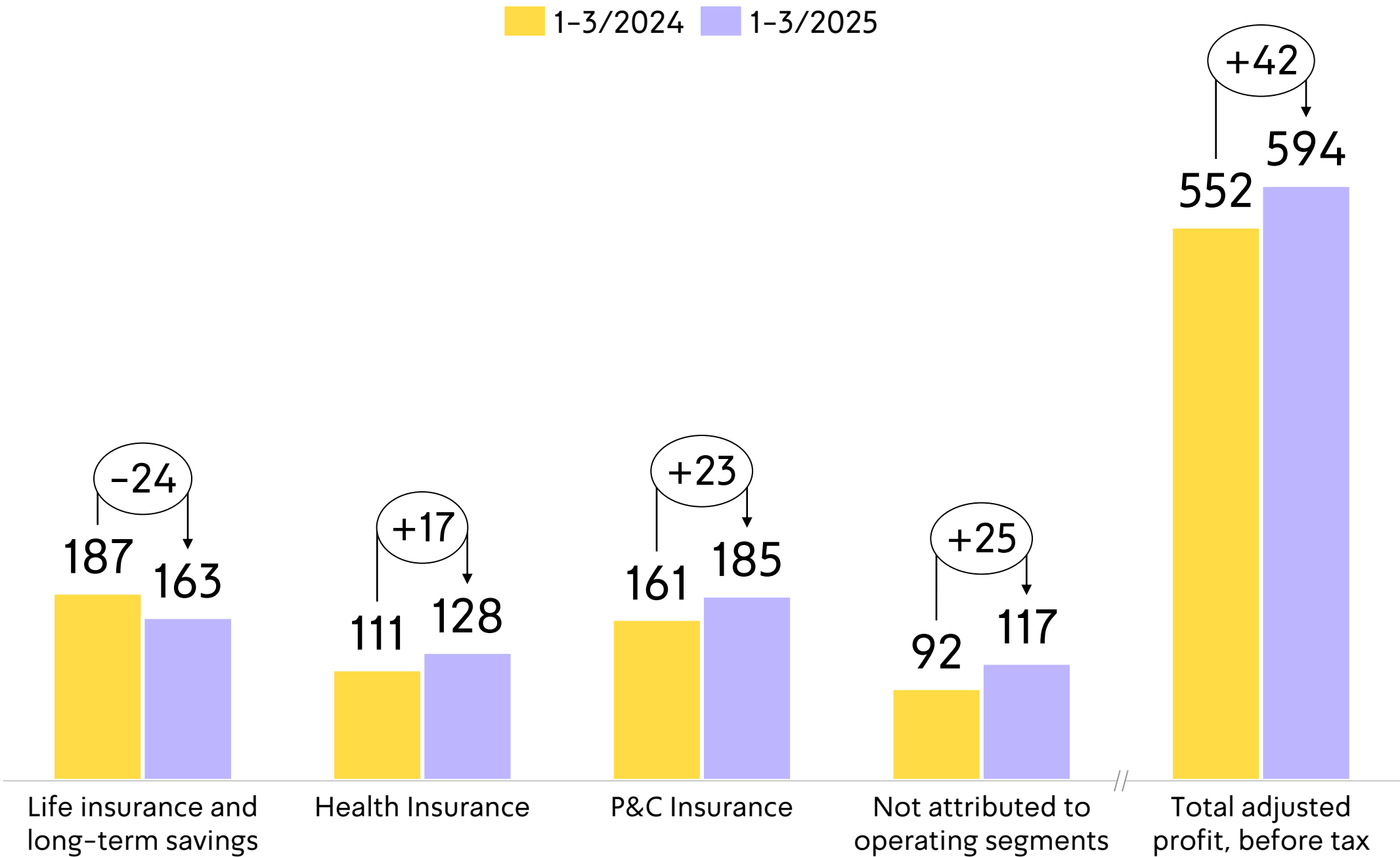
# Menora Holdings

Adjusted profit <sup>[1]</sup> before tax for the 1-3 quarter | in NIS million

## Adjusted profit after tax attributable to the shareholders



## Adjusted profit before tax, by operating segment



[1] Opening balance – equity capital attributable to the Company’s shareholders.

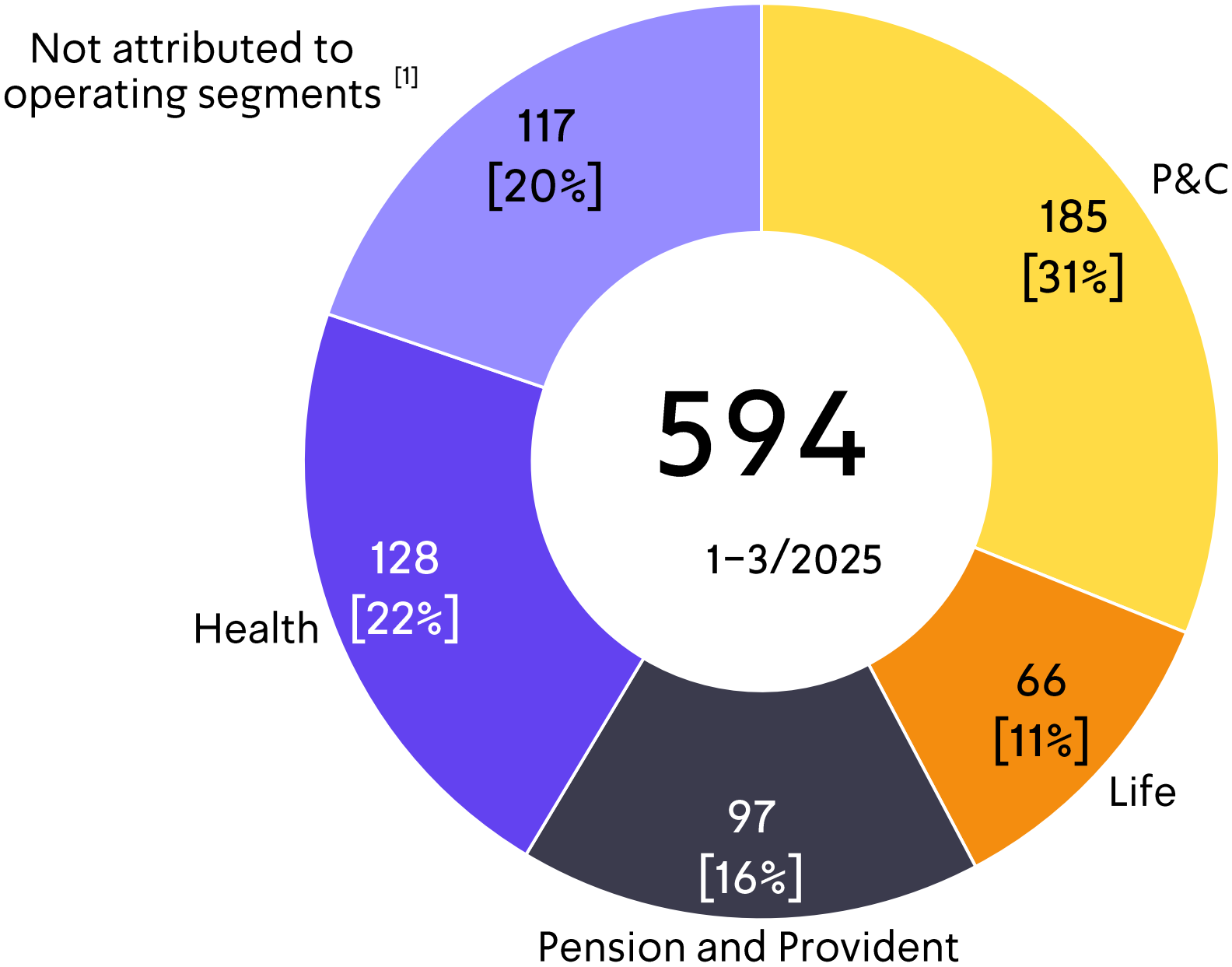
[2] The return on equity is calculated based on the comprehensive income for the period (after tax) adjusted to an annual basis, divided by the opening balance of equity at the beginning of the year.





# Adjusted profit by operating segments

for the 1-3/2025 | in NIS million

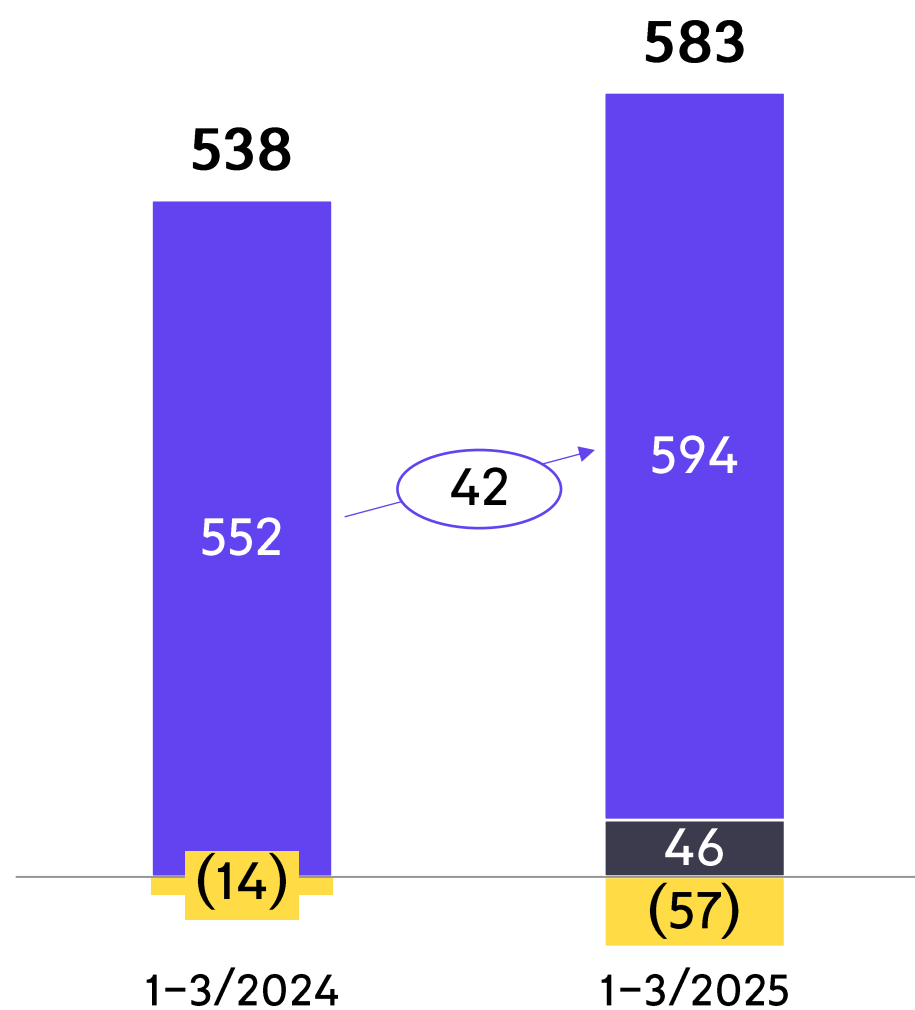


[1] Not attributed to operating segments – mainly insurance brokerage activities, financing and credit activities, and investment profits for the portion not attributed to segments.

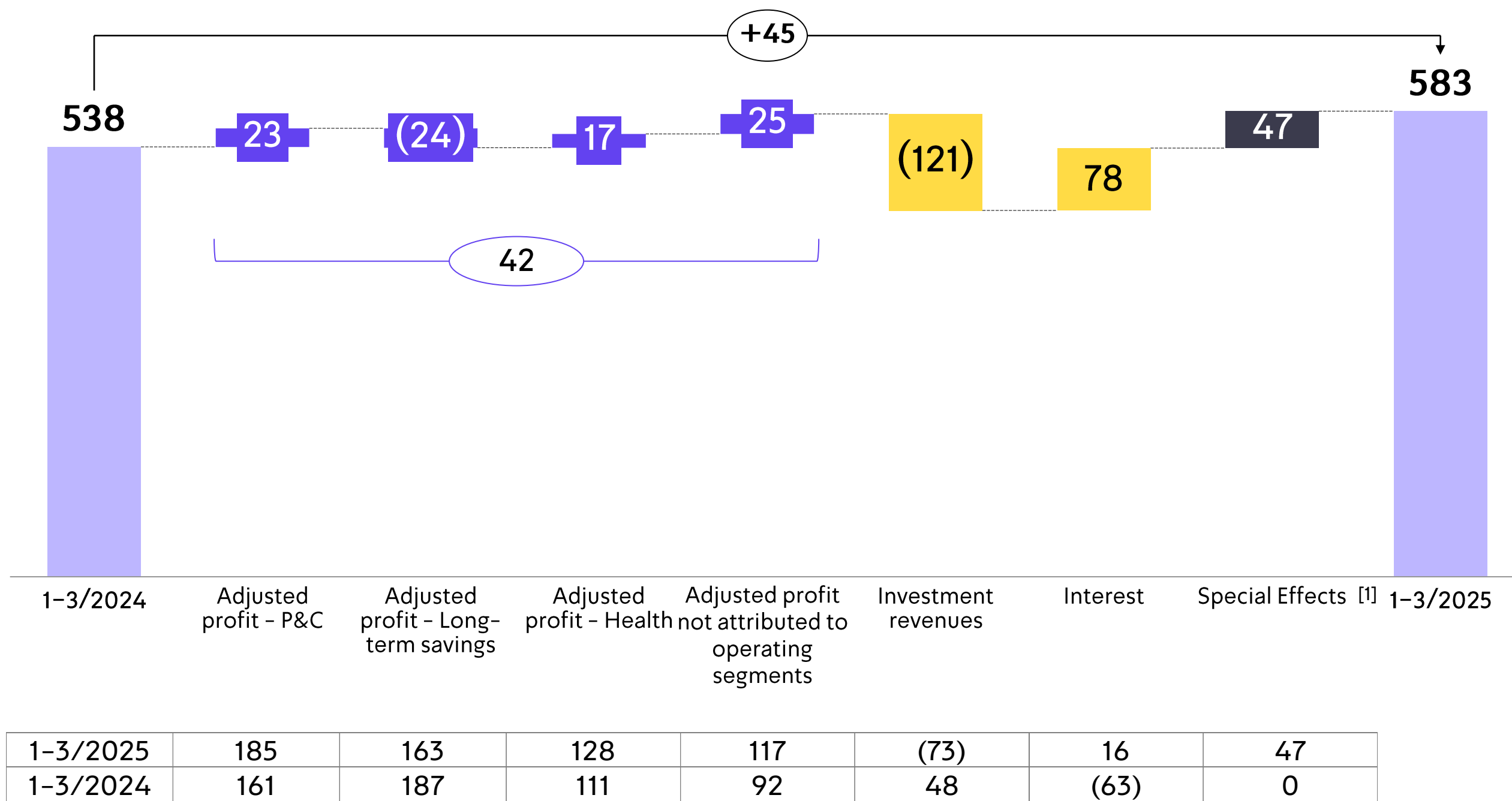


# Comprehensive Income Before Tax

In NIS million



Comprehensive income before tax for the 1-3/2025 quarter  
compared to last year



[1] Special effects during the reporting period include mainly a one-time income due to receiving compensation from Isracard company

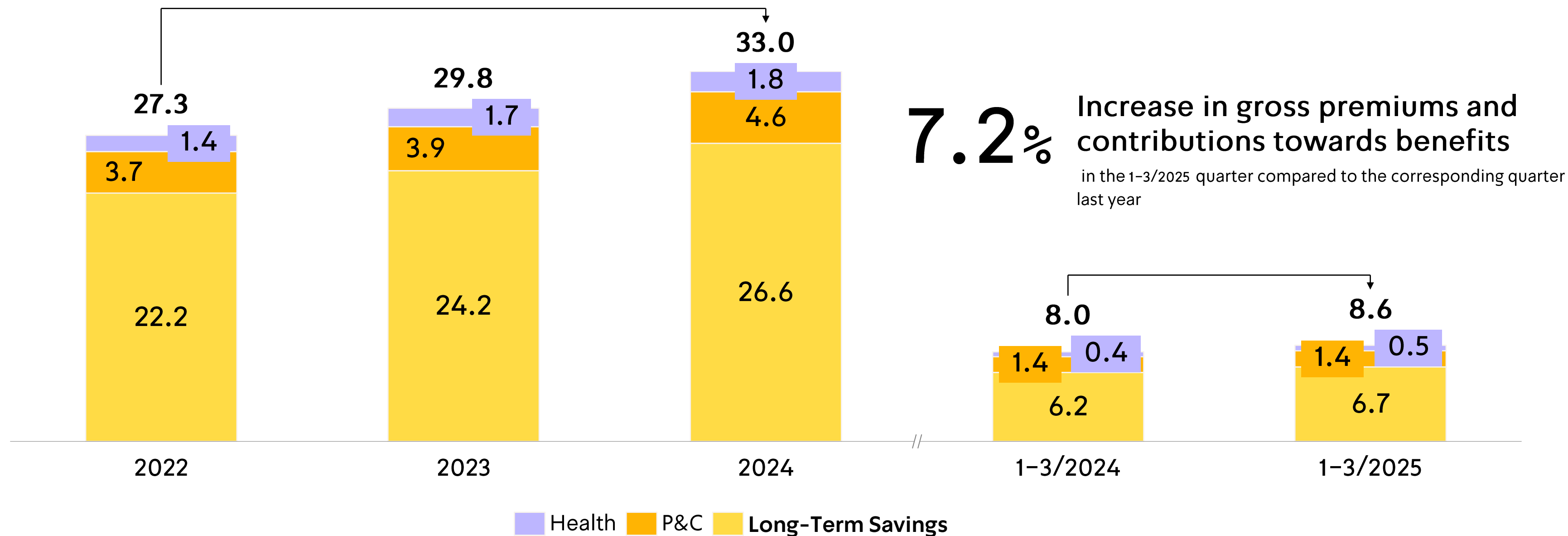




# Premiums and Contributions towards Benefits

Development of gross premiums and contributions<sup>[1]</sup> towards benefits by area of activity | NIS billion

**9.6%** Average annual growth  
in 2022–2024

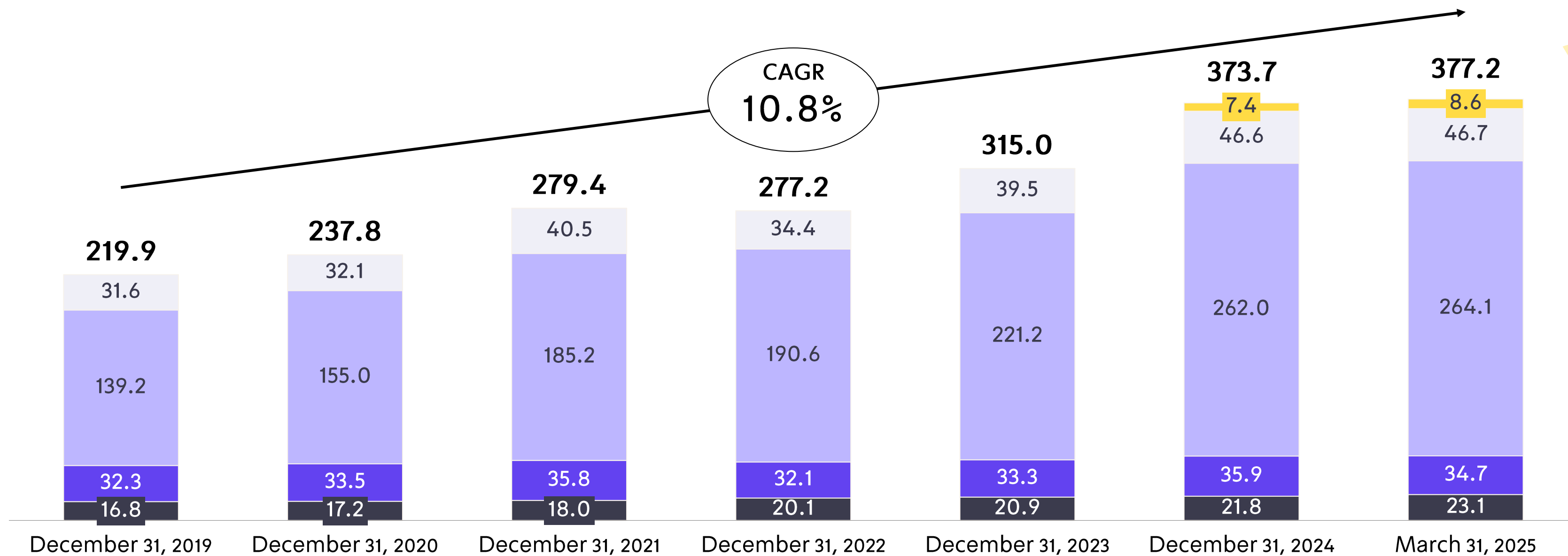


[1] Gross premiums and contributions towards benefits include the contributions towards benefits deposited with pension funds and provident funds (excluding guaranteed return provident funds tracks) as well as proceeds in respect of investment contracts which are recognized directly in insurance liabilities, Premiums for collective long-term care insurance of health funds are not included



# Assets under Management

Development of assets under management by area of activity in 2019–3.2025 | NIS billion

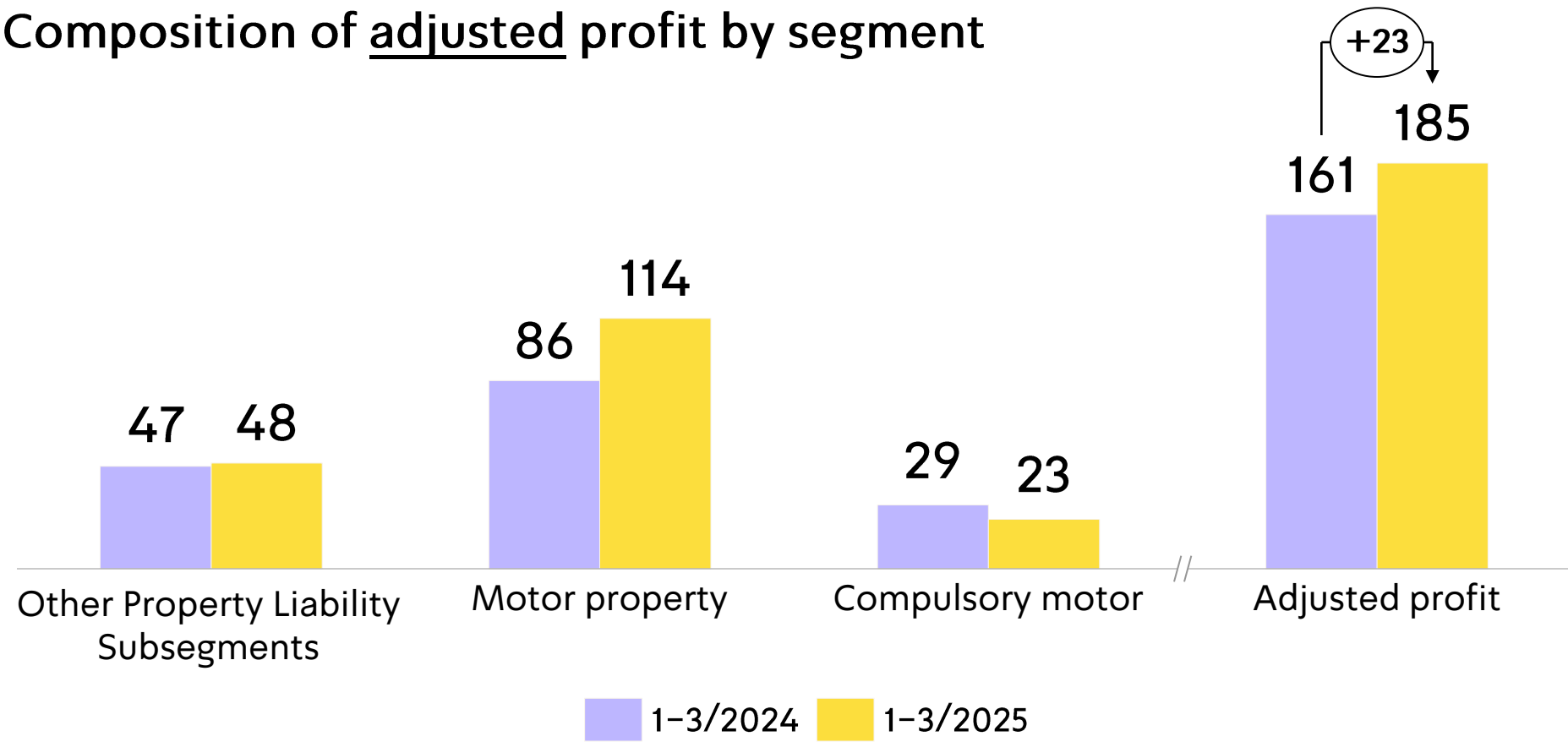


Operation of LTC for an HMO Provident Pension Participating policies Own (nostro) assets

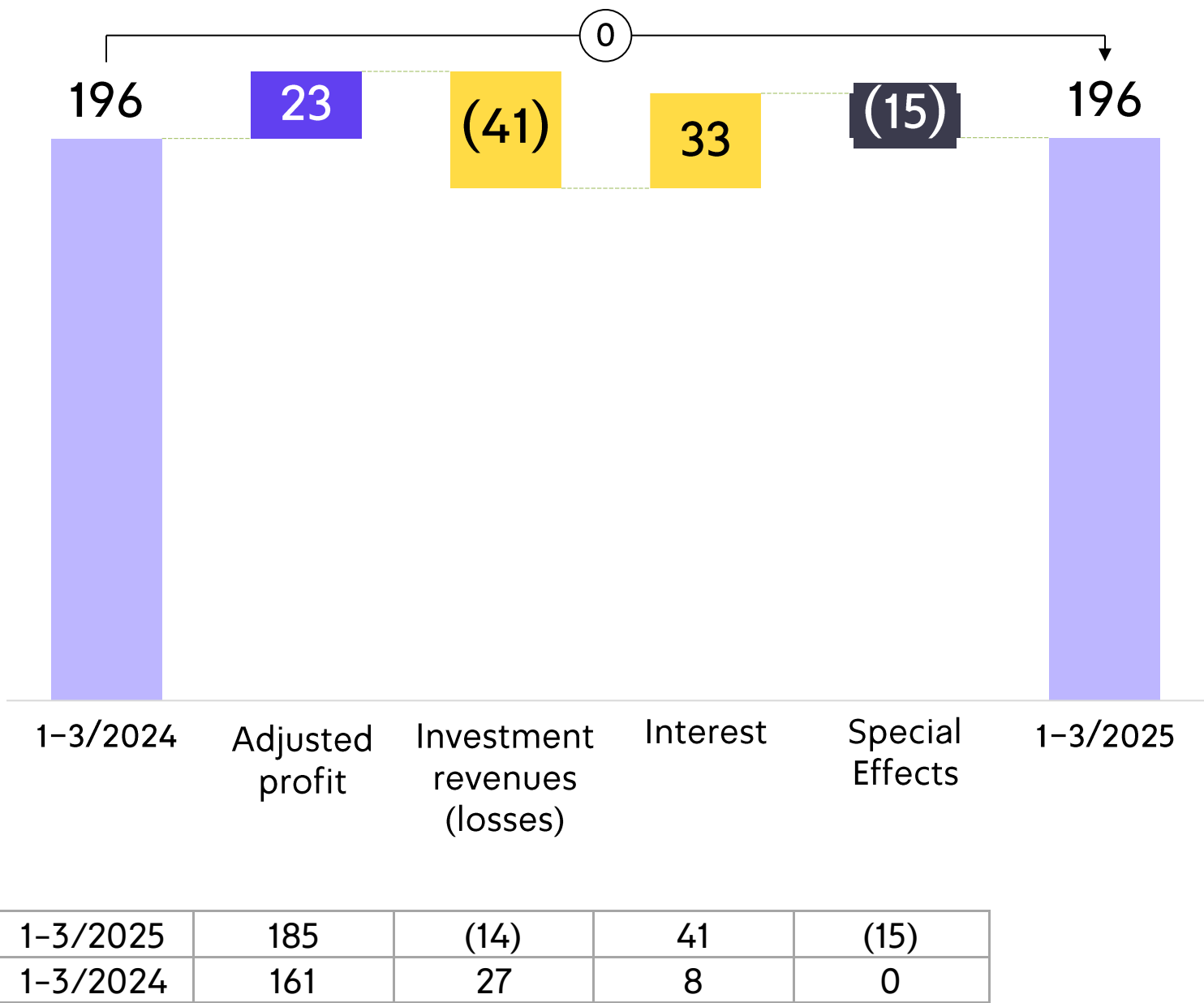


# 03 | Details of Changes by Segment

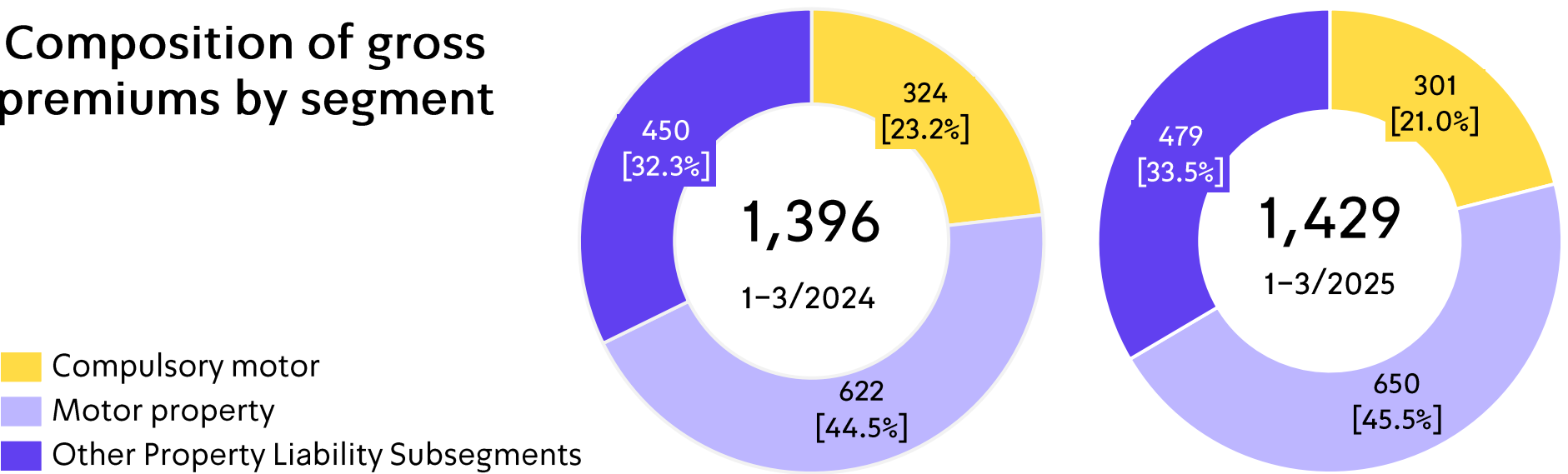
Composition of adjusted profit by segment



Change in profit before tax  
for the 1-3/2025 period compared to last year



Composition of gross premiums by segment



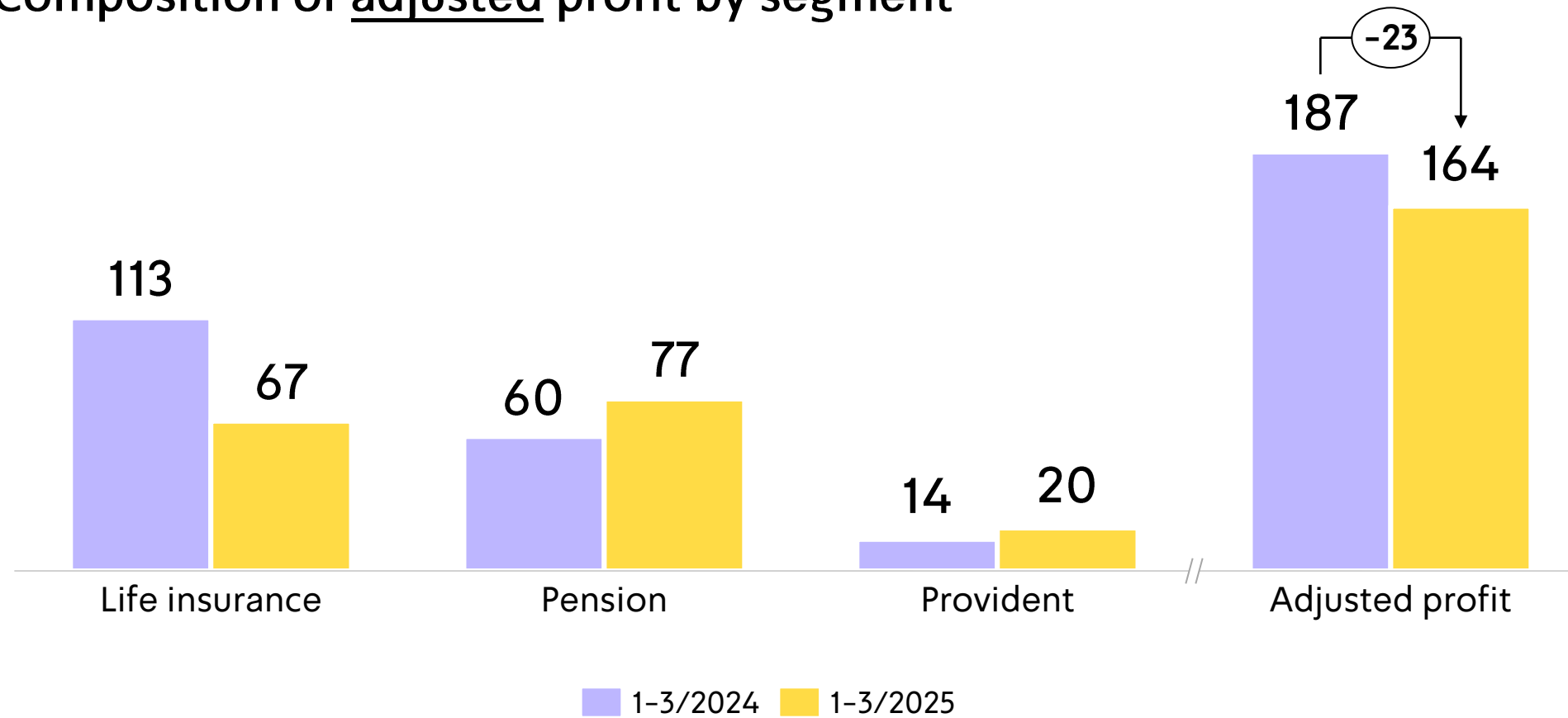




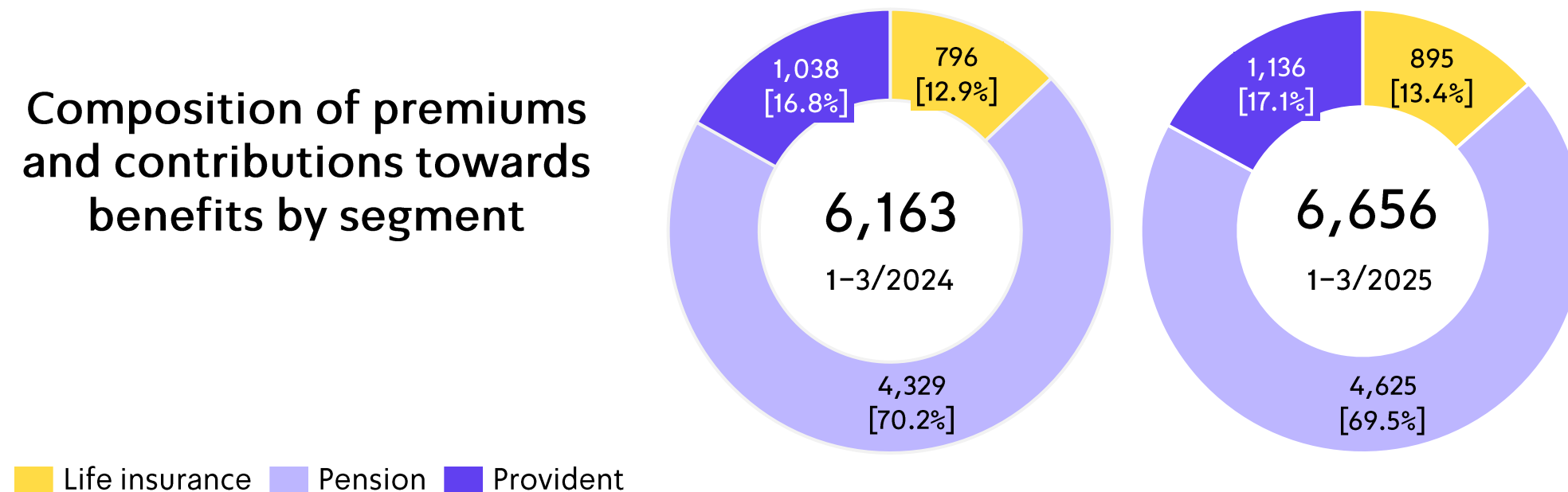
# Long-Term Savings

For the 1-3 quarter | NIS million

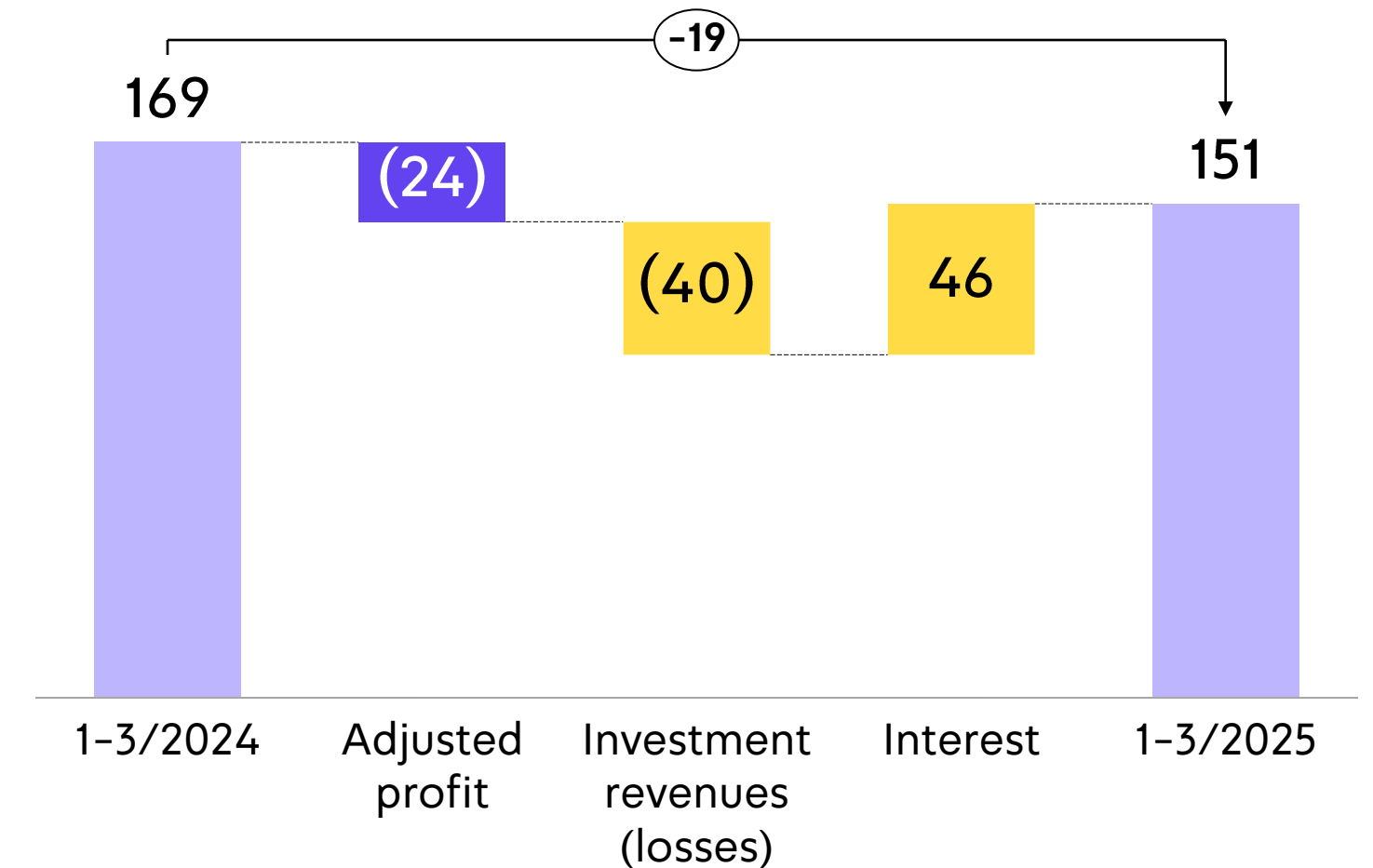
Composition of adjusted profit by segment



Composition of premiums and contributions towards benefits by segment



Change in profit before tax for the 1-3/2025 period compared to last year



1-3/2025	164	(32)	18
1-3/2024	187	10	(28)

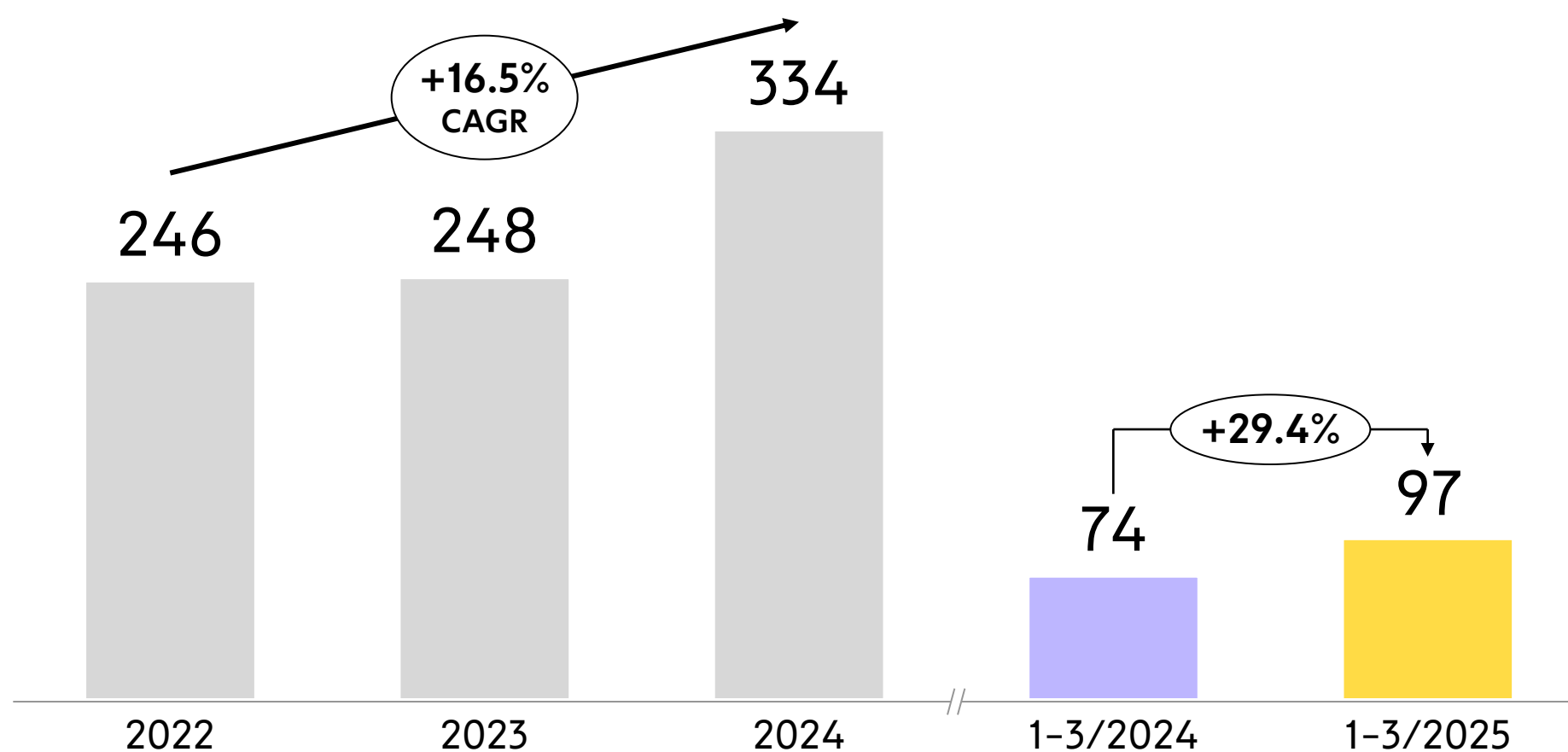


# Leaders in Pension

The Largest and Most Profitable Pension Company

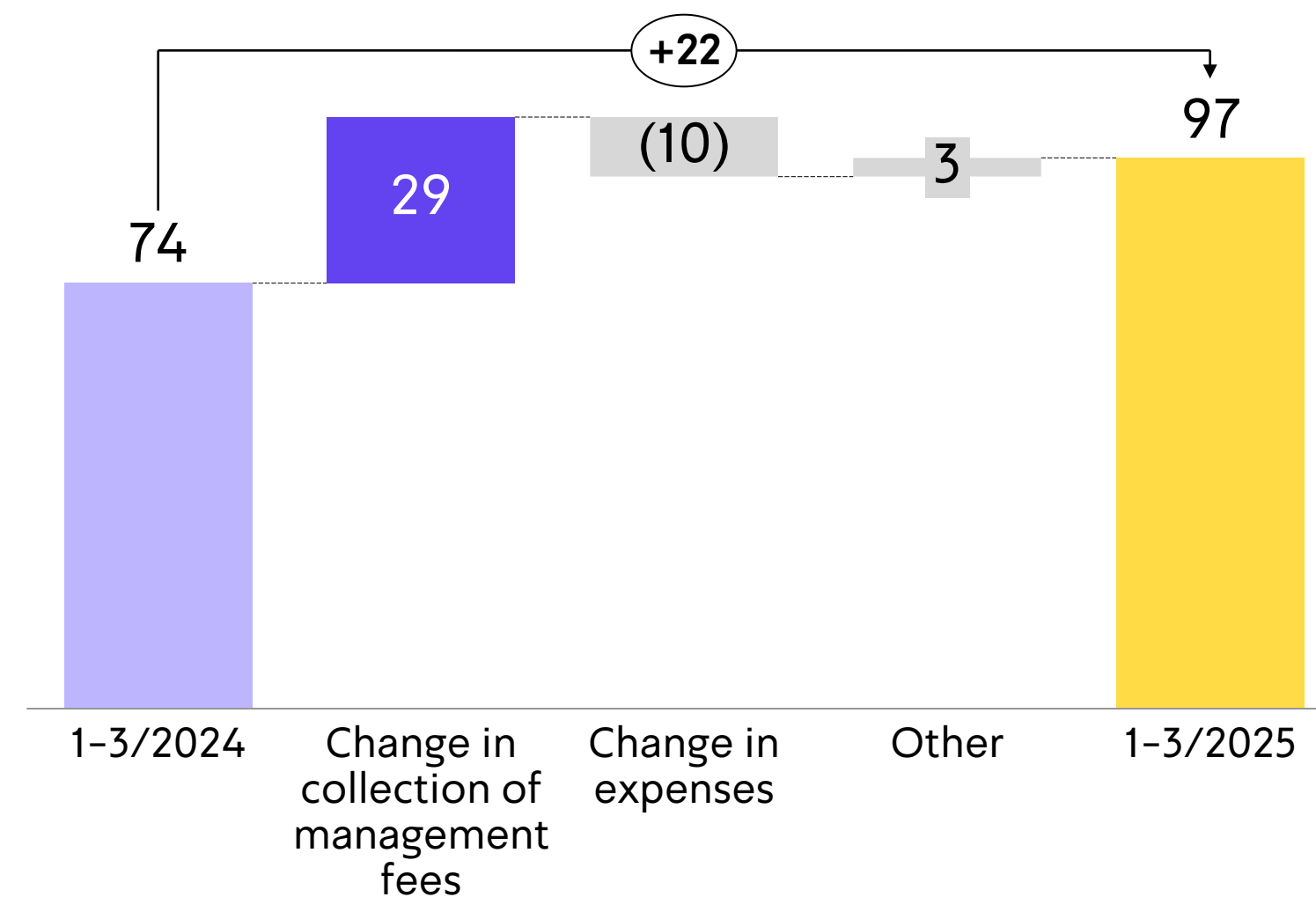
In NIS million

Consistent improvement in adjusted profit  
before tax | Pension and provident

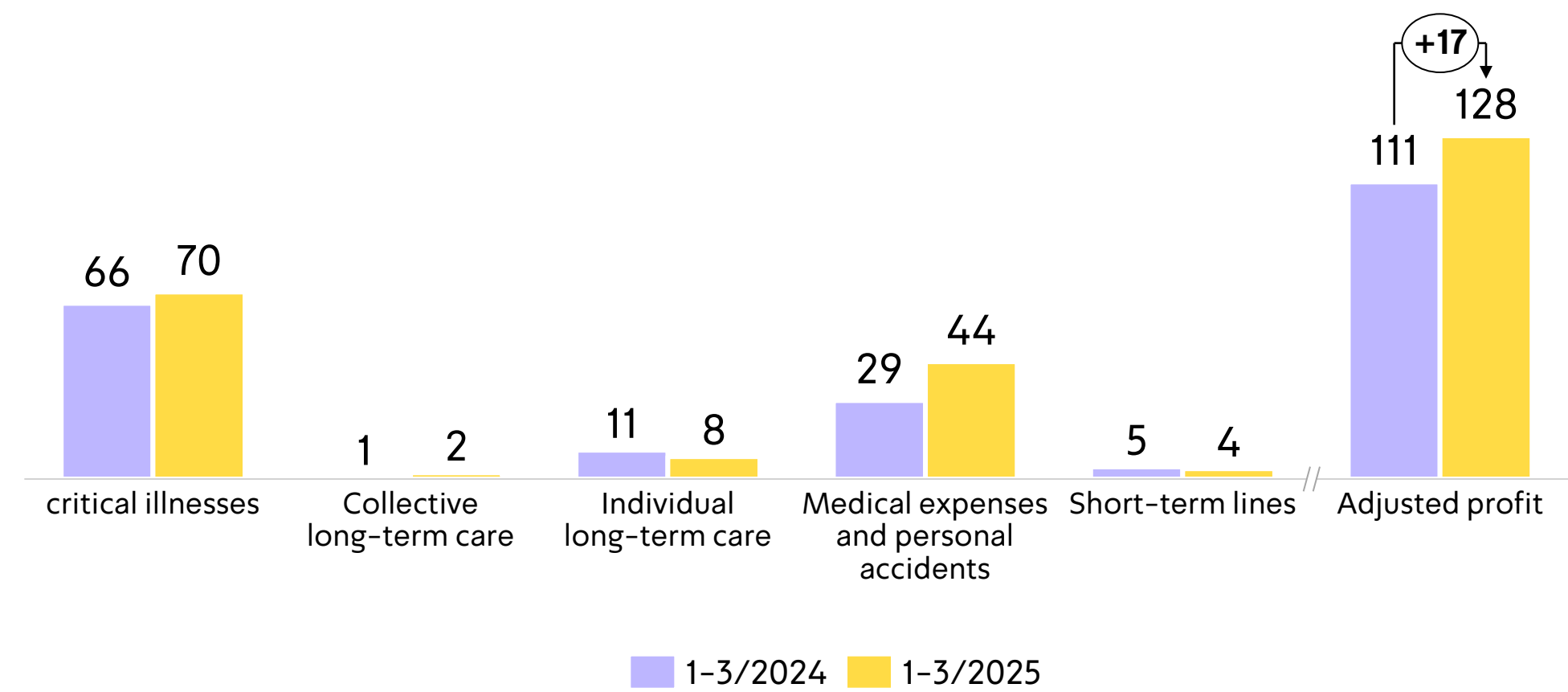


Increase in collection of management fees  
alongside a moderate increase in expenses

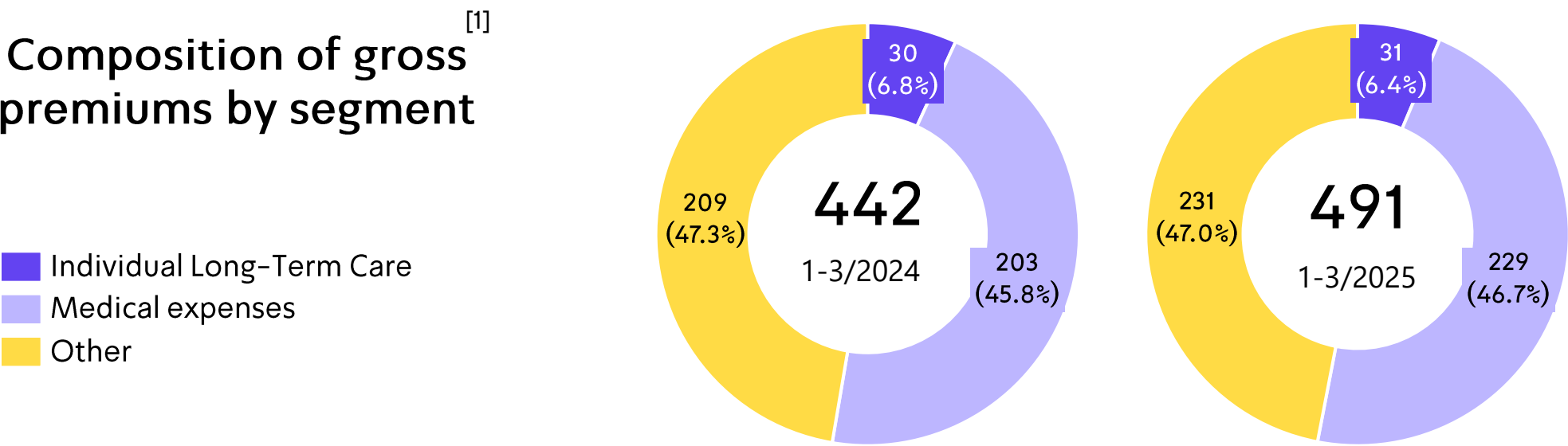
Explanation for change in adjusted profit  
For the 1-3/2025 period, compared to corresponding quarter last year



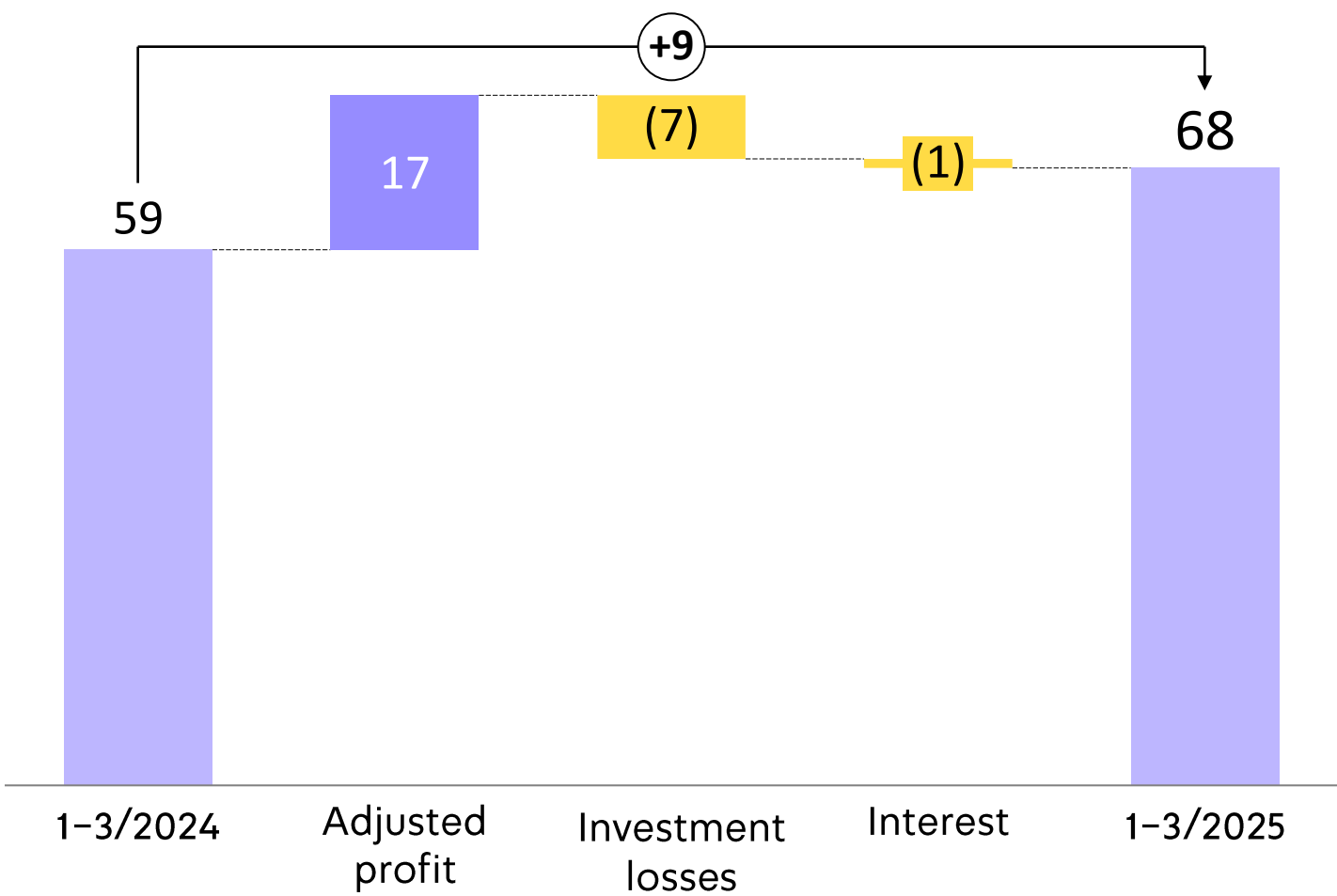
Composition of adjusted profit by segment



Composition of gross premiums by segment <sup>[1]</sup>



Change in profit before tax for the 1-3/2025 period compared to last year



1-3/2025	128	(17)	(43)
1-3/2024	111	(10)	(42)

[1]Excluding the collective long-term care insurance activity of health funds amounting to approximately 140 million NIS in the corresponding quarter last year.





## 04 | The Group's strengths in the IFRS17 era





# Key points



NIS **20** billion  
**Significant balance of store of future earnings**



Approx. **94%**  
of the adjusted profit before tax  
arises from **subsequent products**



**Low sensitivity to financial effects**  
(interest and index on insurance contracts)



Approx. **90%**  
of the store of future earnings  
arises from **subsequent products**

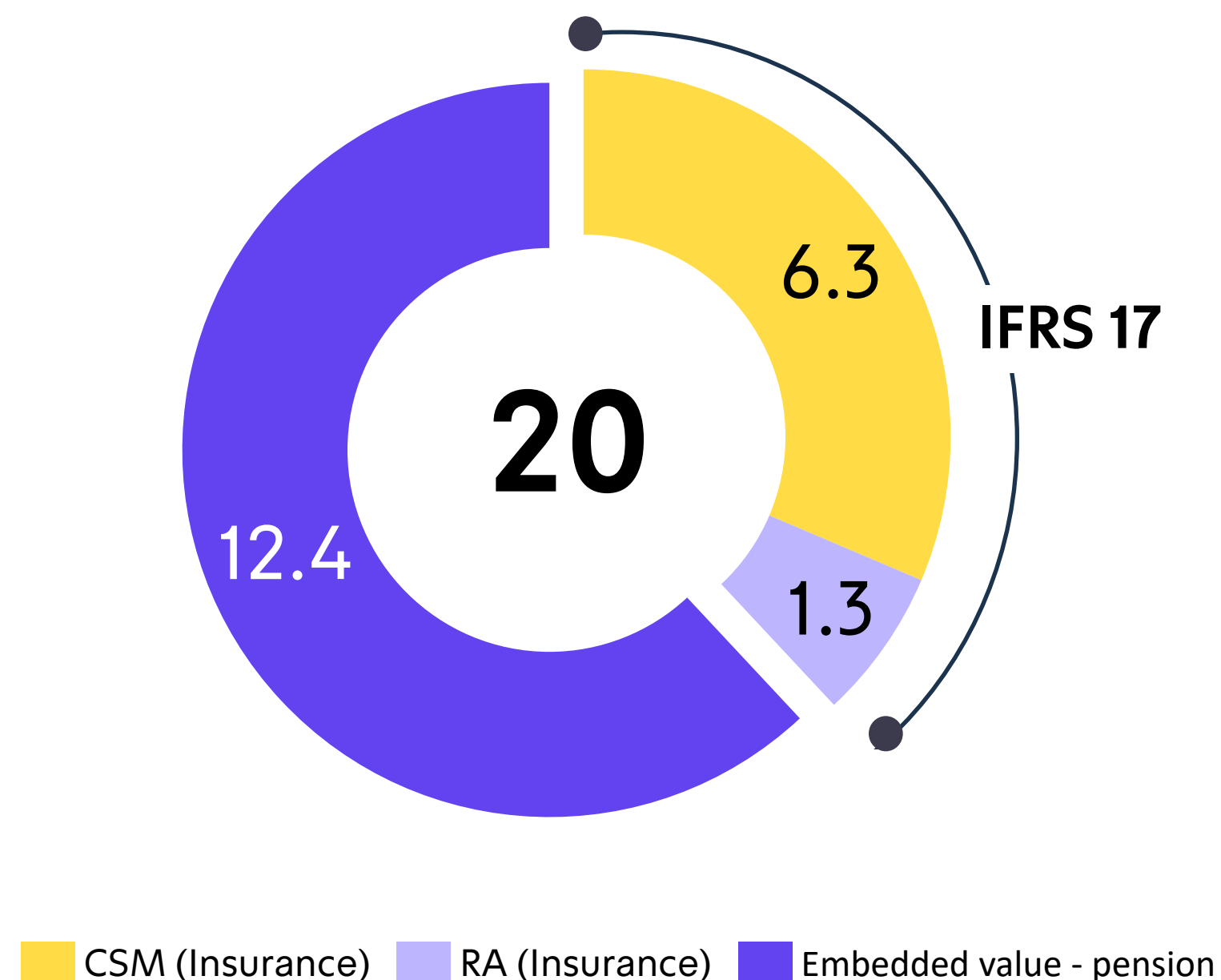


The Group has  
**a substantial store of  
future earnings<sup>[1]</sup>**

totaling approx. NIS **20** billion

The store does not include future profitability in  
respect of P&C insurance activity and other activities  
(provident, credit, agencies and other)

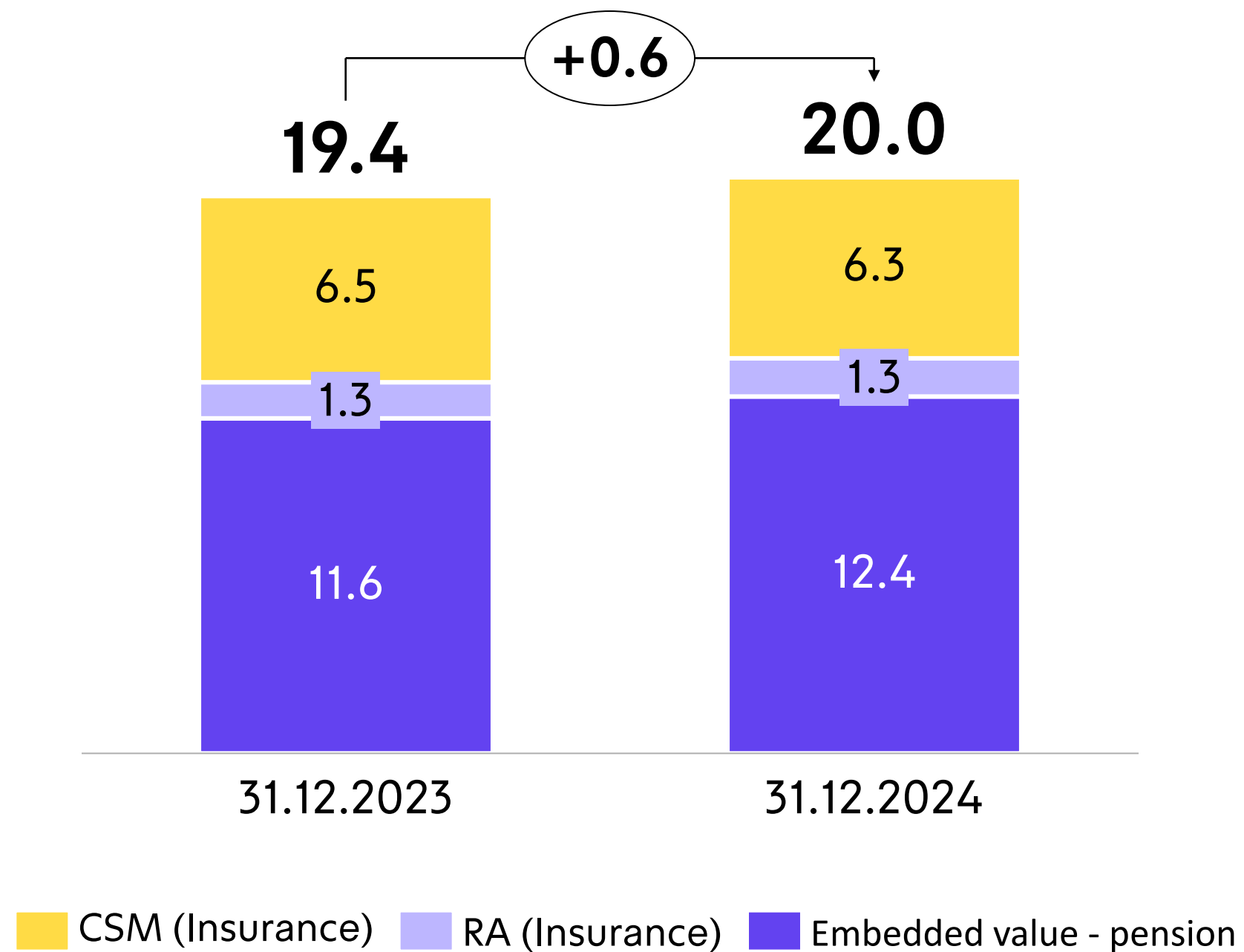
<sup>[1]</sup>  
**Composition of the store of future earnings  
in life insurance, health and pension**  
as of 31.12.2024 | in NIS billion



[1] See the Explanation Appendix at the end of the presentation.



## Change in store of future earnings<sup>[1]</sup> in NIS billion



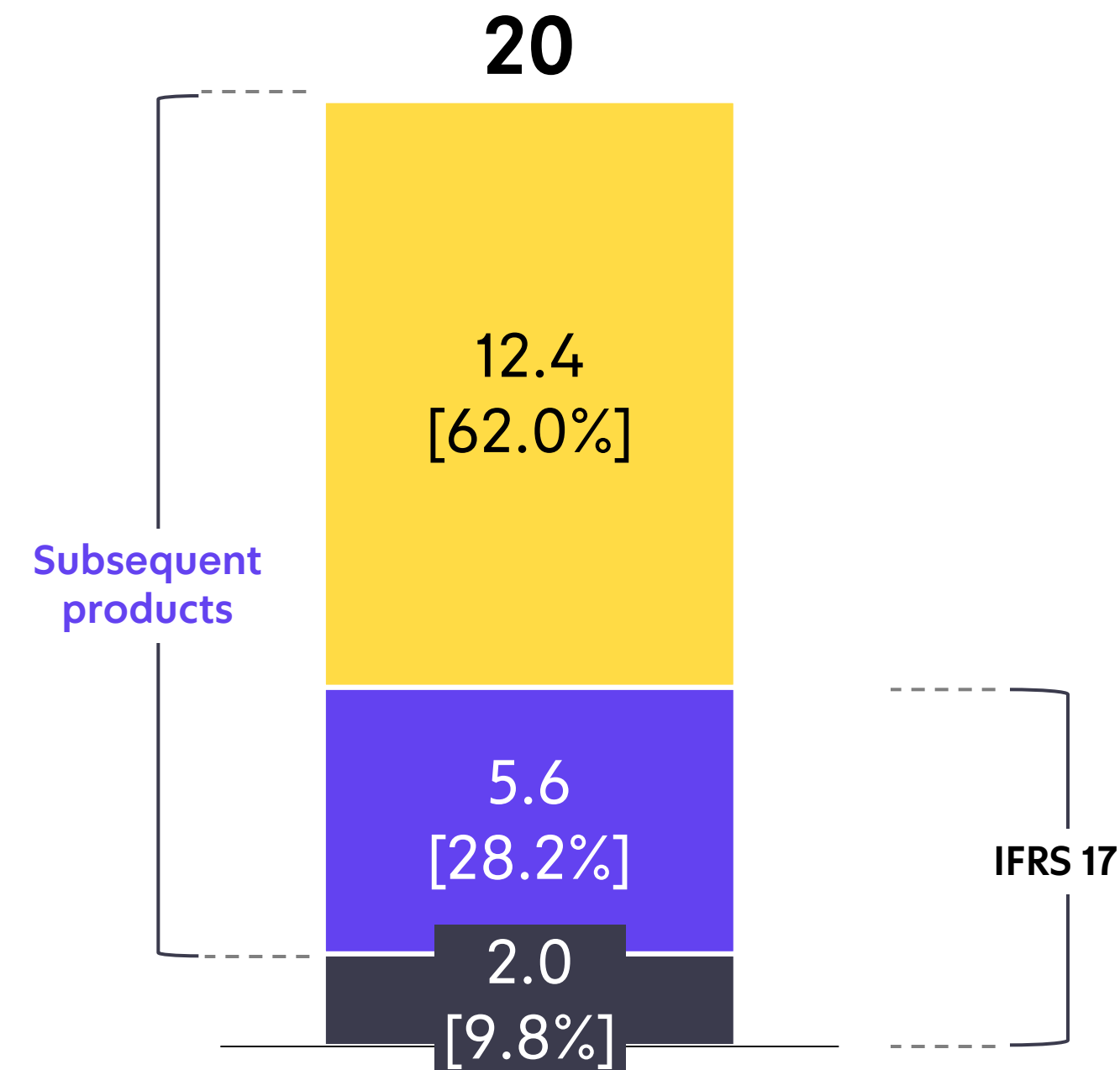
Continuing to grow in  
the store of future  
earnings<sup>[1]</sup>

[1] See the Explanation Appendix at the end of the presentation.



# Balance of store of future earnings divided into subsequent products and run-off products as of 31.12.2024 | in NIS billion

Approx. **90%**  
of the store of future earnings<sup>[2]</sup>  
arises from subsequent products<sup>[1]</sup>



■ Embedded value - pension ■ Subsequent products ■ Run off products

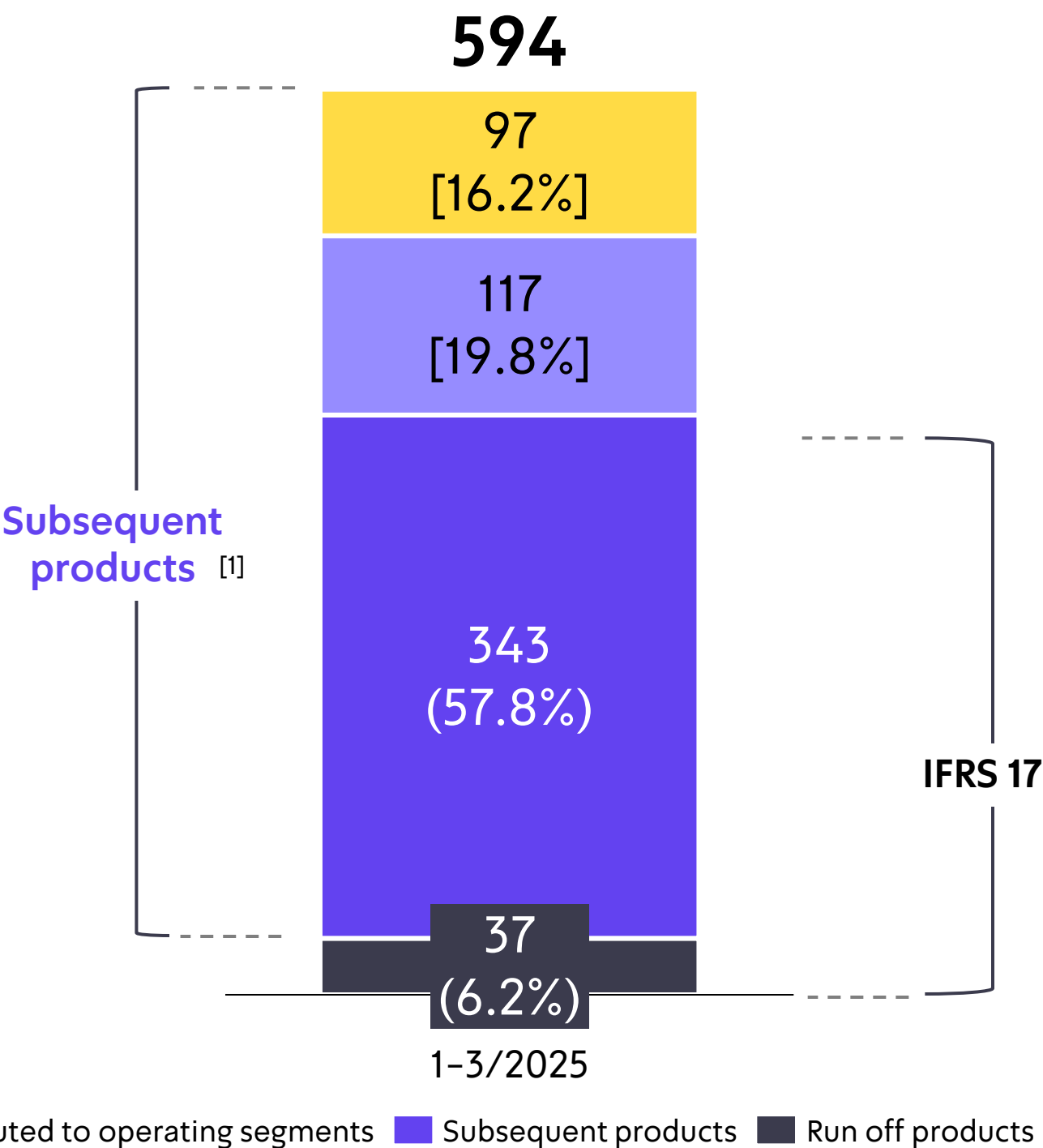
[1] Continuing products refer to life and health insurance (mainly term life, critical illness, and medical expenses) and pension activity. Run Off products mainly refer to savings products and individual long-term care.

[2] See explanatory appendix at the end of the presentation.



# Adjusted profit before tax by subsequent products and run-off products for the 1-3/2025 quarter | in NIS million

Approx. **94%**  
of the adjusted profit before tax<sup>[2]</sup>  
**arises from subsequent products**<sup>[1]</sup>



[1] Continuing products refer to life and health insurance (mainly term life, critical illness, and medical expenses), pension and provident fund activities, general insurance, and additional activities. Run Off products mainly refer to savings products and individual long-term care.  
[2] See explanatory appendix at the end of the presentation.

| 27





# 05 | Business strengths of the Group





# Key Points

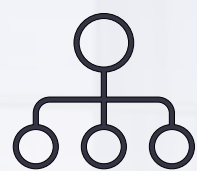


## Leaders in Pension

The Largest and Most Profitable Pension Company



**The P&C insurance activity, which generates significant profitability**  
is not included in the store of future earnings



## Diversified income mix and structure

Extensive activity in insurance-related areas, which have low sensitivity to the capital market, such as pension, financing and factoring (ERN and Ampa) and insurance agencies



## Excess Capital, Solvency and Dividend



**Stable ownership and management structure over time**

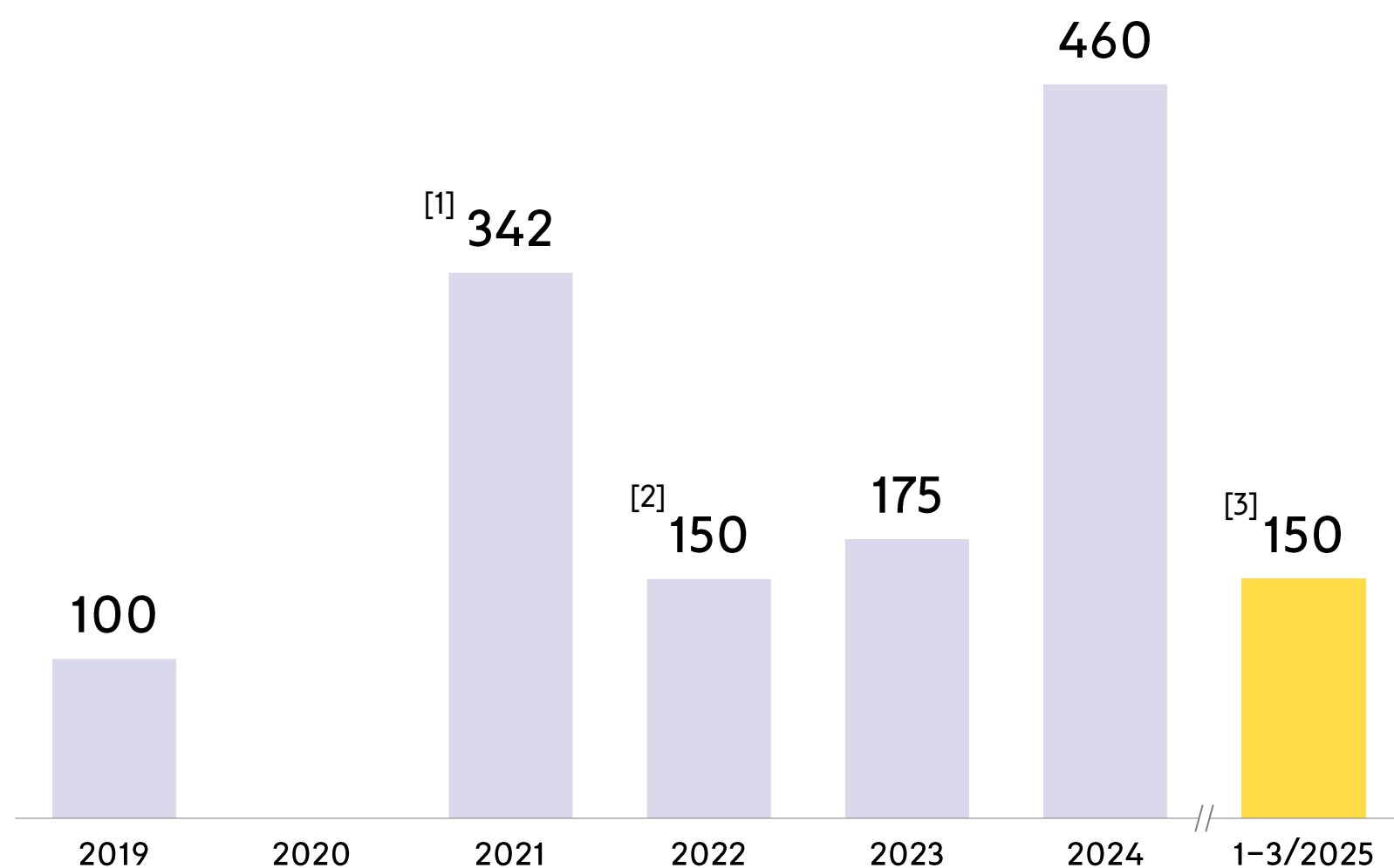


# Dividend Distribution Policy and Solvency Ratio

In NIS million

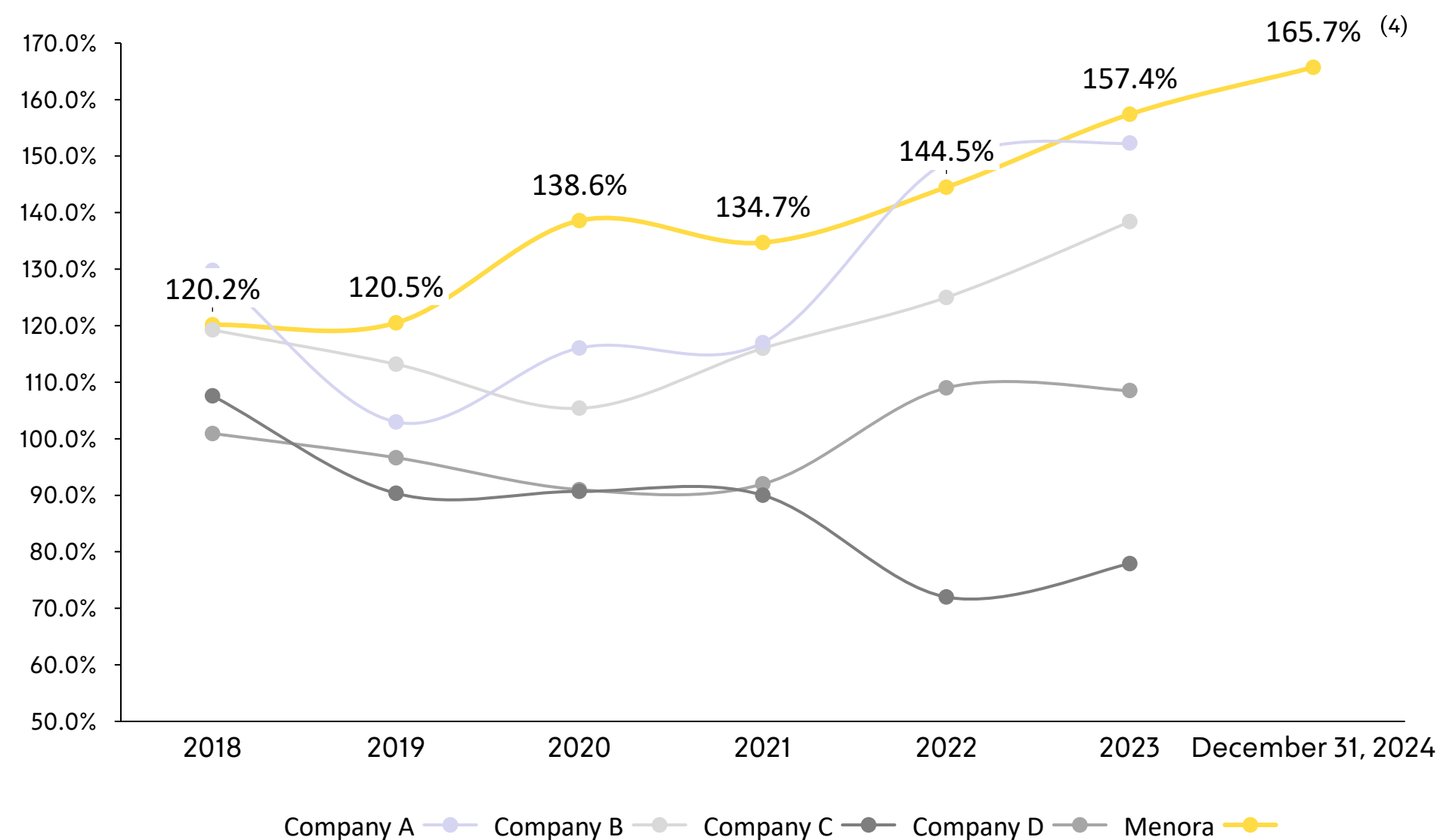
## Dividend distribution policy

According to the Group's dividend policy, it shall distribute at least 35% of the profit



## Highest solvency ratio in the industry

Development of the solvency ratio in recent years



[1] Including a dividend in kind.

[2] Including a share buyback plan

[3] In April 2025, the Company distributed a dividend of approx. NIS 150 million

[4] Including equity transactions occurring subsequent to the calculation date.  
Companies A-D refer to the other four major insurance groups



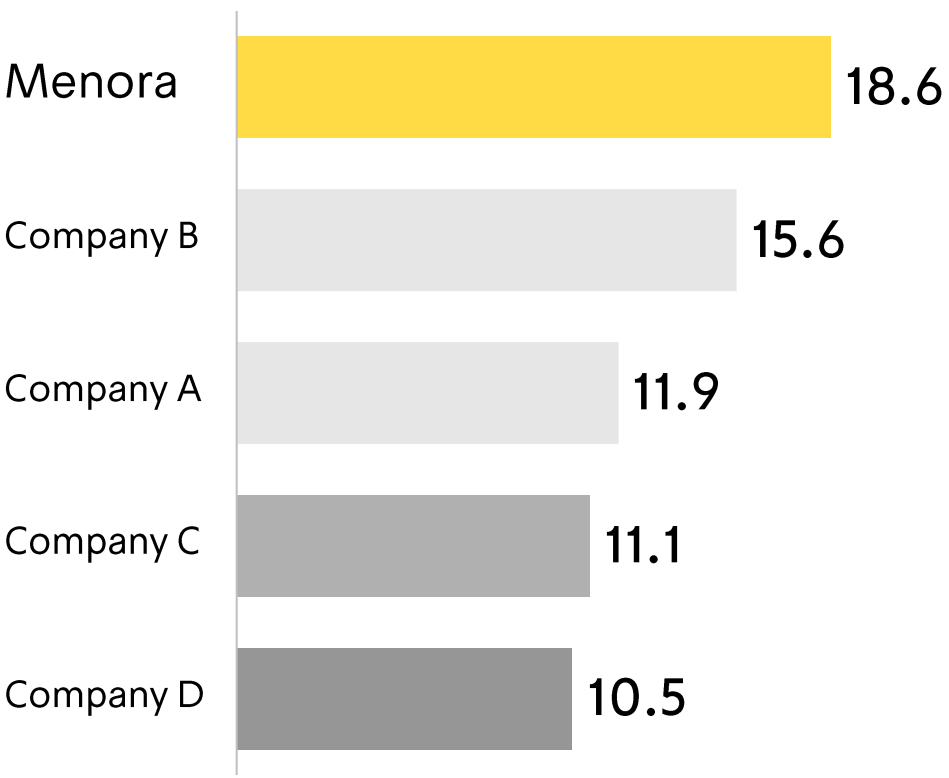


# Leaders in Pension

## The Largest and Most Profitable Pension Company

The company with the highest contributions towards benefits and a direct collection rate of approx. 71% and income rate of approx. 65% of the subsegment's profits <sup>(1)</sup>

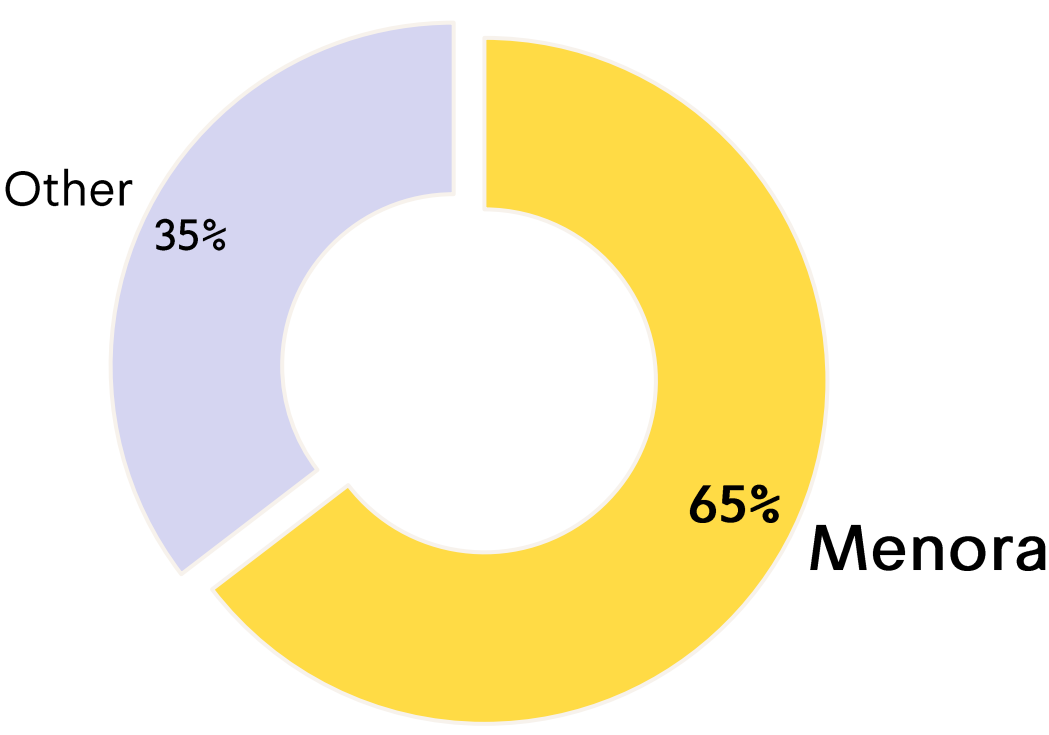
Contributions towards benefits  
for 2024 | in NIS billion



Direct collection rate <sup>(1)</sup>

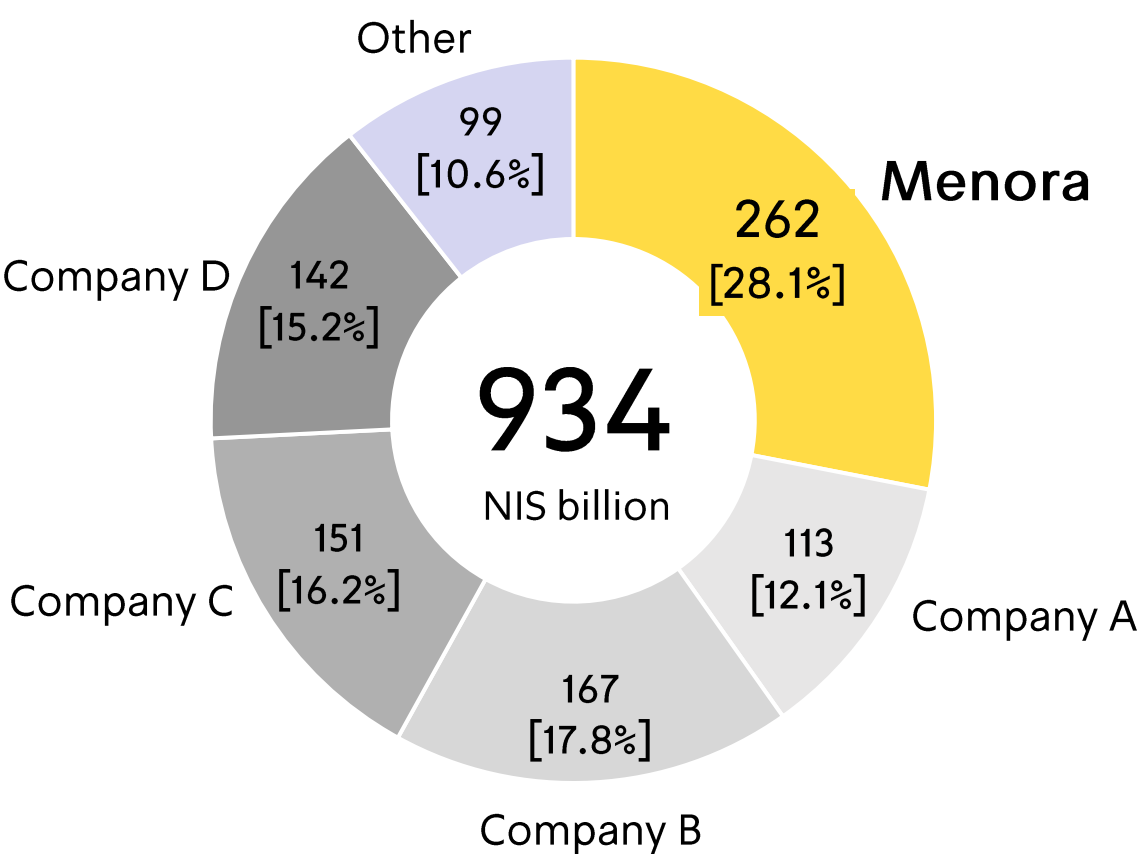
Company D	Company C	Company A	Company B	Menora
10.0%	27.0%	6.0%	41.0%	71.0%

Market share – income  
excluding investment income  
in 2024



NIS **262** billion  
in assets under management

## Leading the Pension Sector



Market share  
pension assets under management  
December 31, 2024

\* Companies A-D refer to the other four major insurance groups.

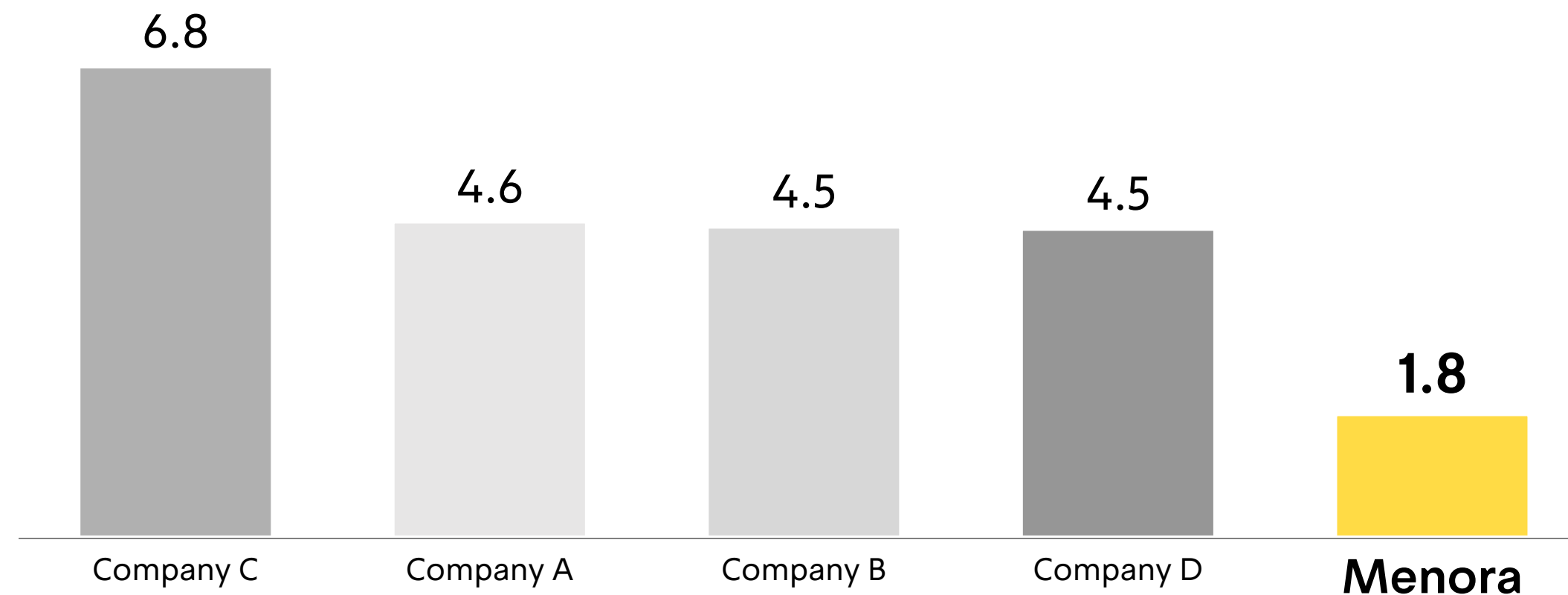
(1) According to the reports of the board of directors for 2024 of the management companies of the pension funds



# Reimbursement of deferred acquisition costs (DAC)

Pension and provident for 2024

**No. of years to recover acquisition costs (DAC) for pension and provident funds (Deferred Acquisition Costs DAC / Profit before tax excluding DAC)**



In NIS million

Deferred acquisition costs (DAC)

Profit before tax – net of DAC

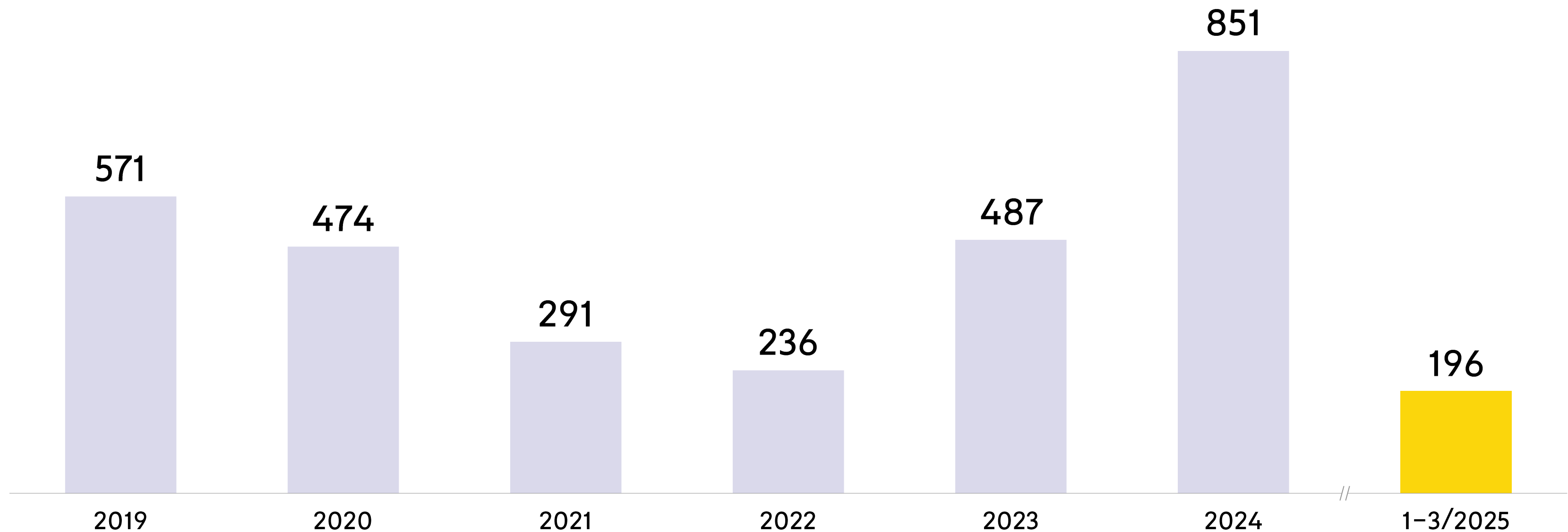
Profit before tax

793	1,259	764	624	723
116	274	169	139	399
28	103	107	42	331



The P&C insurance activity, which generates significant profitability,  
is not included in the store of future earnings

Development of profit\* before tax in the Property and Casualty Segment | in NIS million



\* In 2019-2023, the profit before tax is presented in accordance with IFRS 4 (The impact of IFRS17 standard on the profit in the general insurance segment is not material)





IFRS  
17

3

# Appendix – Defined Terms



# Appendix – Defined Terms

The **adjusted profit** includes:

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

The **financial activity (revenues from investments and interest)** includes:

The difference between the actual return and the abovementioned normative return plus the differences in respect of the adjustment of the index, as well as the effects of changes in the risk-free interest rate curve adapted to the illiquid nature of the insurance liabilities (including Hetz bonds).

**Special effects** include material events outside the ordinary course of business, at management's discretion.

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



# Appendix – Defined Terms

**The store of future earnings<sup>[1]</sup>** – the total balance in respect of CSM, RA and the pension embedded value.

## Contractual service margin (CSM)

The expected profit from provision of insurance coverage. The profit is not recognized on day one, but rather spread over the insurance coverage period. Loss from provision of insurance coverage is recognized on day one.



## Risk adjustment (RA)

Risk margin used as a buffer for the uncertainty embodied in future cash flows.



## Embedded value – pension<sup>[1]</sup>

The expected profit from the provision of pension services less the cost of capital requirement and deferred acquisition expenses (calculated in accordance with the embedded value principles).

IFRS 17

[1] Pension activity is not included in the scope of IFRS17 standard. This activity constitutes a significant arm of the Group and has long-term characteristics - comparable to health and life products. Therefore, in order to reflect a complete and representative picture of the Group's embedded value, the embedded value data of the Group's pension activity are presented as part of the Group's future profit stack.