

**Menora Mivtachim Holdings Ltd.**

# **Financial Statements**

**As of June 30, 2025**

## **IMPORTANT**

**This document is an unofficial translation for convenience only of the Hebrew original of the June 30, 2025, financial report of Menora Mivtachim Holdings Ltd. that was submitted to the Tel-Aviv Stock Exchange and the Israeli Securities Authority on August 31, 2025.**

**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

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

**Chapter C:** Financial Statements

**Chapter D:** Data from the Financial Statements  
Attributed to the Company

## 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, 2025

The following Report of the Board of Directors reviews the activity of Menora Mivtachim Holdings Ltd. (hereinafter - the **"Company"**) for the six-and three months ended June 30, 2025 (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 2024 Periodic Report, which was published on March 16, 2025 (hereinafter - the **"Periodic Report"**).

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

### 1. Company Description

#### 1.1 The Company's shareholders

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

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<sup>1</sup> Fully diluted, after deduction of the dormant shares acquired within the share buyback plan, as of the report publication date - 62.75%.

<sup>2</sup> Fully diluted, after deduction of the dormant shares acquired within the share buyback plan, as of the report publication date - 2.75%.

Regulations (Details of a Prospectus and Draft Prospectus - Structure and Form), 1969), such as provision of factoring services and retail credit, credit to real estate projects and credit and financing services to SMEs (through an associate) as well as the provision of securities distribution services and underwriting commitments, and real estate investments.

In addition, the Group holds a controlling 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**") by way of control and/or means of control over various insurance agencies.

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**"). Consequently, the Company and the Group subsidiaries undertook the requisite operational and business measures. and from 2024 the Group returned to full operating activity without suffering any material effects due to the War.

It is noted that in June 2025, and under Iran's attack on Israel, a missile fell not far from the Company's building. As a result of the missile hit, only minor secondary damage was caused to property without any damage to critical infrastructures, and accordingly the Company's ability to function was not impaired, specifically its provision of services to policyholders and planholders. The total damage net of the expected government compensation is immaterial.

### 2.2 Rating reiteration

In January 2025, Midroog announced it was reiterating the rating of the Company's Bonds (Series C) at Aa2 with a stable outlook. For further details, see the Company's immediate report dated January 22, 2025 (Ref. No.: 2025-01-006170).

### 2.3 Tender offer - Isracard

On October 31, 2024, the Company entered into an investment agreement with Isracard Ltd. (hereinafter - "**Isracard**") for the purchase of approx. 33% of Isracard's issued and paid up share capital by way of private placement at pre-money valuation of NIS 3.15 billion. On December 30, 2024, Isracard announced that it received another proposal, which constitutes a "preferrable proposal" and therefore it intends to cancel the investment agreement signed with the Company. On January 1, 2025, the Company notified Isracard that it does not intend to negotiate an amendment to the agreement's terms. On January 5,

2025, Isracard notified the Company of the cancellation of the investment agreement. Accordingly, the Company received approx. NIS 62 million in compensation. For further details, see the Company's immediate reports dated October 31, 2024, December 31, 2024 and January 6, 2025 Ref. Nos.: 2024-01-613158, 2024-01-628739 and 2025-01-001589).

## **2.4 Yesodot transaction**

On January 27, 2025, Menora Insurance and another Menora group subsidiary (hereinafter - the "**Investor**") entered into an agreement with Yesodot A. Financial Support Ltd. (hereinafter - "**Yesodot**") for the provision of subordinate credit facilities (hereinafter - the "**Agreement**"). Menora Insurance and the Investor undertook to advance to Yesodot credit facilities totaling NIS 200 million each, and the credit facility to be advanced by the Investor is convertible into 50.1% of Yesodot's shares; such conversion will result in assumption of control. Furthermore, the parties entered into a shareholder agreement, which will come into effect upon the execution of the conversion (if it is executed), comprising three mutual options (put and call), for a period of up to 4 years, at the end of which (if exercised) the Investor will hold 100% of Yesodot's shares. In April 2025, all the conditions precedent were met and accordingly the Agreement entered into force. For further details, see the Company's immediate report dated April 28, 2025 (Ref. No.: 2025-01-030005).

## **2.5 Extension of ED tenure**

In February 2025, an extraordinary meeting of the Company was held in which Mr. Gabriel Perel was reappointed ED, and his compensation was approved. For further details, see the Company's immediate report dated February 2, 2025 (Ref. No.: 2025-01-007119).

## **2.6 Dividend distribution**

In March 2025, and in accordance with the distribution policy, the Board of Directors declared the distribution totaling approx. NIS 150 million in dividend. The dividend was distributed in April 2025. For further details, see the Company's immediate report dated March 16, 2025 (Ref. No.: 2025-01-017142). Regarding the dividend subsequent to the balance sheet date, see Section 17.3 below.

## **2.7 Dividend distribution by subsidiaries**

In March 2025, the subsidiary Menora Insurance distributed a dividend totaling NIS 250 million. In May 2025, subsidiary Menora Mivtachim Pension and Provident Funds distributed a NIS 50 million dividend (the Company's share is NIS 45 million). Regarding the dividend subsequent to the balance sheet date, see Section 17.4 below.

## 2.8 Issuance of Series I

In March 2025, the sub-subsidiary, Menora Mivtachim Capital Raising Ltd. (hereinafter - "**Menora Capital Raising**"), issued NIS 400 million p.v. in Bonds (Series I) registered with a NIS 1 p.v. each. Bonds (Series I) were rated Aa3 by Midroog. The issuance proceeds were transferred to Menora Mivtachim Insurance as Tier 2 Capital. For further details, see the immediate report issued by Menora Mivtachim Capital Raising on March 23, 2025 (Ref. No.: 2025-01-019461). For details regarding an expected issuance subsequent to the balance sheet date, see Section 17.2.

## 2.9 Collective agreement subsidiary – Insurance

On April 9, 2025, a new collective agreement was signed for the years 2025 to 2028, between Menora Insurance, and the New Histadrut Workers' Union and the workers' union at Menora Insurance (hereinafter - the "**Agreement**"). The New Agreement will supersede the existing agreement, which was recently extended until December 31, 2024. The New Agreement will apply to all employees of Menora Insurance, except for managers and employees serving in specific roles defined in the agreement. The Agreement embodies an improvement in the employment and welfare conditions of Menora Insurance's employees, as well as an extension of the salary and bonus supplement budget, an improvement of additional employment conditions and the expansion of the leisure and welfare budgets, among other things, depending on compliance with the annual work plan approved by the Board of Directors. The Group estimates that the Agreement will not have a material effect on the Group's expenses in respect of the previous Agreement.

## 2.10 Rating - subsidiary and sub-subsidiary

On May 28, 2025, Midroog published a tracking report of Menora Insurance, which reiterated the rating of the Company and that of the notes issued by it and by Menora Mivtachim Capital Raising, a sub-subsidiary of the Company. Accordingly, the Company's rating will be Aa1 with a stable outlook and the rating of the notes in Tier 2 capital and the hybrid Tier 2 capital is Aa3 with a stable outlook.

## 2.11 Publication of outline

In May 2025, the Company's Board of Directors approved an option outline plan for Group's employees, comprising up to 1,122,068 options, which will not be listed on the Tel Aviv Stock Exchange Ltd. (hereinafter - "**Options**" and the "**TASE**"), and which are exercisable into up to 1,122,068 registered Company ordinary shares of NIS 1 p.v. each; the shares are offered or will be offered, without consideration, to employees of the Company and companies under its control; the option outline plan also includes up to 877,932 options, which will not be listed on the TASE, and which are exercisable into up to 877,932 ordinary shares, which were allocated to a trustee by virtue of the previous outline and held by the trustee as of the date of this outline. The Options not allocated to specific offerees will enable future allocations to additional officers and

employees. For further details, see the Company's immediate report of June 3, 2025 (Ref. No.: 2025-01-039757). Further to the above, the Company has allocated - subsequent to the balance sheet date - approx. 800 thousand exercisable Options to employees in two tranches for a period of 3 years.

## **2.12 Repayment of a capital note of a subsidiary**

In June 2025, the subsidiary repaid a capital note received from the Company totaling approx. NIS 320 million, which constituted Tier 1 capital in the subsidiary, in accordance with the capital note's terms and conditions.

## **2.13 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 12 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, 2024	As of December 31, 2023
	Audited*	Audited*
	NIS thousand	
Without taking into account the Provisions for the transitional period:		
Shareholders equity in respect of SCR	7,627,026	7,042,994
Solvency capital requirement (SCR)	4,714,197	4,473,864
Surplus	2,912,829	2,569,130
Solvency ratio (%)	161.8%	157.4%
Effect of material equity transactions taken in the period between the calculation date and the publication date of the Solvency Ratio Report		
Capital raising	184,204	-
Shareholders equity in respect of SCR	7,811,230	7,042,994
Surplus	3,097,033	2,569,130
Solvency ratio (%)	165.7%	157.4%
The Board's target for the period (in %)	115.0%	114.3%
Capital surplus over target	2,389,904	1,930,007
Meeting milestones taking into account the provisions for the transitional period:		
Shareholders' equity in respect of SCR	7,885,190	7,524,516
Solvency capital requirement (SCR)	4,576,707	4,306,029
Surplus	3,308,483	3,218,487
Solvency ratio (%)	172.3%	174.7%
Effect of material equity transactions taken in the period between the calculation date and the publication date of the Solvency Ratio Report		
Capital raising	400,000	-
Shareholders equity in respect of SCR	8,285,190	7,524,516
Surplus	3,708,483	3,218,487
Solvency ratio (%)	181.0%	174.7%

##### B. Minimum capital requirement (MCR)

	As of December 31, 2024	As of December 31, 2023
	Audited*	Audited*
	NIS thousand	
Minimum capital requirement (MCR)	1,377,444	1,315,136
Solvency capital requirement (SCR)	6,459,205	5,839,516

**C. Solvency ratio**

Shomera Insurance	As of December 31, 2024	As of December 31, 2023
	Audited*	Audited*
	NIS thousand	
Without taking into account the provisions for the transitional period:		
Shareholders equity in respect of SCR	700,676	627,488
Solvency capital requirement (SCR)	563,152	462,009
Retained earnings	137,524	165,479
Solvency ratio (%)	124.4%	135.8%
The Board's target for the period (in %)	113.0%	110.9%
Excess capital over target (in NIS thousand)	64,314	115,186
Meeting milestones taking into account the provisions for the transitional period:		
Shareholders' equity in respect of SCR	700,676	627,488
Solvency capital requirement (SCR)	563,152	438,908
Retained earnings	137,524	188,580
Solvency ratio (%)	124.4%	143%

**D. Minimum capital requirement (MCR)**

	<b>As of December 31, 2024</b>	<b>As of December 31, 2023</b>
	<b>Audited*</b>	<b>Audited*</b>
	<b>NIS thousand</b>	
Minimum capital requirement (MCR)	212,286	138,093
Solvency capital requirement (SCR)	700,676	627,488

(\*) The solvency ratio as of December 31, 2024 and as of December 31, 2023 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 8 to the Consolidated Financial Statements and the Economic Solvency Ratio Report on the Company's website.

The Solvency Ratio Report was prepared on the basis of the terms and conditions and the best estimate as known to the companies as of the December 31, 2024.

According to the Supervision of Financial Services Regulations (Provident Funds) (Minimum Equity Required from a Provident Fund or a Pension Fund's Management Company), 2012, and the circulars by virtue of the said regulations, as of the report date, Menora Mivtachim Pension and Provident Funds has excess capital of approx. NIS 580 million.

As of the approval date of the financial statements, all Group companies comply with the capital requirements which were set for them, as the case may be (see also Note 8 to the Financial Statements).

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

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

Over the years, Menora Insurance and Shomera revised the target capital and the manner in which it was achieved. As of the report date, Menora Insurance’s target capital will increase gradually and linearly from 115% at the end of 2024 to 130% in 2032 (the end of this company’s transitional period), and Shomera’s target capital will stand at 113% as from the end of 2024 (the end of its transitional period).

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 7.2.1.2 (d)-(g) to the Report on the Corporation's Business and Note 8 to the Financial Statements.

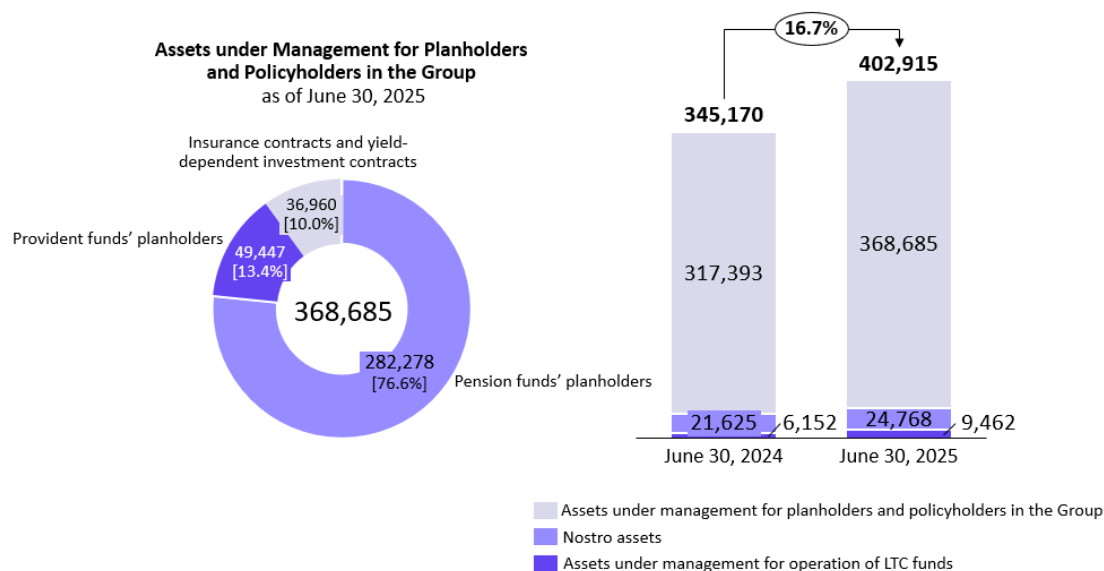
## **4. IFRS 17 and IFRS 9 - First-Time Application**

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. Furthermore, commencing from the date of initial application of IFRS 17, the Company is required to implement IFRS 9 for the first time in lieu of IAS 39. The New Standards lead to material changes in the Company’s financial reporting on Life Insurance and Long-Term Health Insurance and have a limited effect on Property and Casualty Insurance and Short-Term Health Insurance.

The standard’s first-time application date is January 1, 2025, and the transition date is January 1, 2024. As a result, the comparative figures for H1/2024 and 2024 were restated. For further details, see Sections 7.3 and 7.4 below.

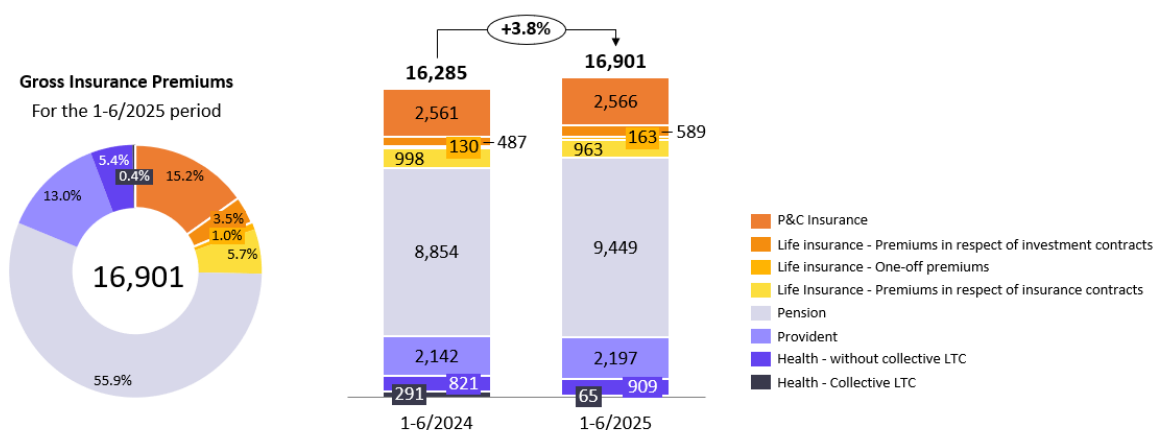
## 5. Assets under management, contributions toward benefits and premiums

### 5.1 Assets under management (in NIS million)



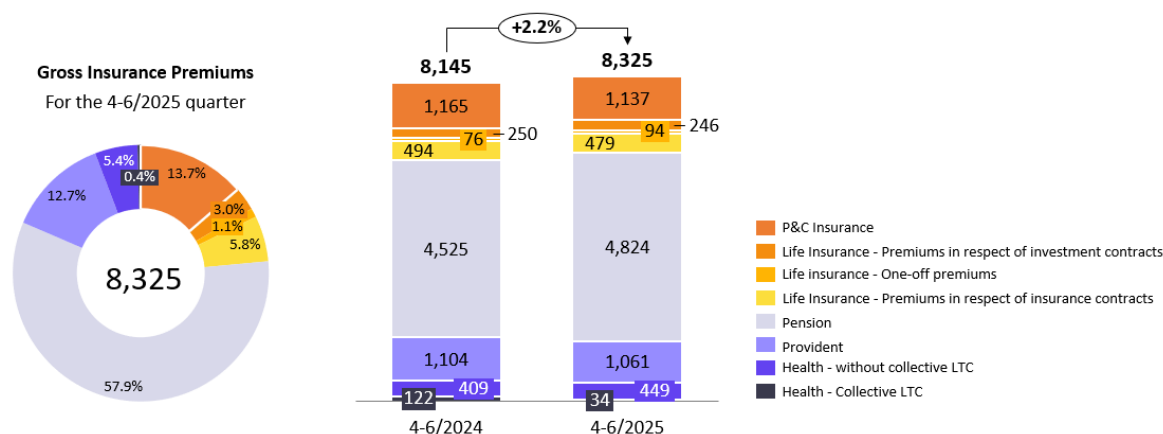
The consolidated financial statements do not include the assets under management in the pension funds and provident funds (except for guaranteed return provident fund tracks) as well as the assets under management with respect to the long-term care funds.

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



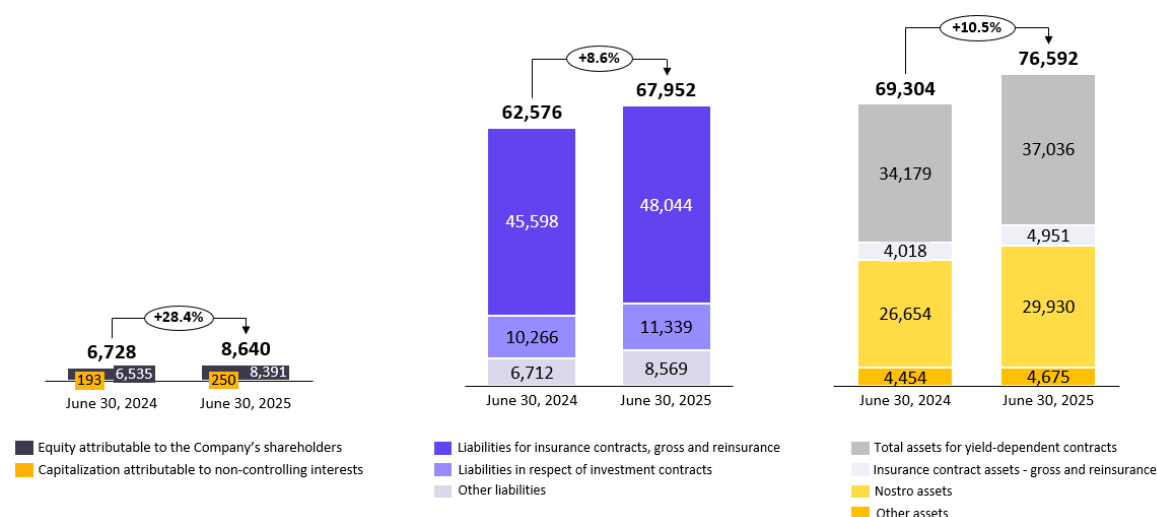
Revenues in the Consolidated Financial Statements do not include the contributions toward benefits deposited with pension funds and provident funds (excluding guaranteed return provident funds tracks) as well as proceeds from investment contracts which are recognized directly in liabilities.

### 5.3 Contributions toward benefits and premiums in the quarter (in NIS million)



Revenues in the Consolidated Financial Statements do not include the contributions toward benefits deposited with pension funds and provident funds (excluding guaranteed return provident funds tracks) as well as proceeds from investment contracts which are recognized directly in liabilities.

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



The increase in assets (of approx. NIS 7.4 billion) and in liabilities (approx. NIS 5.3 billion) compared to the corresponding quarter last year arose mainly from a positive return on assets and growth in business, as well as from an increase in activity and from first-time consolidation of Yesodot (see Section 2.4 above). Accordingly, the equity attributable to the shareholders increased by approx. NIS 1,856 million.

### 5.5 Changes in the shareholders' equity

The equity attributable to the Company's shareholders amounted to approx. NIS 8,391 million as of June 30, 2025, compared to approx. NIS 7,432 million as of December 31, 2024. The increase in equity stems mainly from comprehensive income attributable to the shareholders in the period of approx. NIS 1,107 million, and on the other hand from distributed dividends of approx. NIS 150 million.

## 6. Operating results

The Reporting Period and specifically the second quarter featured positive returns higher than those recorded in the corresponding periods last year. In addition, the effects of the change in the interest rate curve and illiquidity premium, which increased the insurance liability (net) in the corresponding period last year, decreased the insurance liability (net) in the Reporting Period.

The Company recorded an improvement in adjusted profit in the Health Insurance Segment and in the Pension and Provident Segments alongside a decrease in adjusted profit in the Life Insurance Subsegment; adjusted profit in the Property and Casualty Insurance Segment remained without change but achieved substantial profitability. The improvement in adjusted profit in the Pension and Provident Funds Segment arises from continued growth in assets under management and management fees charged, without a corresponding increase in expenses; the improvement in adjusted profit in Health Insurance arises mainly from an increase and improvement in medical expenses insurance. The decrease in profitability in the Life Insurance Subsegment is mainly due to an increase in claims in death benefit insurance and on the other hand an improvement in savings products, mainly due to the permanent health insurance coverage.

### 6.1 Comprehensive income from operating segments during the Reporting Period

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

In measuring the business activity results (including nostro activity which is not attributed to segments<sup>3</sup>) (hereinafter - "**adjusted profit**") the Company:

- (1) Imputation of a normative real return of 4%<sup>4</sup> (annualized) plus the consumer price index (CPI) at 2.5%<sup>5</sup> (annualized) in respect of the balance of investment assets at the beginning of the period, plus the actual return on Israeli government Hetz bonds, adjusted to an annualized CPI of 2.5%.<sup>6</sup>

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<sup>3</sup> Excluding the granting of credit by associates and investees.

<sup>4</sup> The normative return is based on the nominal interest rate curve plus the illiquidity premium and the spread in accordance with the Company's Nostro Assets portfolio. The Company will periodically examine the effects of the curve and the spread and will update the normative rate of return when there is a significant change in the relevant parameters.

<sup>5</sup> The CPI rate in this regard is determined in accordance with the inflation rate forecast for the coming year. The Company will examine the CPI rate when there is a significant change in inflation expectations.

<sup>6</sup> The adjusted profit does not include the effect on the performance-dependent compensation (grants) to the Group's employees for the normative return.

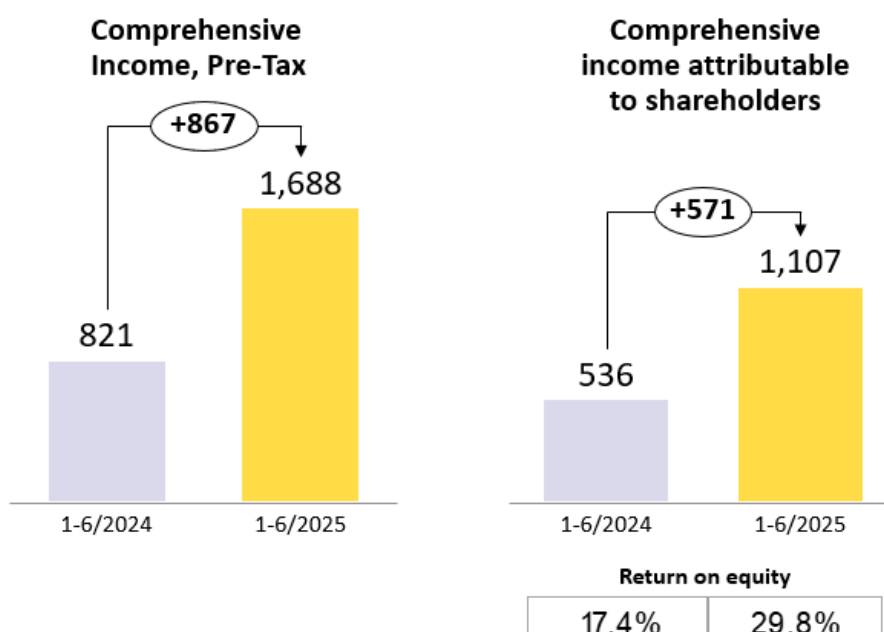
- (2) Neutralizes the effects of the change in the interest rate curve on insurance liabilities and assets (including Hetz bonds) and adjusts the effects of the CPI according to a 2.5% rate.
- (3) In respect of deposits of the Accountant General in the guaranteed return provident funds, the actual return is imputed.

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

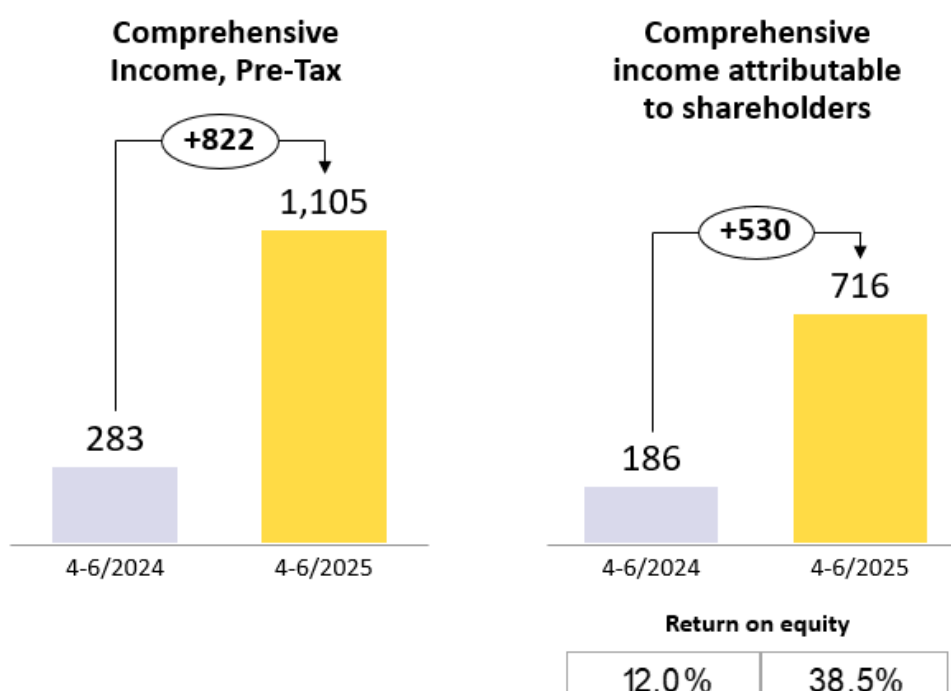
Special effects include material events outside the ordinary course of business, at management's discretion (hereinafter - **"special effects"**).

## 6.2 Data from the Consolidated statements of income data

### 6.2.1 Comprehensive income during the Reporting Period (in NIS million)

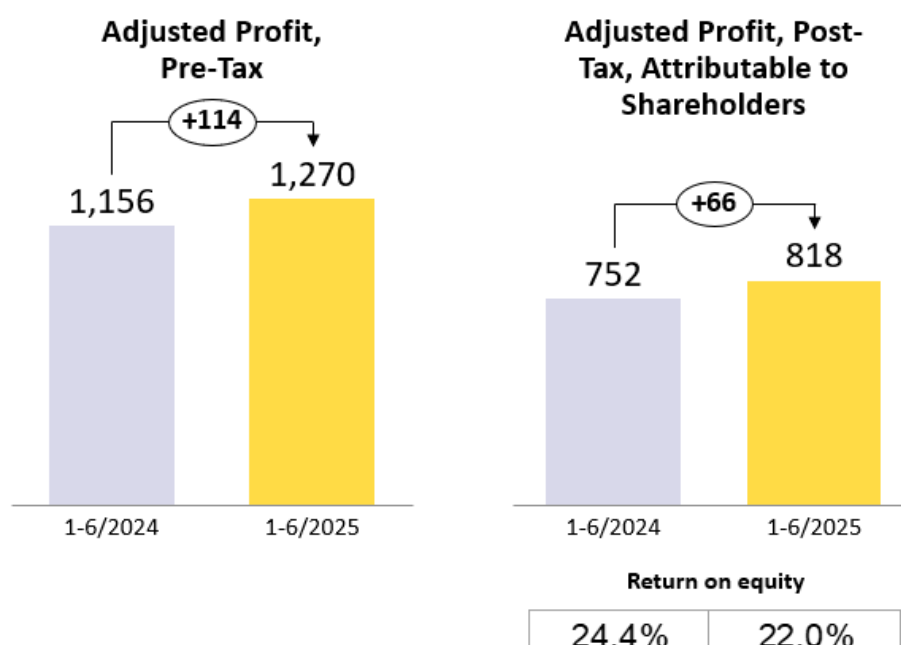


### 6.2.2 Comprehensive income in the quarter (in NIS million)

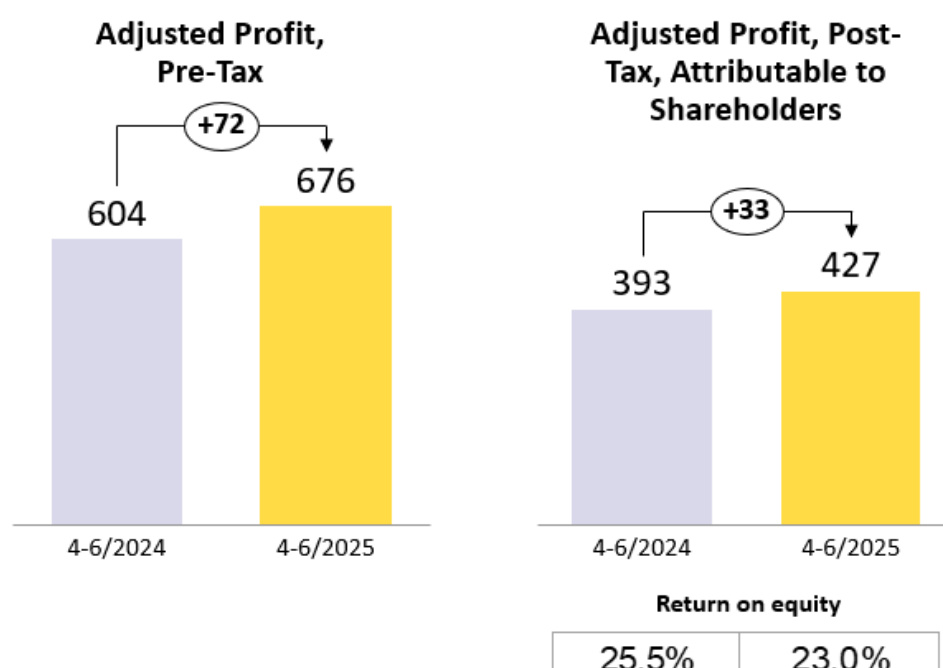


The return on equity is annualized and calculated based on the comprehensive income for the period, post-tax, adjusted for a period of one year, divided by equity as of the beginning of the year.

### 6.2.3 Adjusted profit during the Reporting Period (in NIS million)

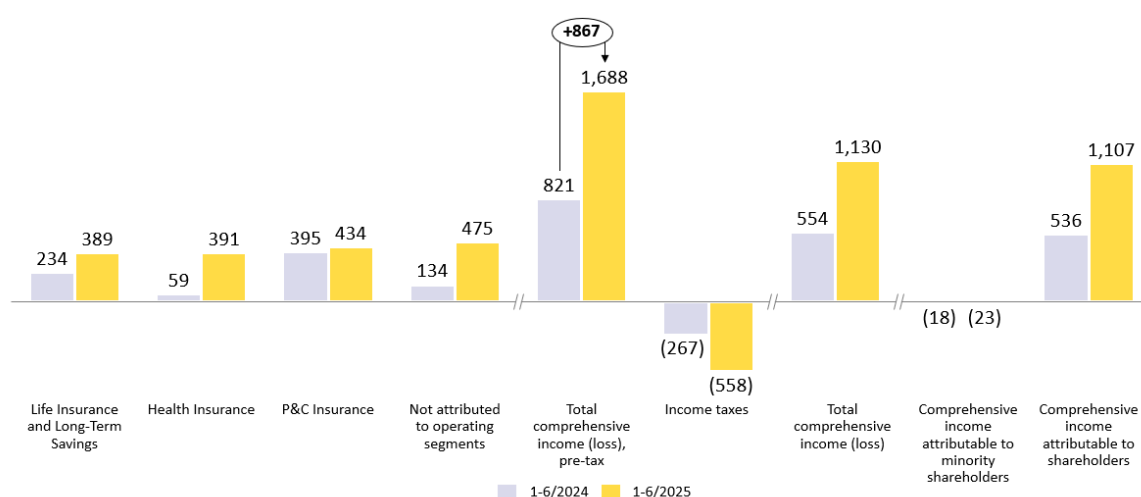


## 6.2.4 Adjusted profit in the quarter (in NIS million)



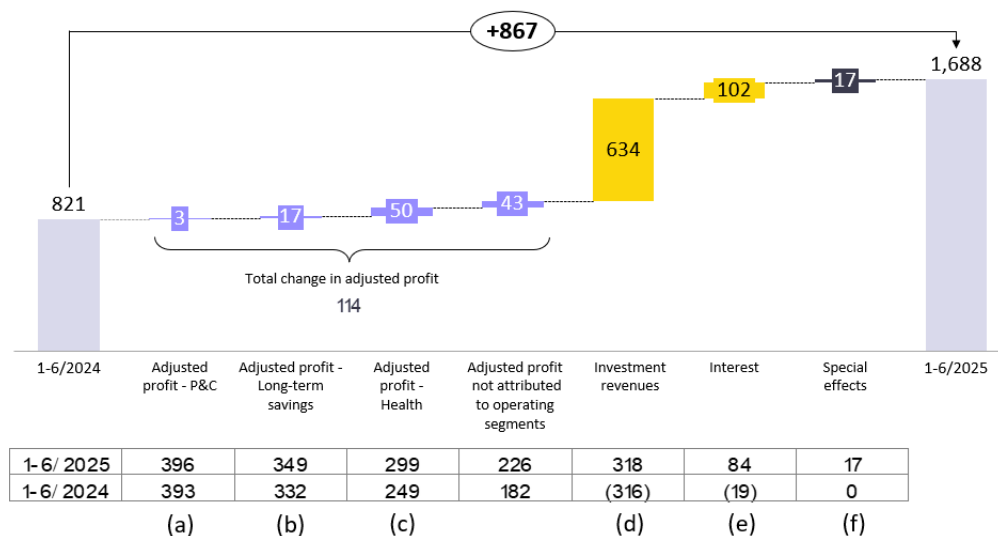
The return on equity is annualized and calculated based on the adjusted profit for the period, post-tax, adjusted for a period of one year, divided by equity as of the beginning of the year.

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



It is noted that the results in the report are shown in retention when the reinsurance results are attributed to the gross results in accordance with the relevant main coverage.

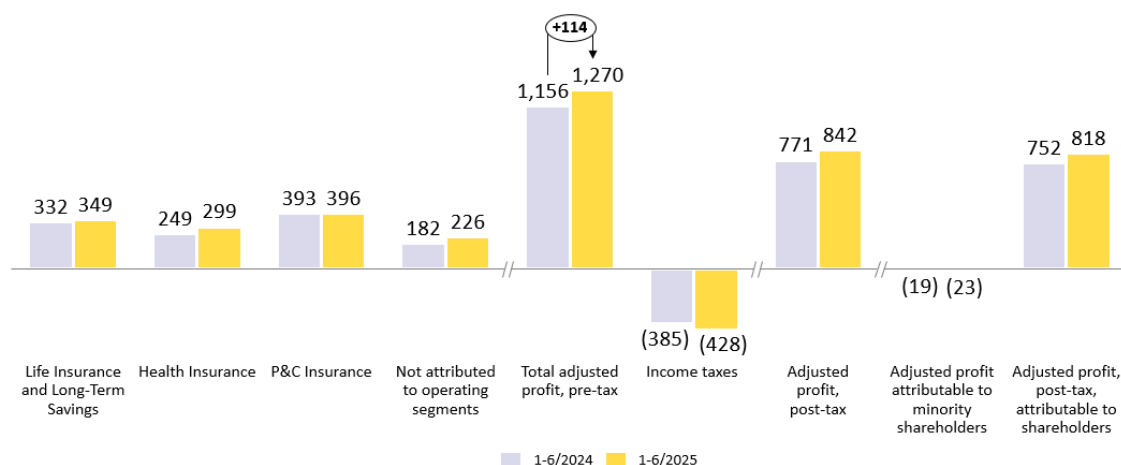
## 6.2.6 Changes in the operating results during the Reporting Period (NIS million)



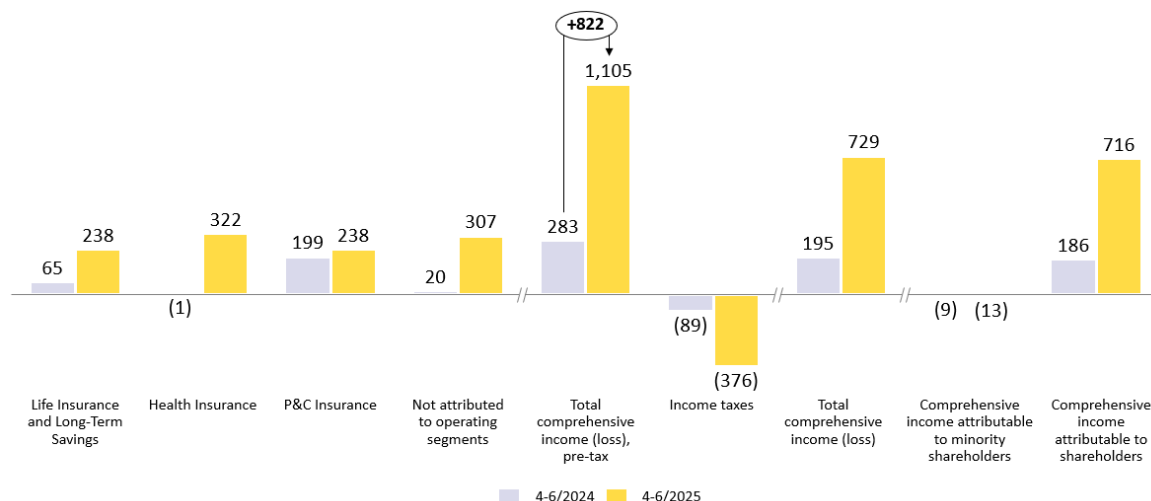
- A. **Adjusted profit - P&C:** There were no significant changes in the subsegment's results in the Reporting Period compared to the corresponding period last year. For further details, see Section 6.6.3 below.
- B. **Adjusted profit - Long-Term Savings:** The improvement in adjusted profit in the Report Period compared to the corresponding period last year arises from an improvement in the Pension and Provident subsegments. On the other hand, in the Life Insurance Subsegment there was a decrease compared to the corresponding period last year. The decrease in Life Insurance arises mainly from the death benefit portfolio, which was partially offset by an improvement in savings products, mainly in respect of the permanent health insurance coverage; for further details, see Section 6.3.6 below.
- C. **Adjusted profit - Health:** The increase in adjusted profit in the Reporting Period compared to the corresponding period last year stems mainly from an improvement in medical expenses and critical illness insurance as well as from an increase in the operating of HMOs' LTC funds. For further details, see Section 6.7.3 below.
- D. **Investment revenues:** In the Reporting Period, investment revenues were higher than the normative return, while in the corresponding period last year, investment revenues were lower than the normative return.
- E. **Interest:** In the Reporting Period, the risk-free interest rate curve increased in the short-term and decreased in the medium and long-term, alongside a decrease in the illiquidity premium, whereas in the corresponding period last year, the risk-free interest rate curve increased along the entire curve, alongside a decrease in the illiquidity premium. Consequently, the Company recorded a profit in the Reporting Period compared to a loss in the corresponding period last year.

- F. **Special effects:** Special effects include significant events outside the ordinary course of business, at management's discretion, and in the Reporting Period, mostly a one-off revenue due to approx. NIS 62 million in compensation from Isracard, and on the other hand - mainly with respect to provisions for lawsuits. For further details, see Section 2.3 above.

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

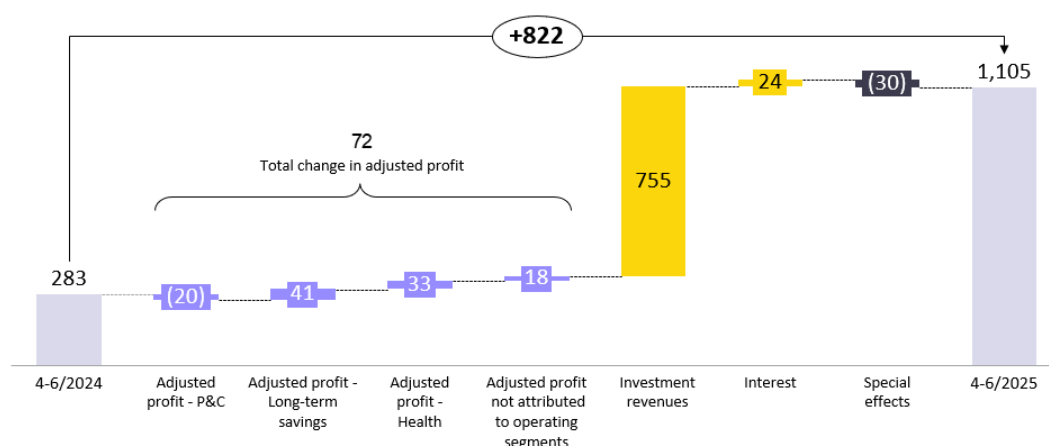


### 6.2.8 Comprehensive income from operating segments during the quarter (NIS million)



It is noted that the results in the report are shown in retention when the reinsurance results are attributed to the gross results in accordance with the relevant main coverage.

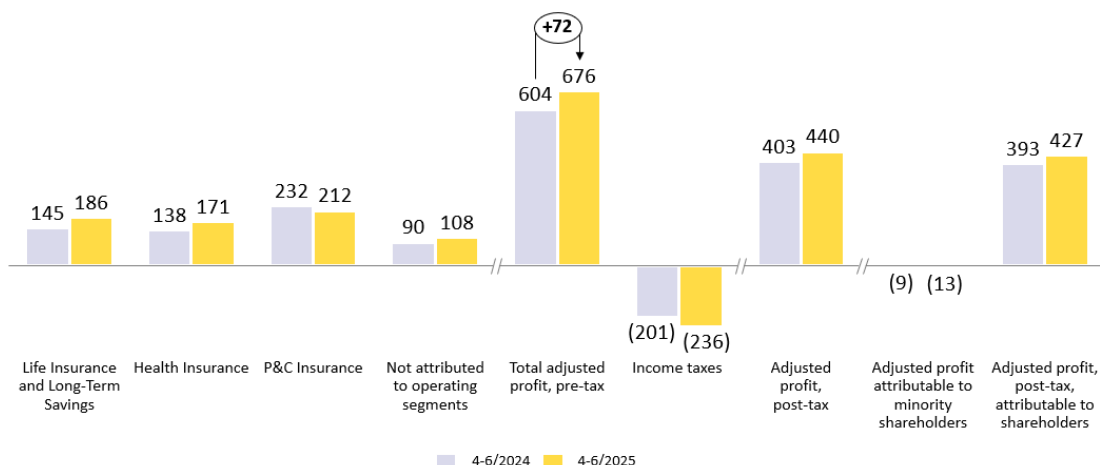
## 6.2.9 Changes in the operating results during the quarter (before tax, in NIS million)



4- 6/ 2025	212	186	171	108	391	68	(30)
4- 6/ 2024	232	145	138	90	(365)	44	0
	(a)	(b)	(c)		(d)	(e)	(f)

- A. **Adjusted profit - P&C:** The decrease in adjusted profit is due to the Motor Property and Property and Other Liability Insurance subsegments, and - on the other hand - an improvement in the Compulsory Motor Subsegment. The results in all subsegments include an improvement in current results alongside a decline in positive developments recorded in the corresponding period last year. For further details, see Section 6.6.7 below.
- B. **Adjusted profit - Long-Term Savings:** The improvement in adjusted profit in the Report Period compared to the corresponding period last year arises from an improvement in the Pension and Provident subsegments as well as in Life Insurance. For further details, see Section 6.3.9 below.
- C. **Adjusted profit - Health:** The increase in adjusted profit in the second quarter compared to the corresponding period last year stems mainly from an improvement in medical expenses and individual long-term care insurance as well as from an increase in the operating of HMOs' LTC funds. For further details, see Section 6.7.7 below.
- D. **Investment revenues:** In the second quarter, investment revenues were lower than the normative return, while in the corresponding quarter last year, investment revenues were higher than the normative return.
- E. **Interest:** In the second quarter, the risk-free interest rate curve decreased alongside a decrease in the illiquidity premium, whereas in the corresponding quarter last year, the risk-free interest rate curve increased alongside a decrease in the illiquidity premium.
- F. **Special effects** include significant events outside the ordinary course of business, at management's discretion, and in the Reporting Period - mainly with respect to provisions for lawsuits.

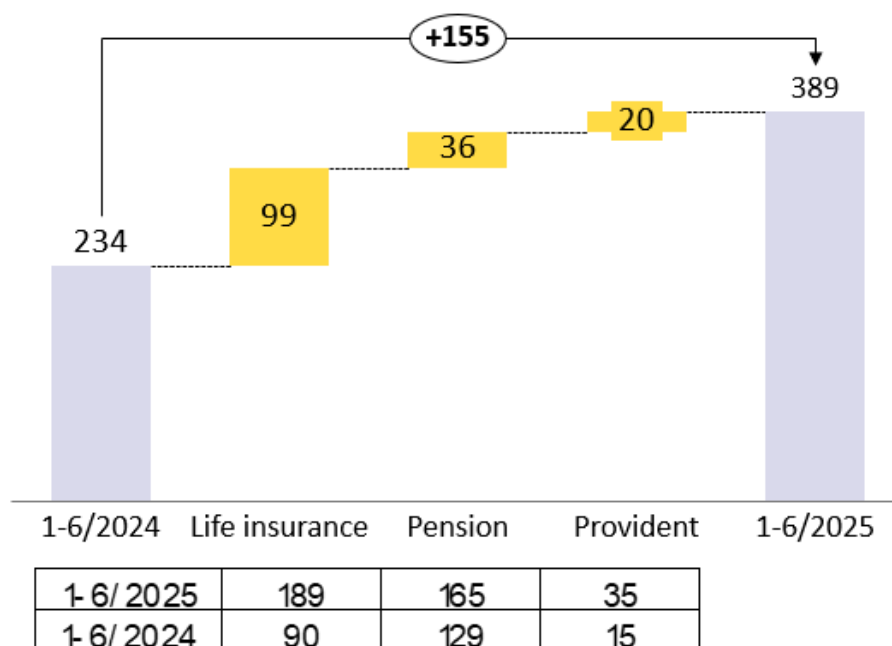
### 6.2.10 Adjusted profit from operating segments during the quarter (in NIS million)



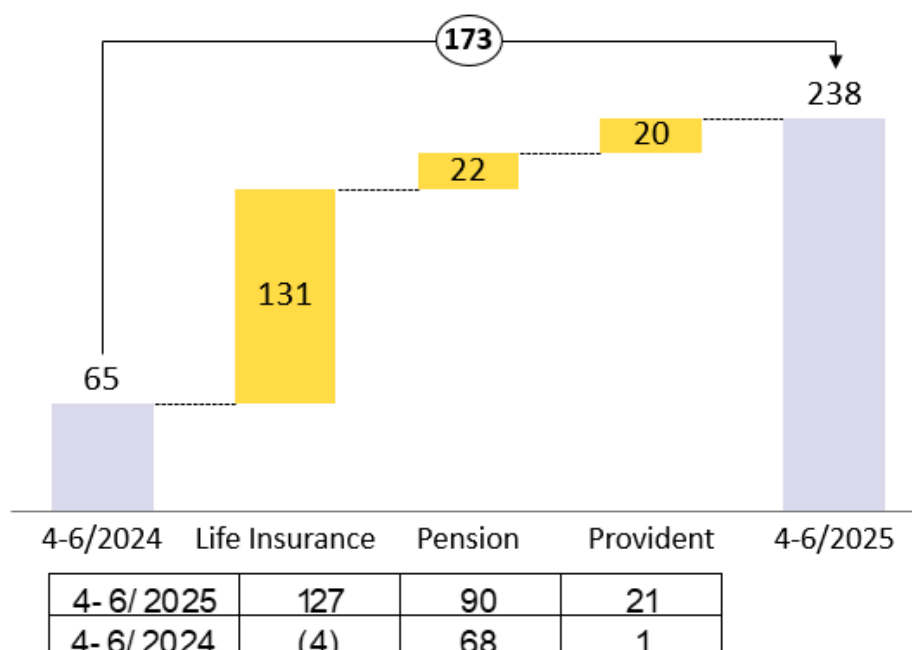
## Financial information by area of activity

### 6.3 Life insurance and Long-Term Savings (in NIS million)

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



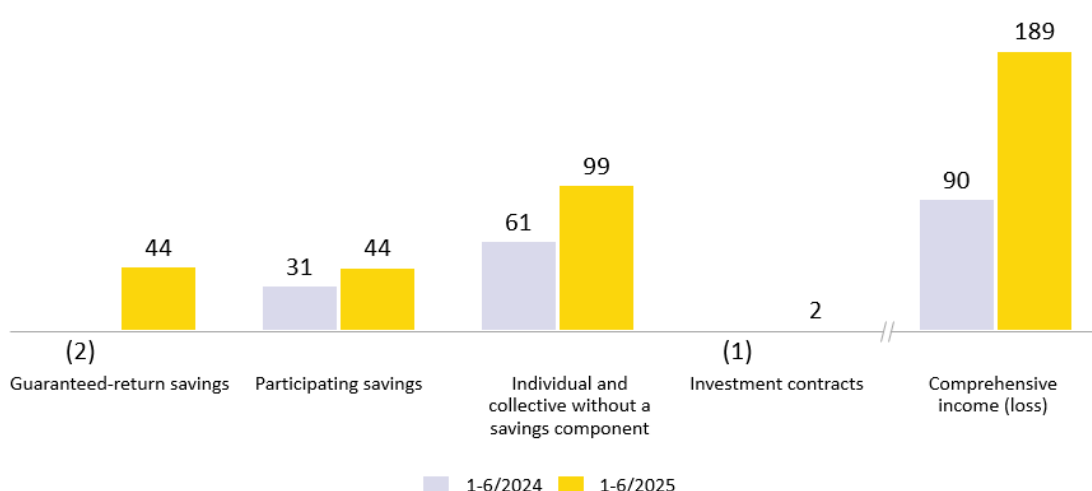
### 6.3.2 Key results of the Life Insurance and Long-Term Savings Subsegments in the quarter (before tax, in NIS million)



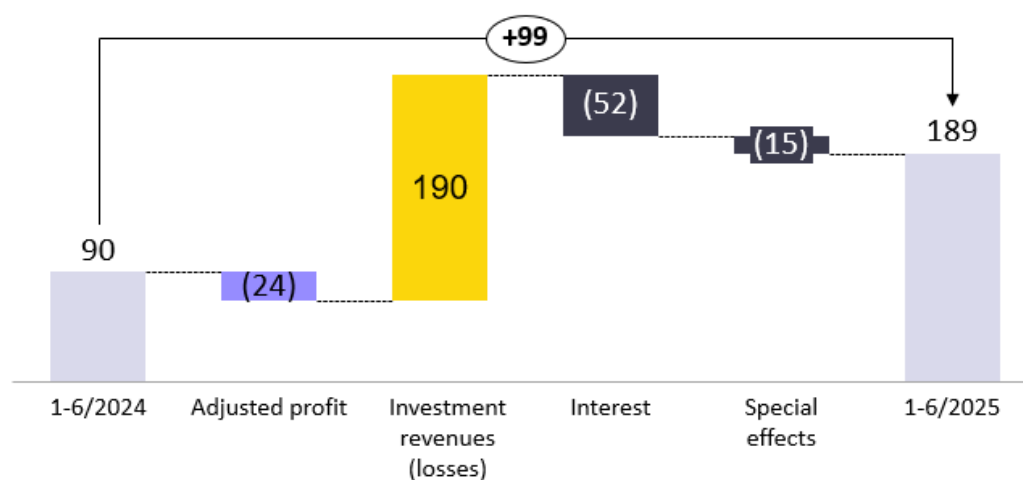
### 6.3.3 Operating results of the Life Insurance Subsegment

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

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



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



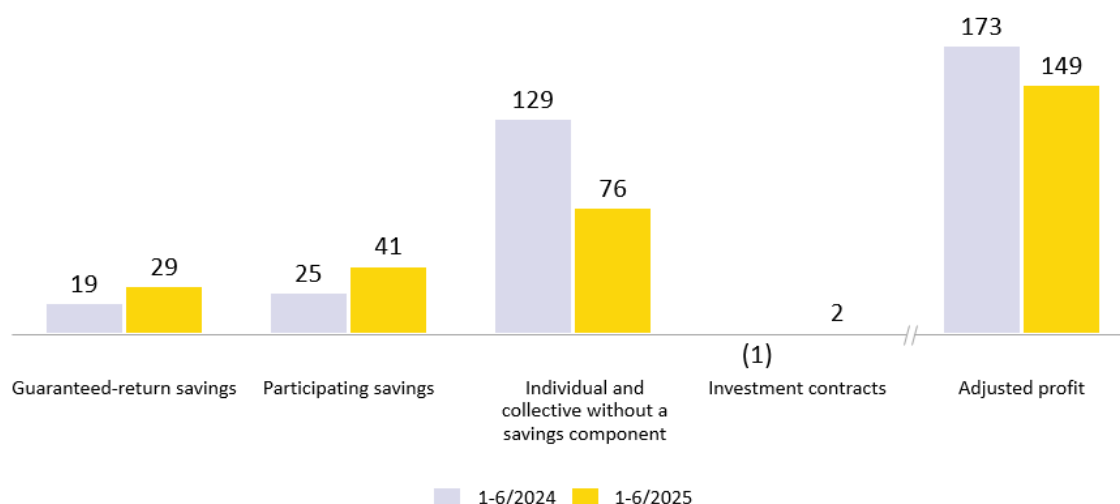
1-6/2025	149	56	1	(15)
1-6/2024	173	(134)	53	0

The increase in comprehensive income from Life Insurance and Long-Term Savings in the Reporting Period compared to the corresponding period last year derived mainly from an increase in investment revenue in the Reporting Period compared to investment losses in the corresponding period last year (after imputing normative return, as stated in Section 6.1 above). On the other hand, the interest rate effect reduced the insurance liabilities (net of Hetz bonds) by approx. NIS 1 million, compared to a total of approx. NIS 53 million in the corresponding period last year.

The decrease in adjusted profit in the Reporting Period compared to the corresponding period last year stems mainly from the life (death benefit) portfolio, which was partially offset by an improvement in the savings products, mainly due to PHI coverage.

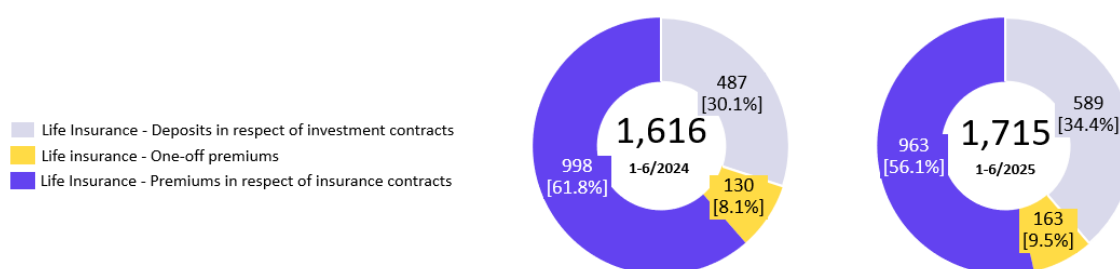
In addition, during the Reporting Period, there was a decrease in profit of approx. NIS 15 million as a result of special effects arising from updating provisions for lawsuits.

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



- **Guaranteed return savings** – The increase in adjusted profit stems mainly from a decrease in the ratio of claims compared to the corresponding period last year in PHI and disability products.
- **Participating savings** - The increase in adjusted profit in the Reporting Period compared to the corresponding period last year is mainly due to a positive development in claims with respect to PHI products.
- **Policies without a savings component** - the decrease in adjusted profit in the Reporting Period compared to the corresponding period last year is mainly due to a significant increase in claims in life insurance products (death) and a decrease in the release of the contractual service margin.

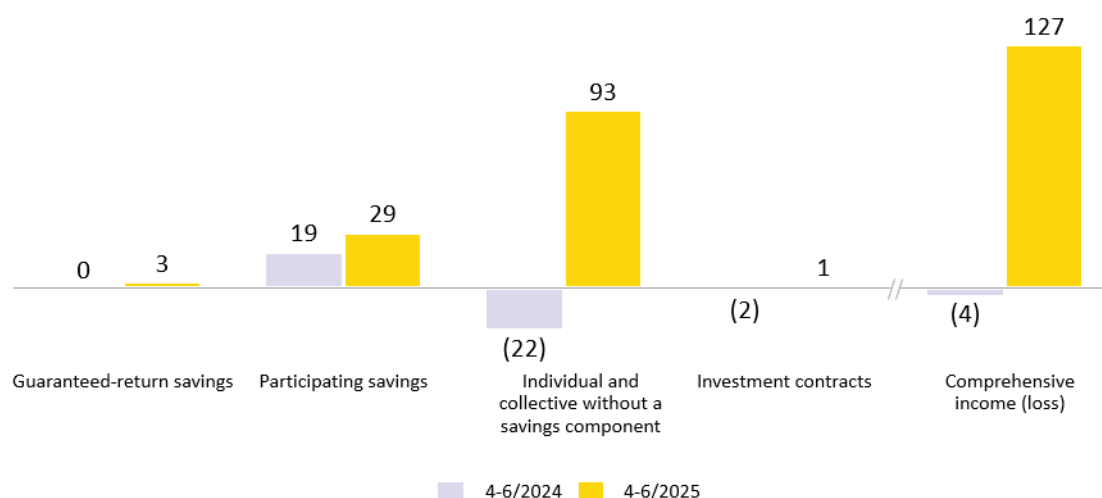
### ■ Premiums and redemptions in the Reporting Period (in NIS million)



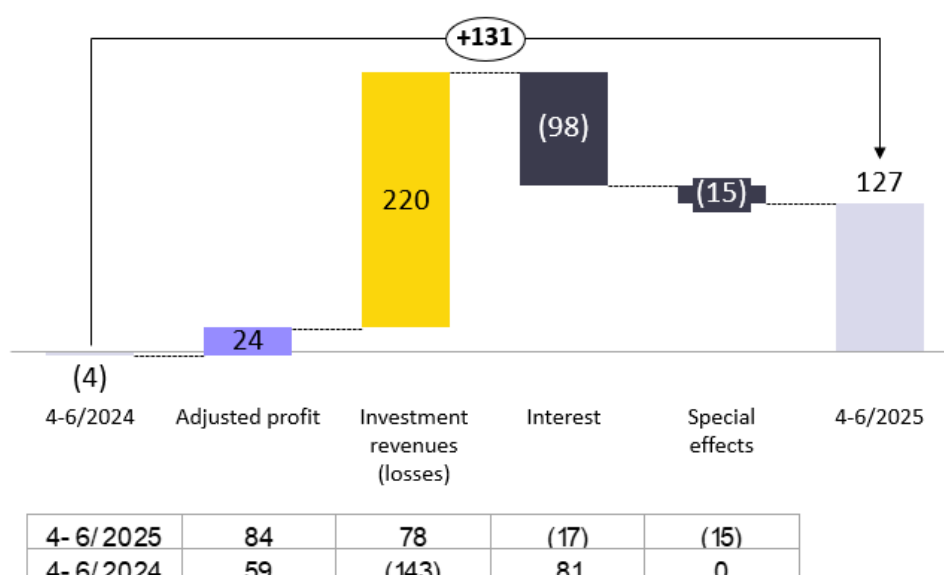
The policies which were redeemed during the Reporting Period amounted to approx. NIS 1,157 million, compared to approx. NIS 1,058 million in the corresponding period last year. The rate of redemptions out of the average reserve in the Reporting Period was approx. 7.23% compared to approx. 7.00% in the corresponding period last year.

Redemptions for investment contracts in the Reporting Period amounted to approx. NIS 399 million, compared with approx. NIS 423 million in the corresponding period last year.

### 6.3.7 Comprehensive income (loss) in Life Insurance during the quarter (before tax, in NIS million)



### 6.3.8 Changes in the results of the Life Insurance Segment during the Quarter (before tax, in NIS million)

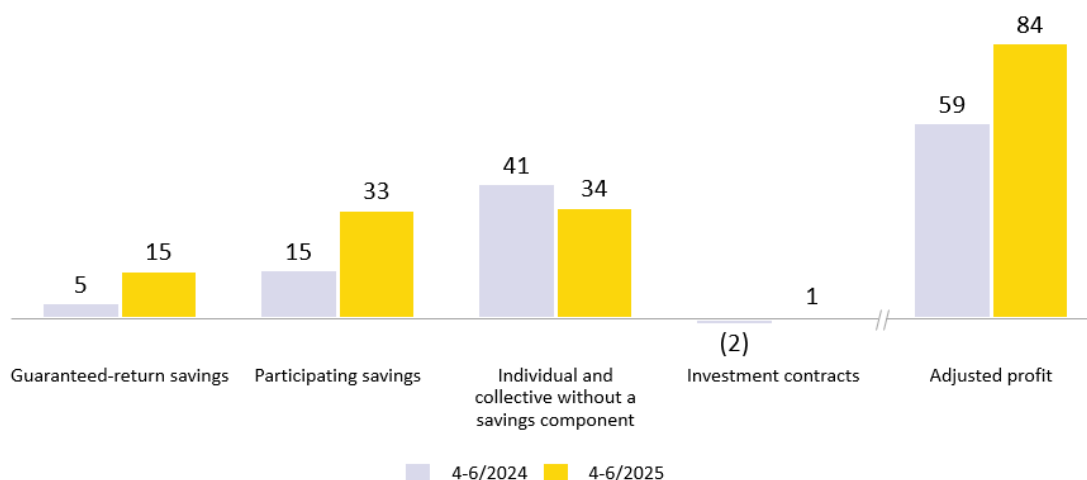


The increase in comprehensive income from Life Insurance and Long-Term Savings in the Reporting Period compared to the corresponding period last year derived mainly from an increase in investment revenue in the Reporting Period compared to investment losses in the corresponding period last year (after imputing normative return, as stated in Section 6.1 above). On the other hand, the interest rate effect increased insurance liabilities (net of effects on Hetz bonds) in the quarter by NIS 17 million, compared to a decrease of approx. NIS 81 million in the corresponding quarter last year.

The adjusted profit has increased due to a positive development in claims in permanent health insurance products.

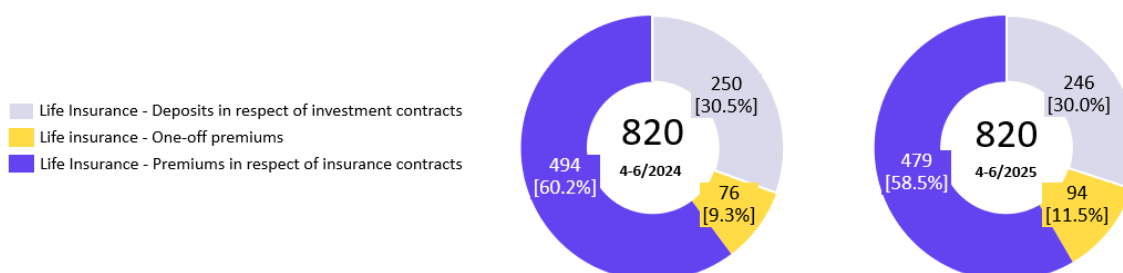
Furthermore, during the Reporting Period, profit declined by approx. NIS 15 million due to special effects arising from revision to provisions for lawsuits.

### 6.3.9 Results of the adjusted profit in the various Life Insurance Subsegments during the quarter (before tax, in NIS million)



- **Guaranteed return savings** – The increase in adjusted profit stems mainly from a decrease in the ratio of claims compared to the corresponding period last year in PHI and disability products.
- **Participating savings** - The increase in adjusted profit in the Quarter compared to the corresponding period last year is mainly due to a positive development in claims with respect to PHI products.
- **Policies without a savings component** - the decrease in adjusted profit in the Quarter compared to the corresponding period last year is mainly due to an increase in claims in life insurance (death benefit) products.

### 6.3.10 Insurance premiums and redemptions in the quarter (in NIS million)



The policies which were redeemed during the quarter amounted to approx. NIS 557 million, compared to approx. NIS 500 million in the corresponding period last year. The rate of redemptions out of the average reserve in the Reporting Period was approx. 7.02% compared to approx. 6.55% in the corresponding period last year.

In the quarter, redemptions in respect of investment contracts totaled approx. NIS 240 million, compared to approx. NIS 343 million in the corresponding period 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.

In yield-dependent insurance policies issued from 1991 to 2003, an insurer may collect fixed management fees and variable management fees at the rates set in the regulations and derived from the real return of the investment portfolio. The variable management fees are collected only in respect of positive real return. If a negative real return was achieved, the insurer can only collect the variable management fees once the return which is achieved covers the cumulative real loss. During the course of 2022, a negative real return, which has yet to be offset as of the second quarter of 2025, was achieved, and consequently, the Company is prevented from collecting variable management fees until a cumulative positive return is achieved. During the second quarter, the Company started collecting variable management fees totaling approx. NIS 58 million. It should be noted that in connection with yield-dependent insurance policies issued as from 2004, only fixed management fees are collected, and therefore real investment losses do not have a direct effect on the collection of those management fees as stated above.

The fixed management fees charged with respect to yield-dependent life insurance policies in the Reporting Period amounted to approx. NIS 123 million, compared to approx. NIS 116 million in the corresponding period last year.

Management fees for yield dependent life insurance policies amounted to approx. NIS 60 million in the second quarter, compared to approx. NIS 58 million in the corresponding quarter last year.

The variable management fees collected in the Reporting Period and the quarter totaled approx. NIS 58 million, whereas in the corresponding period last year as stated above no variable management fees were collected.

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

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

**Policies issued in 1991-2003 (Fund J)**

	1-6/2025	1-6/2024	4-6/2025	4-6/2024	1-12/2024
Real return before payment of management fees	5.00%	3.08%	5.42%	(1.12%)	8.68%
Real return after payment of management fees	4.27%	2.78%	4.85%	(1.27%)	8.04%
Nominal return before payment of management fees	6.64%	5.05%	6.76%	0.47%	12.41%
Nominal return after payment of management fees	5.91%	4.73%	6.18%	0.32%	11.74%

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

	1-6/2025	1-6/2024	4-6/2025	4-6/2024	1-12/2024
Real return before payment of management fees	5.00%	3.08%	5.42%	(1.12%)	8.68%
Real return after payment of management fees	4.53%	2.64%	5.19%	(1.33%)	7.74%
Nominal return before payment of management fees	6.64%	5.05%	6.76%	0.47%	12.41%
Nominal return after payment of management fees	6.17%	4.60%	6.53%	0.26%	11.44%

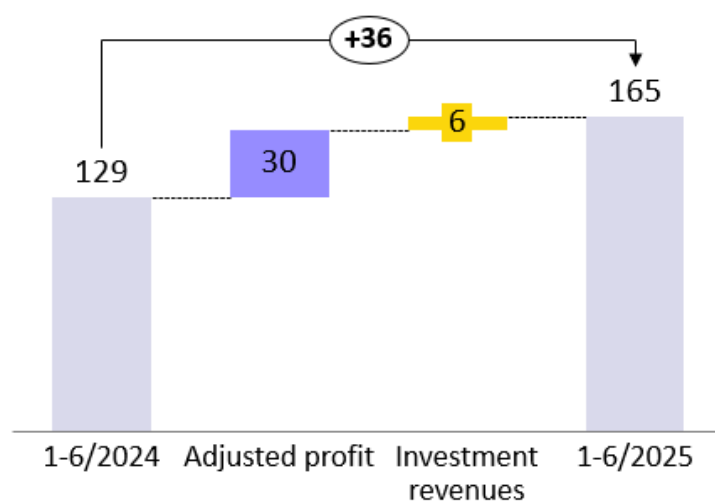
**Details regarding the investment gains (losses) carried to policyholders in yield-dependent insurance policies and management fees**

In NIS million	1-6/2025	1-6/2024	4-6/2025	4-6/2024	1-12/2024
Nominal investment income credited to policyholders net of management fees	1,994	1,463	2,055	99	3,561
Fixed management fees	123	116	60	58	237
Variable management fees	58	-	58	-	-
Total management fees	180	116	118	58	237

## 6.4 Pension Funds Subsegment

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

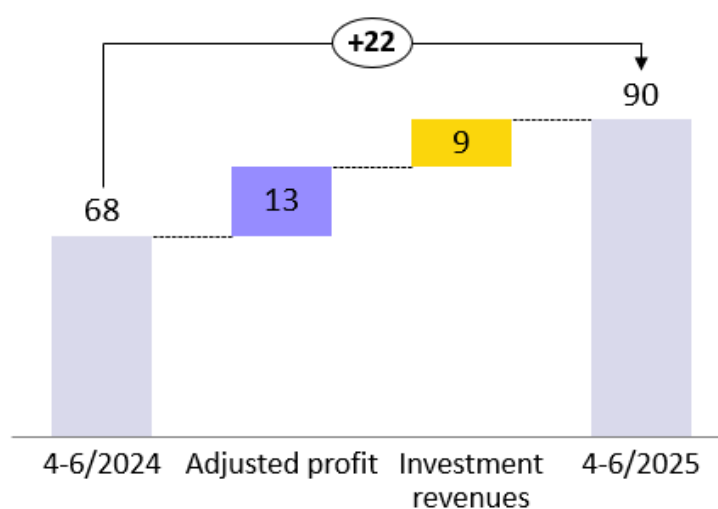
#### 6.4.1 Changes in the pension funds activity results during the Reporting Period (before tax, in NIS million)



1-6/2025	160	5
1-6/2024	130	(1)

In the Reporting Period, the income amounted to approx. NIS 165 million, compared to income of approx. NIS 129 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 adjusted profit of approx. NIS 30 million, which stems mainly from an increase in revenues from management fees (net) due to the increase in total assets under management and an increase in collection, after discounts to planholders, and a moderate increase in expenses.

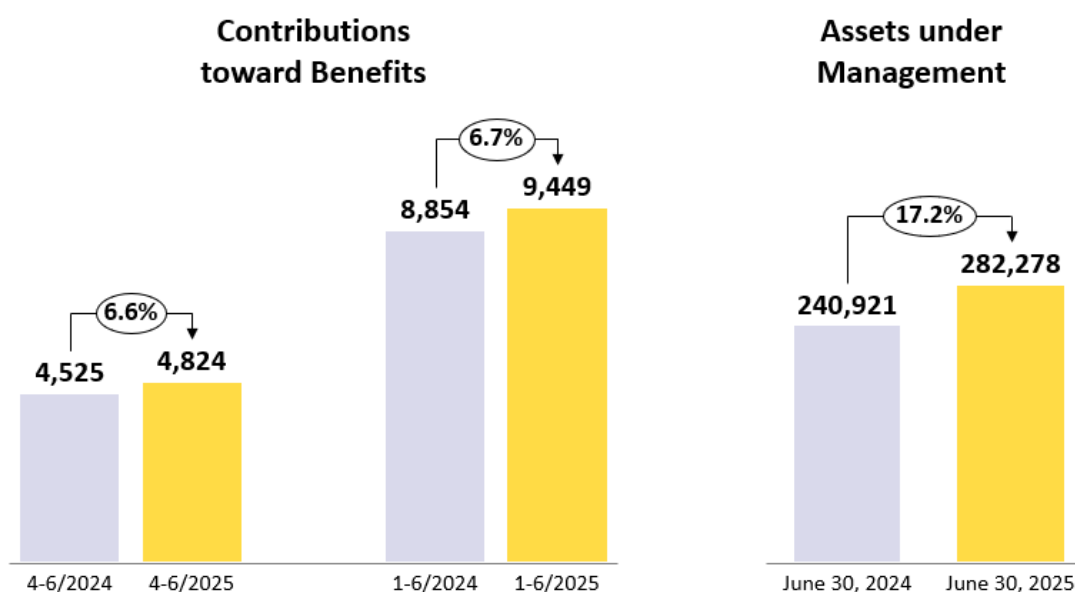
#### 6.4.2 Changes in the pension funds activity results during the quarter (before tax, in NIS million)



4-6/2025	83	7
4-6/2024	70	(2)

Income in the Quarter amounted to approx. NIS 90 million, compared to income of approx. NIS 68 million in the corresponding period last year. The increase in income in the Quarter compared to the corresponding period last year arises from an increase in adjusted profit of approx. NIS 13 million, which stems mainly from an increase in revenues from management fees (net) due to the increase in total assets under management and an increase in collection, after discounts to planholders, and a moderate increase in expenses.

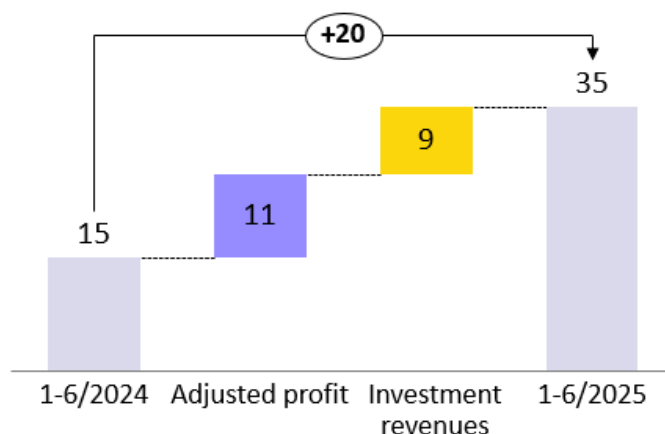
#### 6.4.3 Assets under management and contributions toward benefits (in NIS million)



## 6.5 Provident funds

The activity in the provident funds subsegment is carried out in consolidated management companies, Menora Mivtachim Pension and Provident Funds and Menora Mivtachim Engineers:

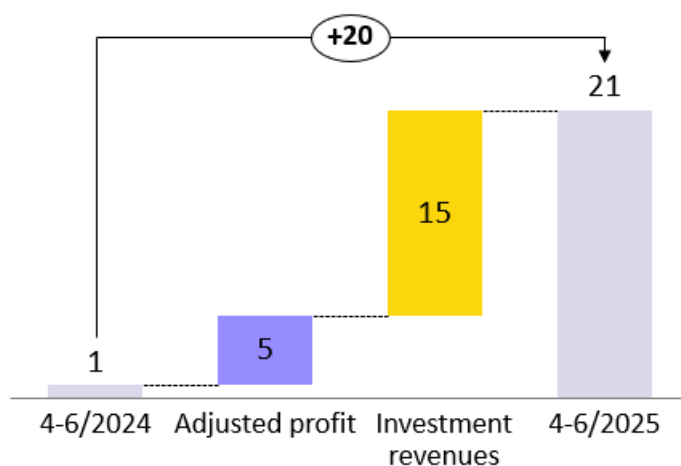
### 6.5.1 Changes in the provident funds activity results during the Reporting Period (before tax, in NIS million)



1-6/2025	40	(5)
1-6/2024	29	(14)

In the Reporting Period, the income amounted to approx. NIS 35 million, compared to income of approx. NIS 15 million in the corresponding period last year. During the Reporting Period, there was an increase in adjusted profit of approx. NIS 11 million, arising mainly from an increase in management fees, which was partially offset by a moderate increase in expenses.

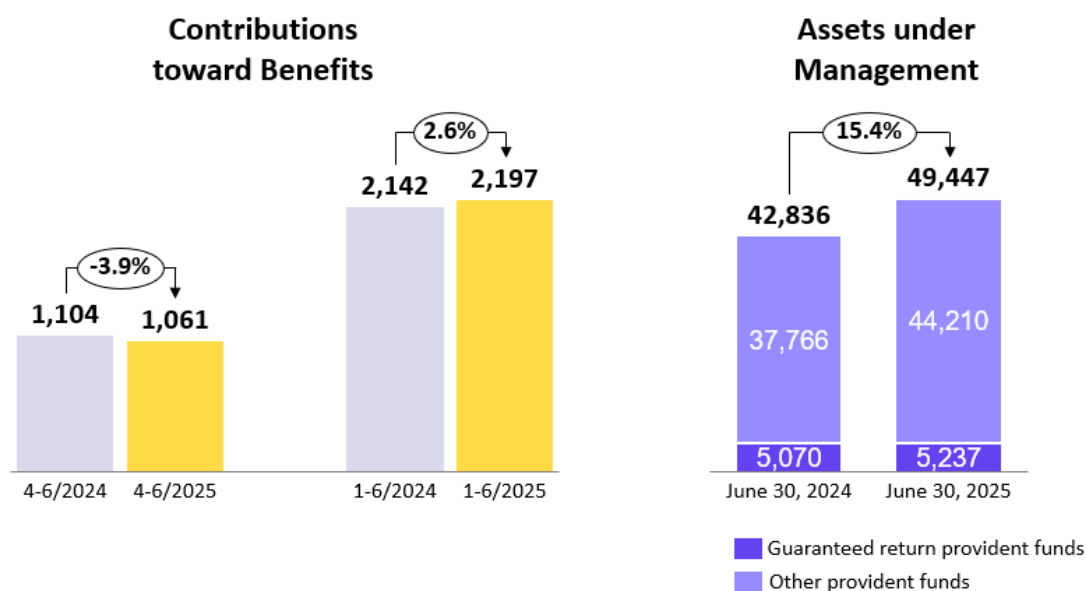
### 6.5.2 Changes in the provident funds activity results during the quarter (before tax, in NIS million)



4-6/2025	20	1
4-6/2024	15	(14)

Income in the Quarter amounted to approx. NIS 21 million, compared to income of approx. NIS 1 million in the corresponding period last year. During the Quarter, there was an increase in adjusted profit of approx. NIS 5 million, arising mainly from an increase in management fees, which was partially offset by a moderate increase in expenses.

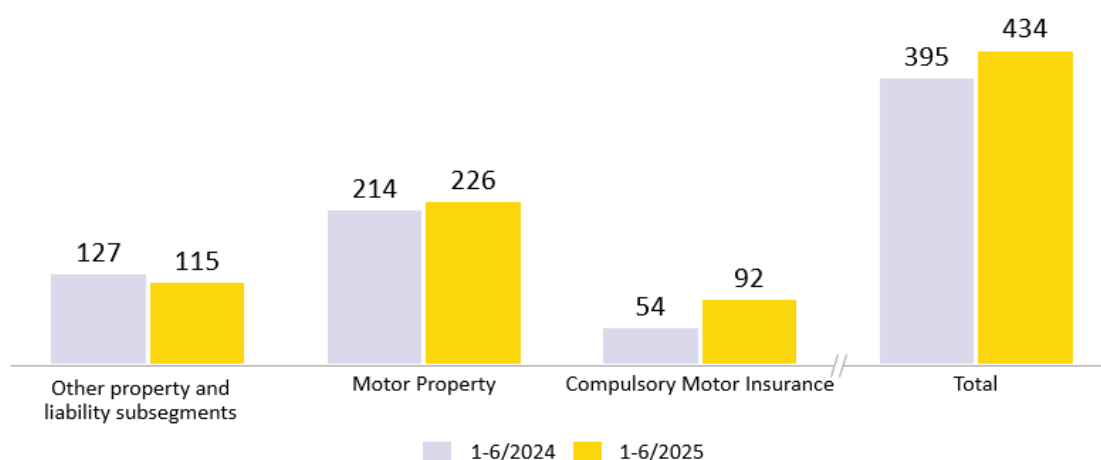
### 6.5.3 Assets under management and contributions toward benefits (in NIS million)



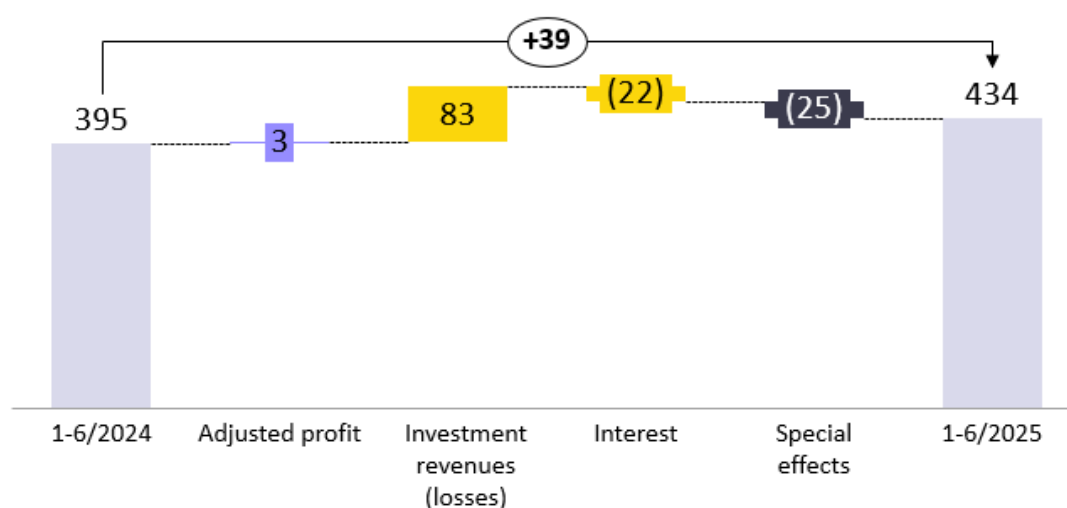
## 6.6 Results of Property and Casualty Insurance Subsegments

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

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



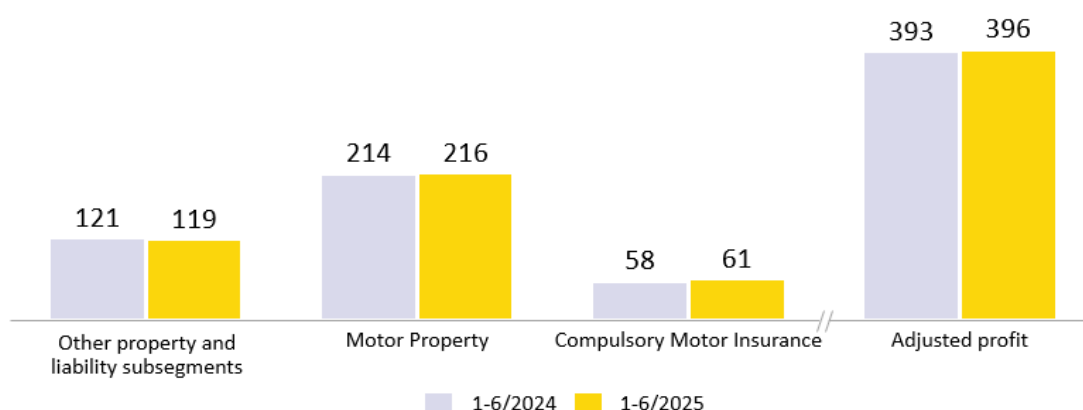
### 6.6.2 Analysis of key changes in comprehensive income during the Reporting Period, compared to the corresponding period last year (before tax in NIS million)



1-6/2025	396	8	56	(25)
1-6/2024	393	(75)	77	0

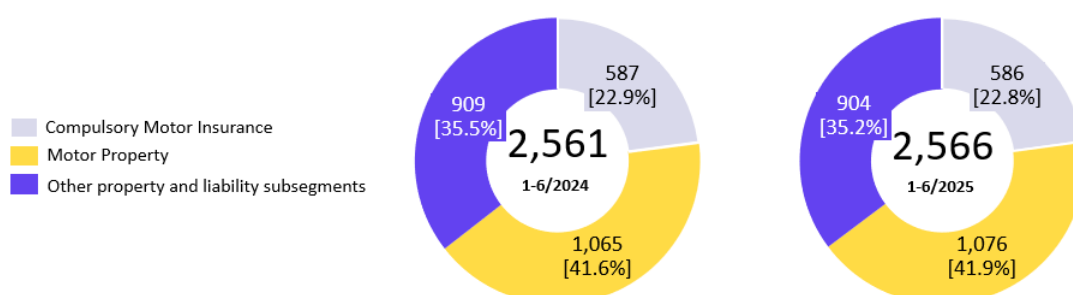
The increase in comprehensive income in the Reporting Period compared to the corresponding period last year arises from the transition from investment loss to investment income totaling NIS 83 million (after imputing a normative return as stated in Section 6.1 above) and from a NIS 3 million increase in adjusted profit. On the other hand, the interest rate effect reduced the insurance liabilities in the Reporting Period by approx. NIS 56 million, compared to a decrease of approx. NIS 77 million in the corresponding period last year. Furthermore, during the Reporting Period, profit in respect of special effects decreased by approx. NIS 25 million.

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

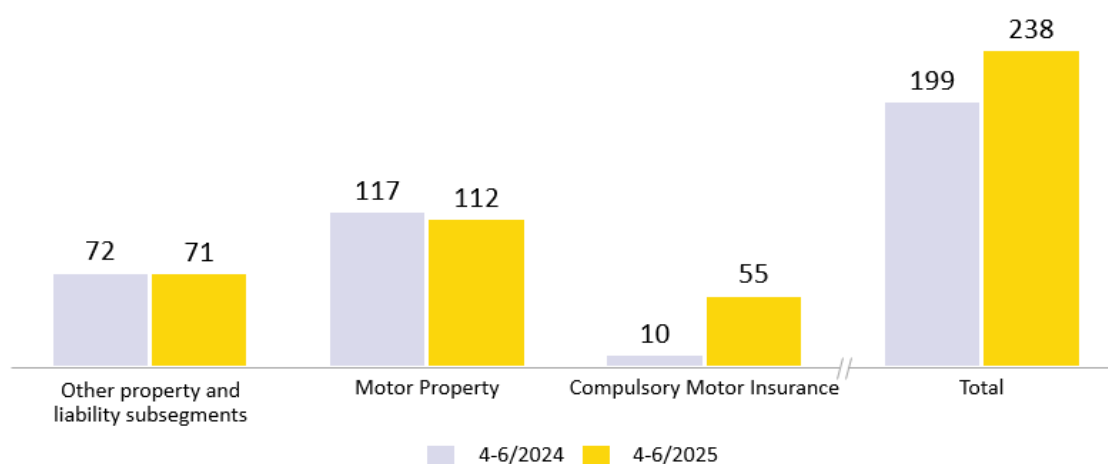


Adjusted profit in the Reporting Period in all subsegments includes an improvement in current profitability alongside positive developments, which were lower than those recognized in the corresponding period last year.

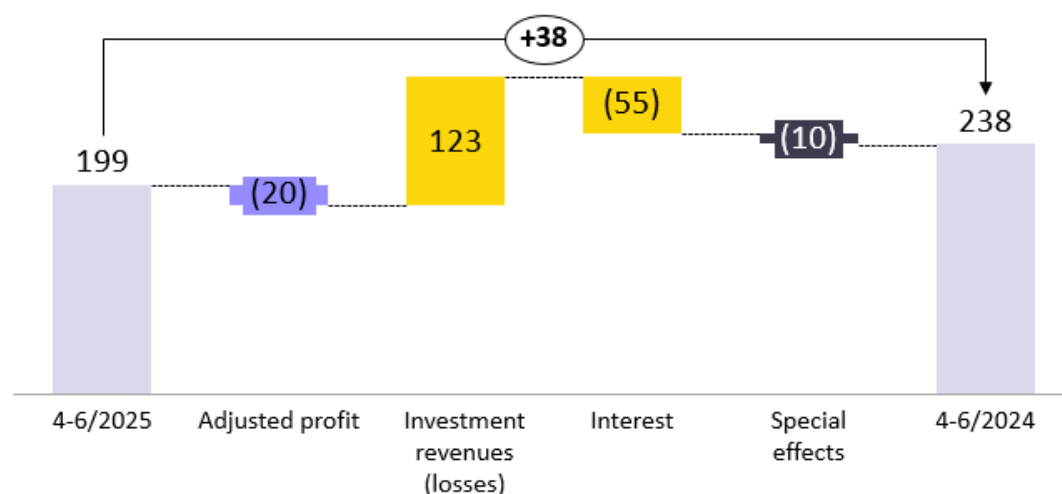
### 6.6.4 Premiums during the Reporting Period and corresponding period last year (in NIS million)



### 6.6.5 Comprehensive income in Property and Casualty Insurance during the quarter (before tax, in NIS million)



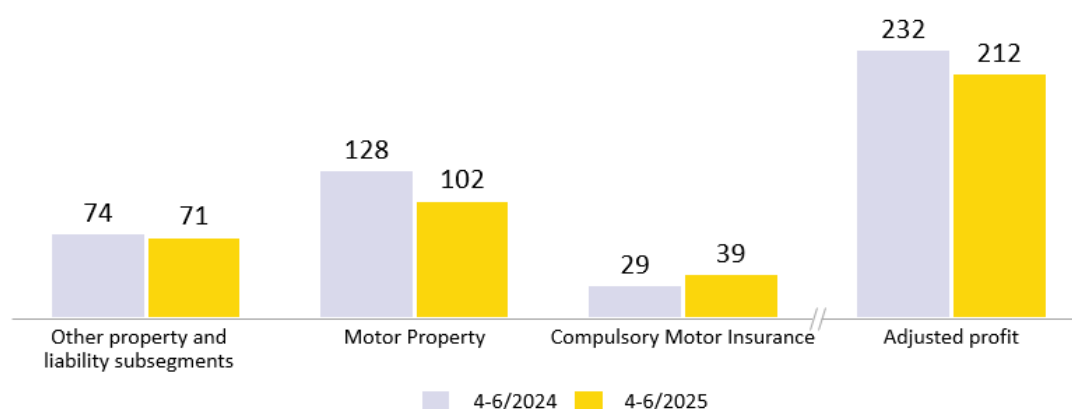
### 6.6.6 Analysis of key changes in comprehensive income during the quarter, compared to the corresponding quarter last year (before tax, in NIS million)



4-6/2025	212	21	15	(10)
4-6/2024	232	(102)	70	0

The increase in comprehensive income in the quarter compared to the corresponding quarter last year arises from the transition from investment loss to investment income totaling NIS 123 million (after imputing a normative return as stated in Section 6.1 above). On the other hand, the adjusted profit decreased by approx. NIS 20 million. In the Reporting Period, the interest rate effect reduced the insurance liabilities by approx. NIS 15 million, compared to a decrease of approx. NIS 70 million in the corresponding period last year. Furthermore, profit in respect of special effects decreased by approx. NIS 10 million.

### 6.6.7 Results of the adjusted profit by operating segment in the quarter (before tax, in NIS million)

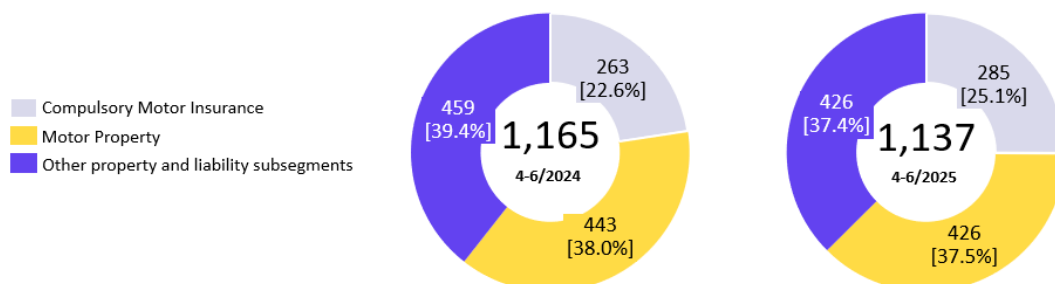


**Compulsory Motor** – the increase in adjusted profit in the quarter compared to the corresponding quarter last year arises from an improvement in current year results, which was partially offset by a decrease in positive developments in respect of previous years.

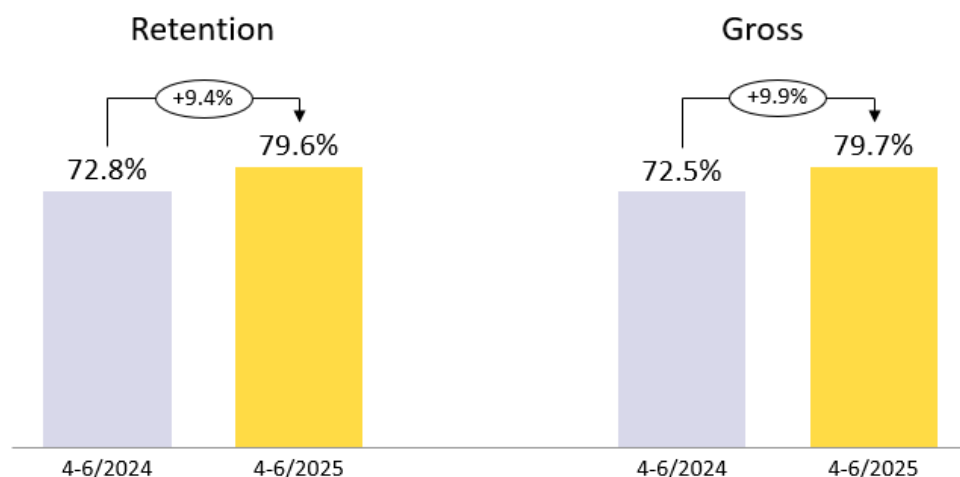
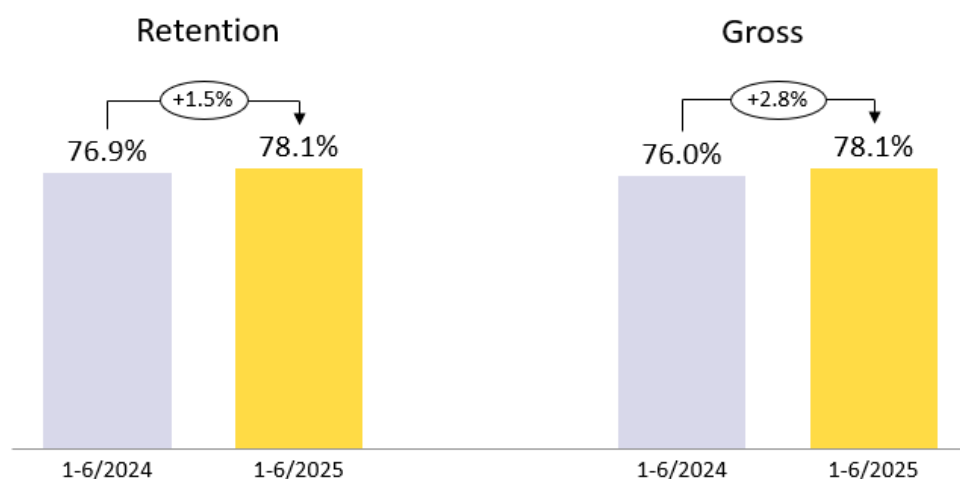
**Motor Property** – the decrease in adjusted profit in the quarter compared to the corresponding quarter last year arises from a decrease in positive developments in respect of previous years alongside maintaining high current profitability.

**Property and Other Liability subsegments** – the adjusted profit in the quarter includes an improvement in current year results and - on the other hand - a decrease in positive developments in respect of previous years.

#### 6.6.8 Premiums in the quarter and corresponding quarter last year (in NIS million)



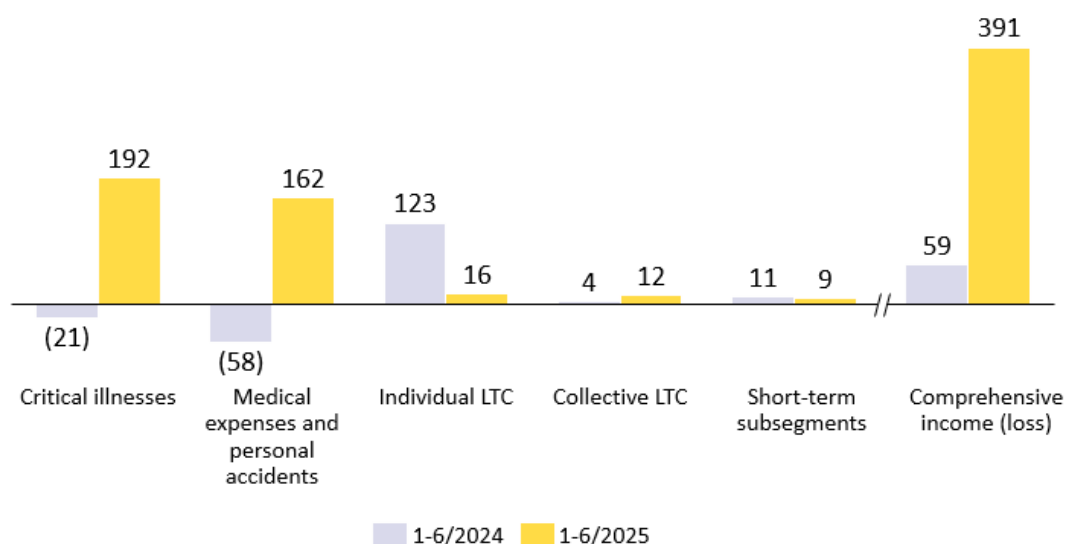
Following is the combined loss ratio - gross and retention - in Motor Property:



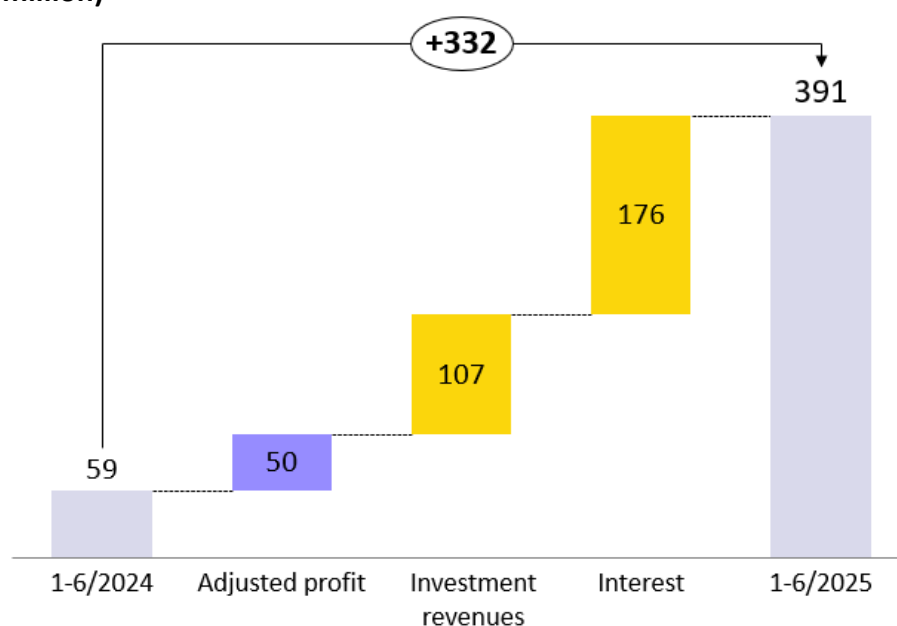
- **Combined loss ratio, gross** – reflects the ratio of insurance service expenses to revenues from insurance services
- **Combined loss ratio in retention** – reflects the ratio of net insurance service expenses out of reinsurance revenues to revenues from insurance services, net out of reinsurance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

## 6.7 Operating results of the Health Insurance Segment

### 6.7.1 Comprehensive income (loss) in health insurance during the Reporting Period (before tax, in NIS million)



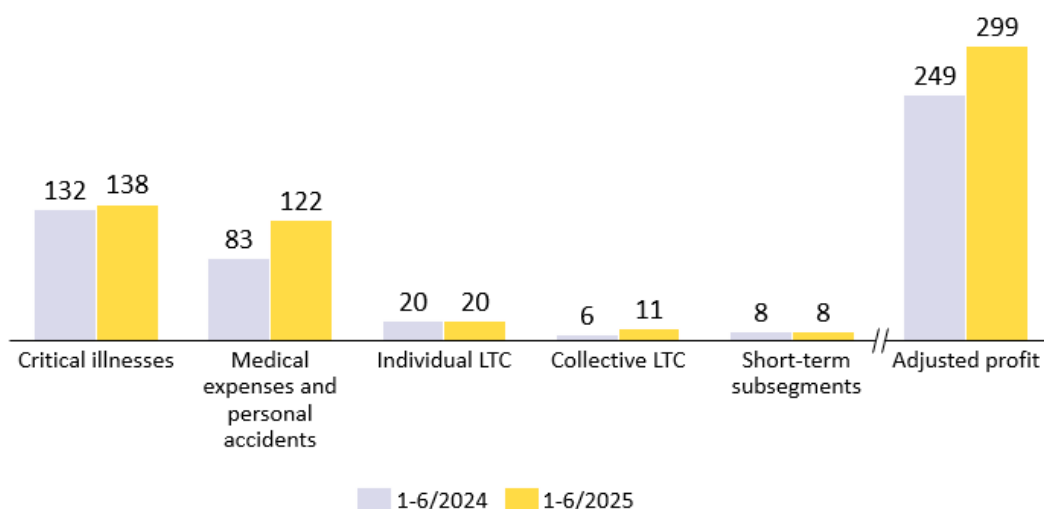
### 6.7.2 Analysis of key changes in comprehensive income during the Reporting Period, compared to the corresponding period last year (before tax in NIS million)



1-6/2025	299	65	27
1-6/2024	249	(42)	(149)

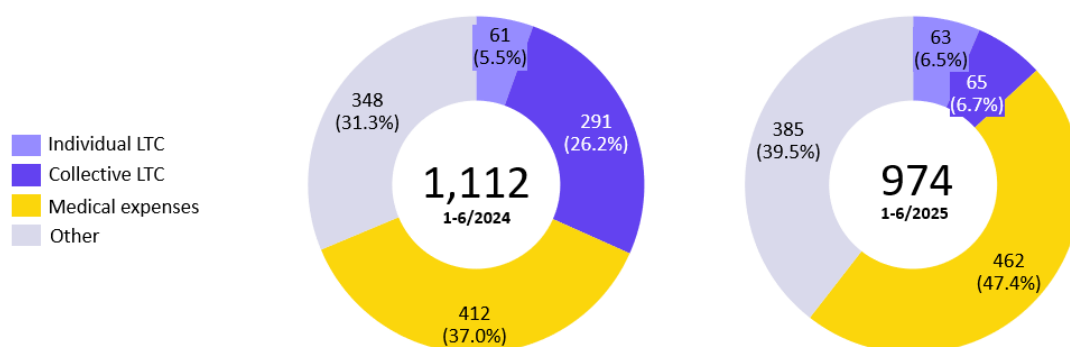
The increase in comprehensive income in the Reporting Period compared to the corresponding period last year is due to an improvement in adjusted profit as a result of an improvement in business results and growth in the business, an improvement in investment revenue compared to the corresponding period last year, and positive interest effects due to a decrease in the interest rate curve in the Reporting Period compared to an increase in the interest rate curve in the corresponding period last year.

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



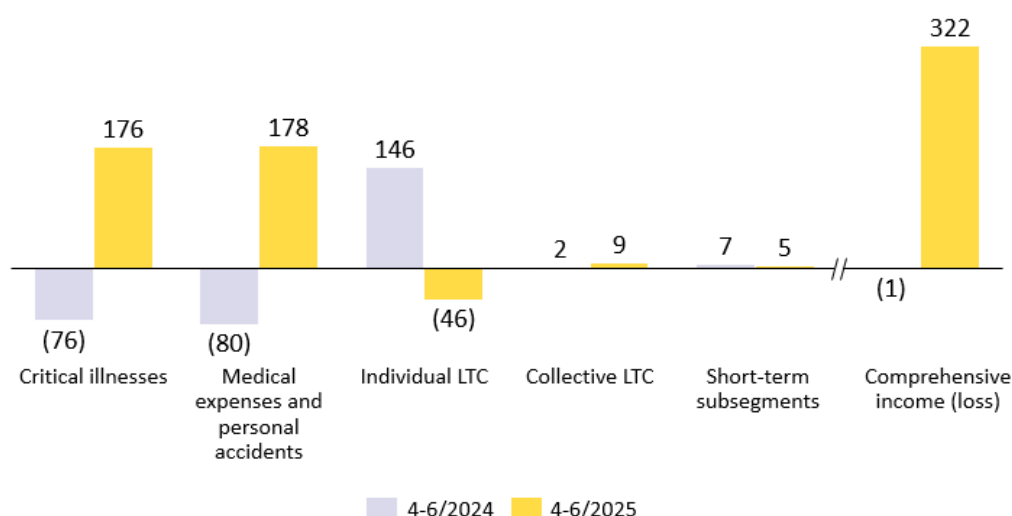
- **Critical Illnesses** - the improvement in adjusted profit stems mainly from an improvement in current activity.
- **Medical Expenses and Personal Accidents** - the increase in profit is mainly due to improvement in claims and an increase in activity.
- **Collective Long-Term Care** - the improvement in adjusted profit stems mainly from the transition of the Meuhedet and Leumit HMOs from collective long-term care insurance activities to operational activities without bearing the risk.

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

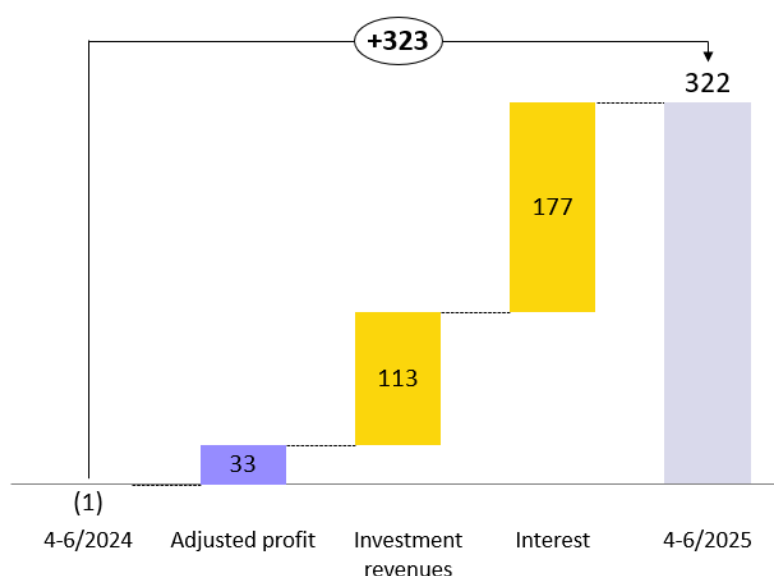


Premiums for collective long-term care insurance in the corresponding period last year include a total of approx. NIS 231 million in respect of HMOs, which in 2025 switched to an operational model.

### 6.7.5 Comprehensive income (loss) in health insurance during the quarter (before tax, in NIS million)



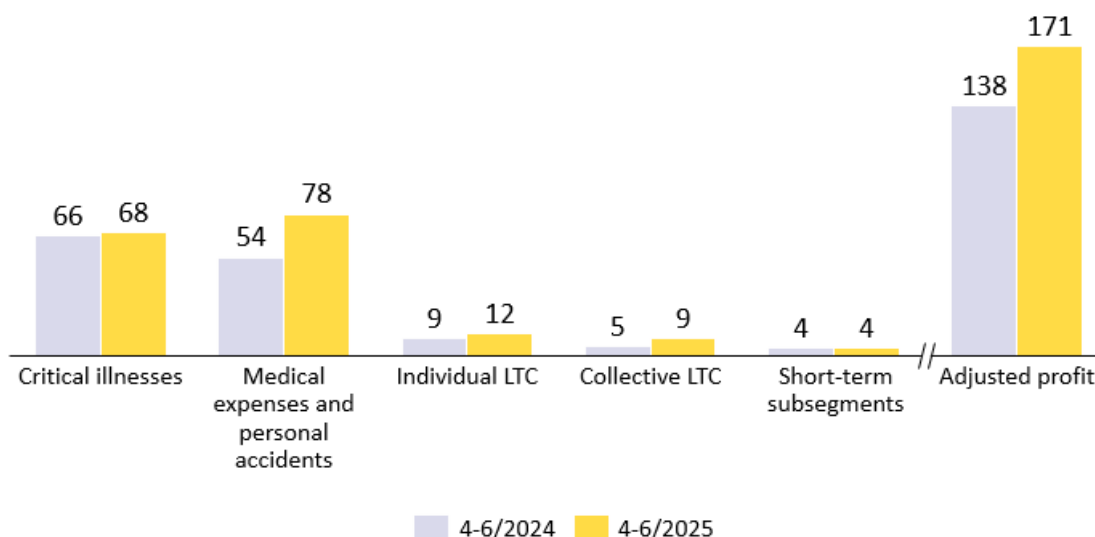
### 6.7.6 Analysis of key changes in comprehensive income during the quarter, compared to the corresponding quarter last year (before tax, in NIS million)



4-6/2025	171	81	70
4-6/2024	138	(32)	(107)

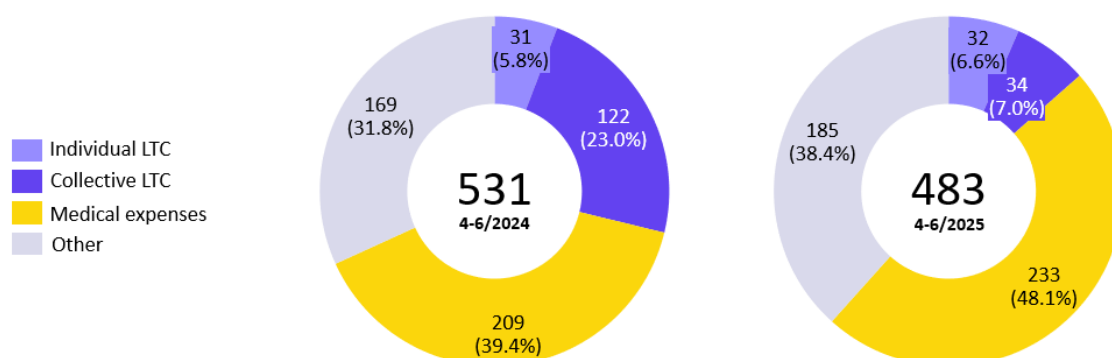
The increase in comprehensive income in the quarter compared to the corresponding quarter last year is due to an improvement in adjusted profit as a result of an improvement in business results and growth in activity, an improvement in investment revenue compared to the corresponding quarter last year, and positive interest effects due to a decrease in the interest rate curve in the quarter compared to an increase in the interest rate curve in the corresponding quarter last year.

### 6.7.7 Results of the adjusted profit by operating segment in the quarter (before tax, in NIS million)



- **Critical Illnesses** - the improvement in adjusted profit stems mainly from an improvement in current activity.
- **Medical Expenses and Personal Accidents** - the increase in profit is mainly due to improvement in claims and an increase in activity.
- **Collective Long-Term Care** - the improvement in adjusted profit stems mainly from the transition of the Meuhedet and Leumit HMOs from collective long-term care insurance activities to operational activities without bearing the risk.

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



Premiums for collective long-term care insurance in the corresponding quarter of last year include a total of approx. NIS 91 million in respect of HMOs, which in 2025 switched to an operational model.

6.8 The Group’s Credit Activity

The Group has substantial consumer and business credit activity, which has grown in recent years; the activity is carried out through several Group entities:

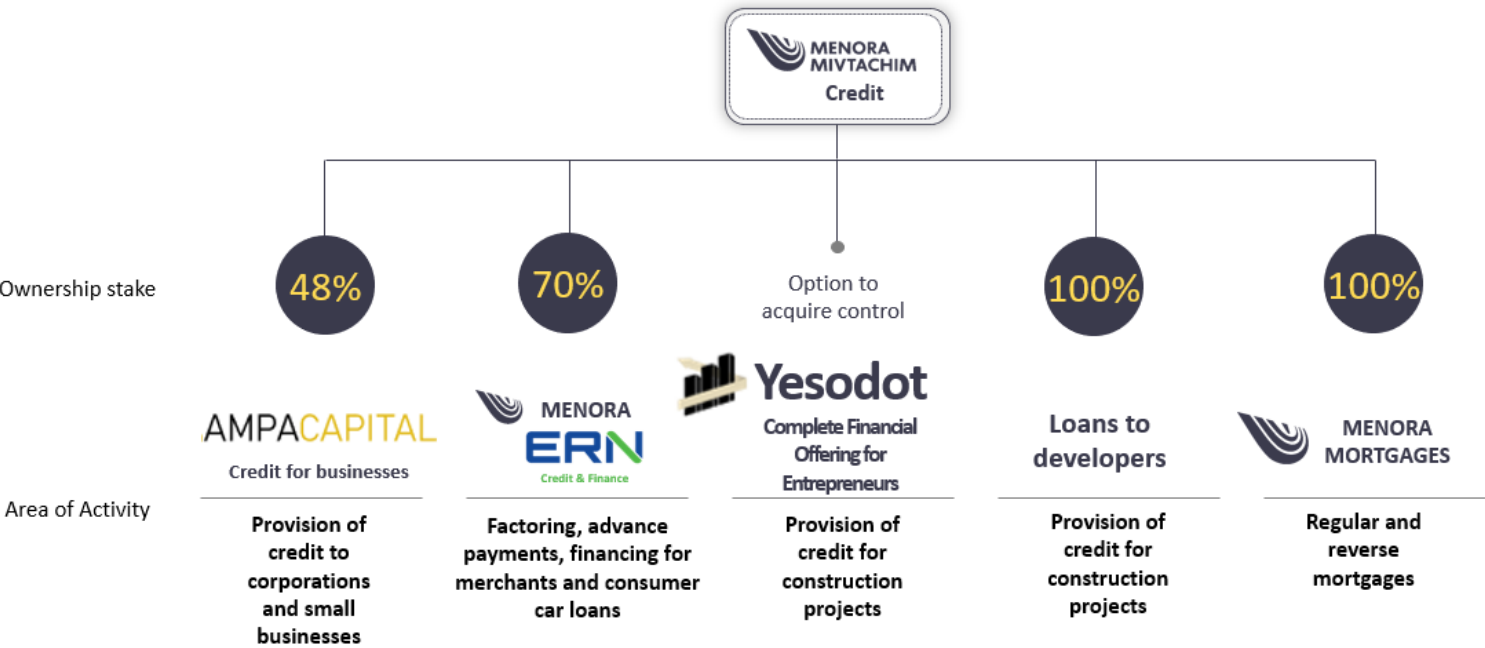
**Ampa Capital** – The company provides solutions in the field of alternative financing, mainly provision of credit to businesses and long-term credit against liens on rights in real estate properties.

**ERN** – The Company provides repayment undertakings, advanced payments, financing for businesses and consumer loans in businesses.

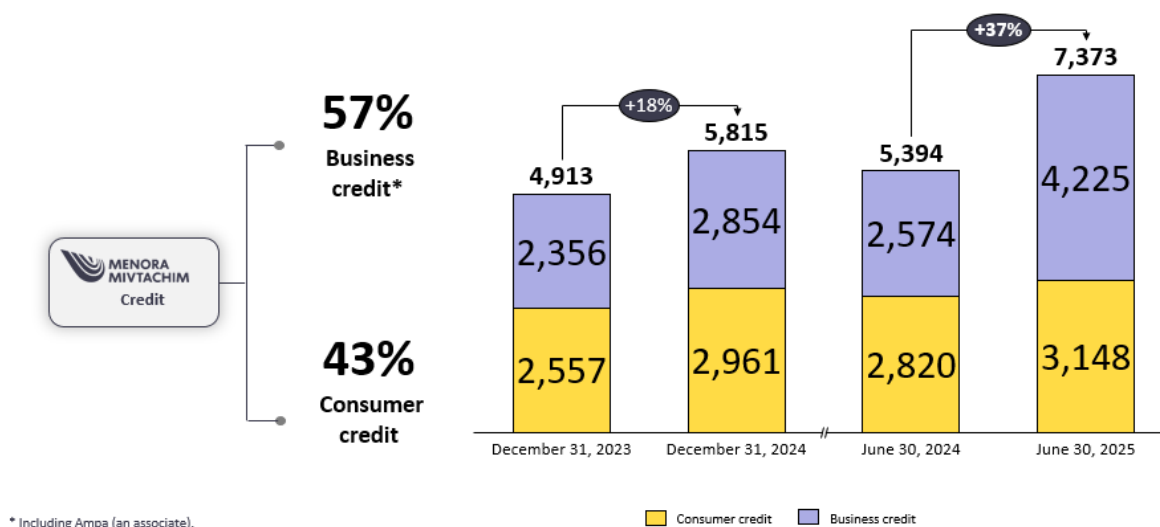
**Yesodot** – The company is engaged in underwriting and processing loans in the real estate sector, including by providing senior credit and supplementary financing for projects.

Furthermore, Menora Insurance provides mortgages, including reverse mortgages and real estate loans concurrently with its Sale Law guarantee activity.

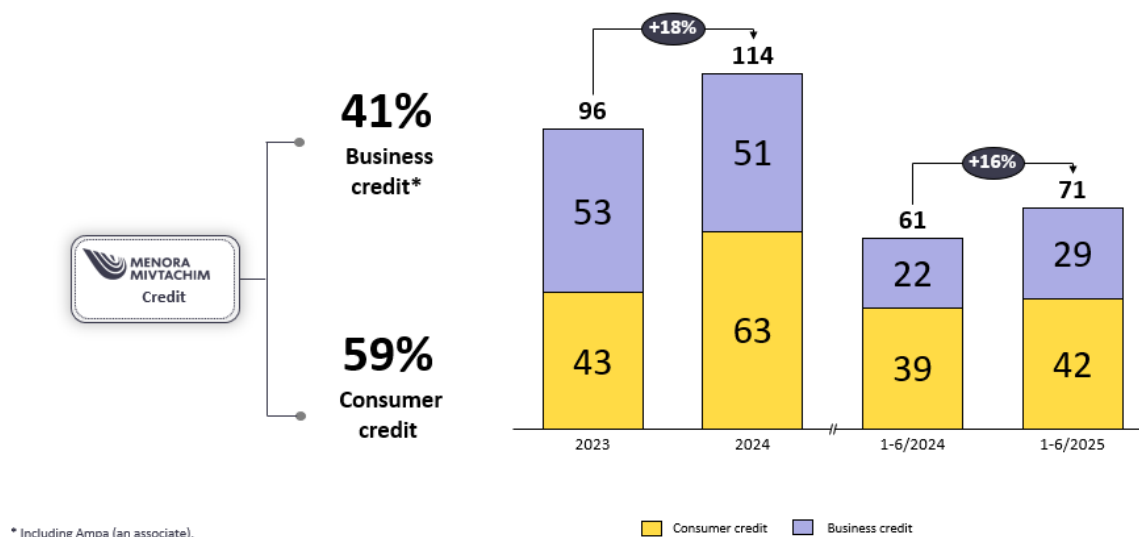
6.8.1 Following is the structure of the Group’s Credit Activity:



## 6.8.2 The Group's credit portfolio (in NIS million)



## 6.8.3 Profit before tax (in NIS million)



## 7. IFRS 17 - Insurance Contracts<sup>7</sup>

As mentioned above, the standard's first-time application date is January 1, 2025, and the transition date is January 1, 2024. The shareholders' equity attributable to the shareholders before the transition date stood at approx. NIS 6,431 million. The shareholders' equity attributable to the shareholders considering the effects of IFRS 17 stands at approx. NIS 6,172 million - a decrease of approx. NIS 259 million.

### 7.1 Defined Terms

- **Best estimate (hereinafter - "BE")** - An estimate of the projected expected cash flows arising from the fulfillment of the insurance liability.
- **Contractual service margin (hereinafter - "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 with respect to uncertainty arising from future cash flows
- **Pension - embedded value<sup>8</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).
- **The store of future earnings** – the total balance in respect of CSM, RA and the pension embedded value.

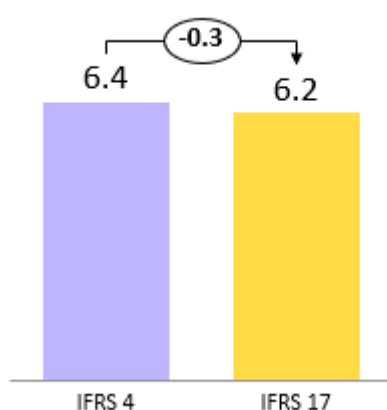
#### Following are the main effects at the transition date:

- **Change in the measurement of insurance liabilities** - On the transition date, the Company starts measuring insurance assets and liabilities (including deferred acquisition costs) according to the BE method.
- **Recognition of CSM and RA** - On the transition date, the Company recognizes CSM and RA liabilities in respect of the existing portfolio.
- **Effects of IFRS 9** - in respect of transition to a fair value measurement of some of the Company's debt assets (including Hetz bonds) and in respect of the recognition of a provision for current expected credit losses.

<sup>7</sup> The pension activity is not included in the scope of IFRS 17. This activity constitutes a substantial Group arm and has long-term features - similar to health and life products. Therefore, in order to reflect a complete and representative picture of the Group's embedded value at the starting point of the transition date, the embedded value data of the Group's pension activity are presented as part of the Group's store of future earnings.

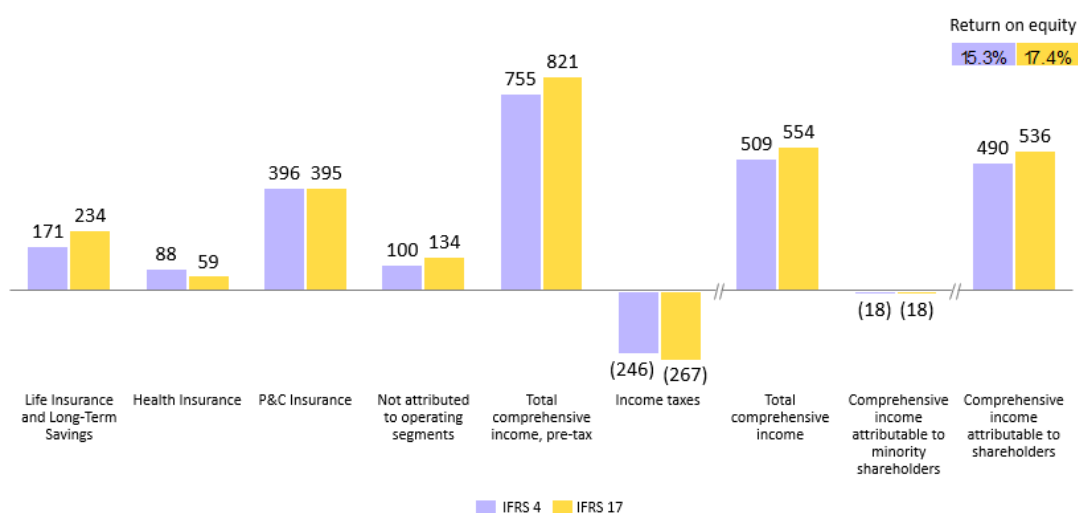
<sup>8</sup> See Section 8 below.

## 7.2 Change in equity as of January 1, 2024, to IFRS 17 (in NIS billion)

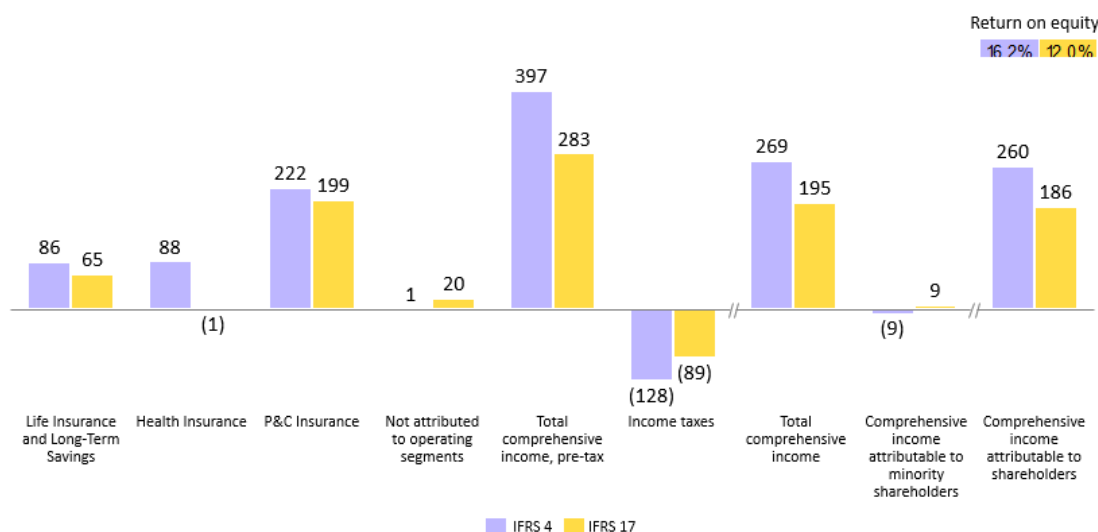


## 7.3 Comparison of profit before tax - IFRS 17 vs. IFRS 4

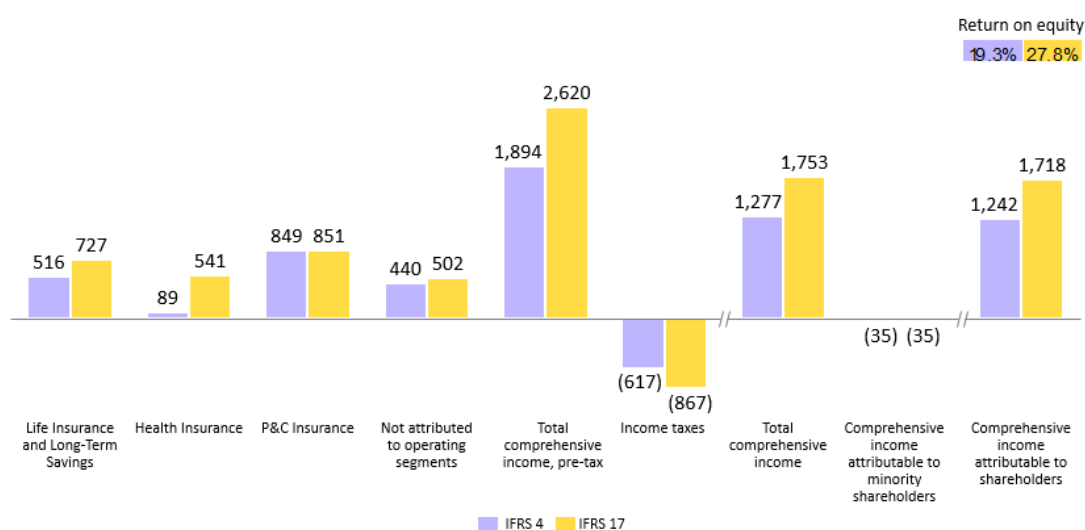
### 7.3.1 Comprehensive income from operating segments during the 1-6/2024 period (in NIS million)



### 7.3.2 Comprehensive income from operating segments during the 4-6/2024 quarter (in NIS million)

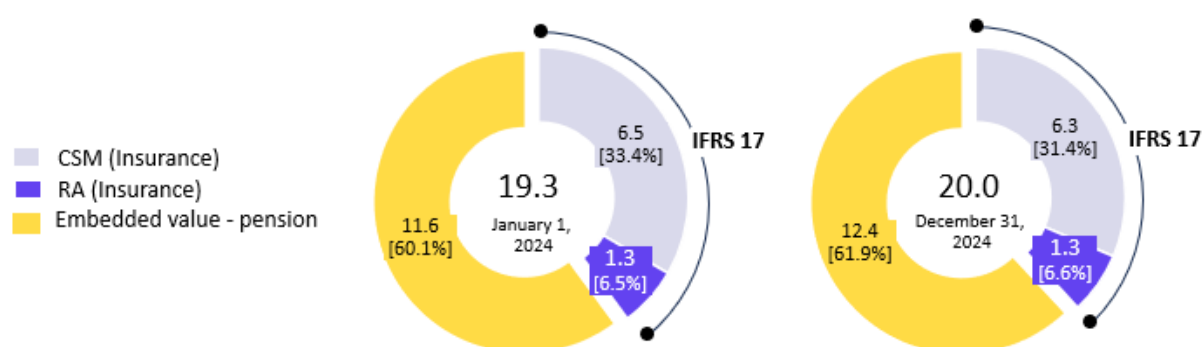


### 7.3.3 Comprehensive income from operating segments in 2024 (in NIS million)

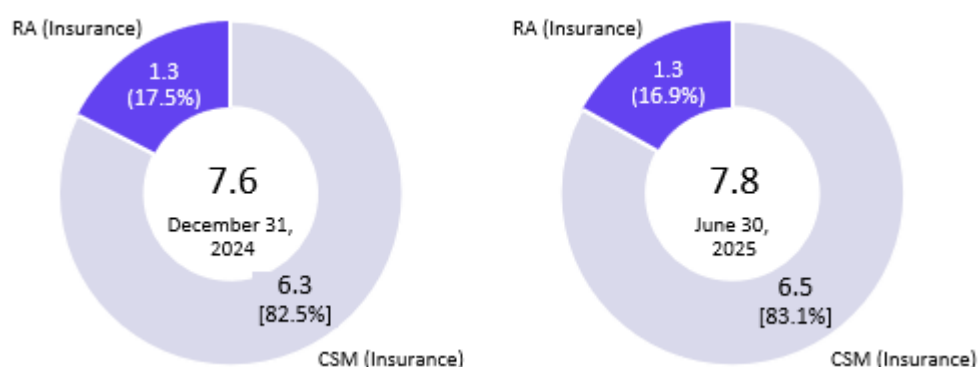


## 7.4 Store of future earnings

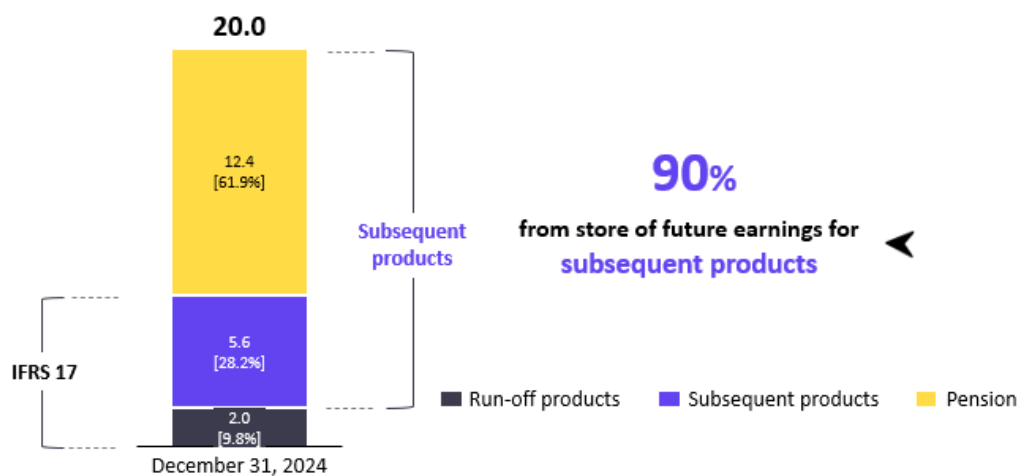
### 7.4.1 The balance of the store of future earnings divided into CSM and RA and the embedded value of pension (in NIS billion)



- The change in the CSM balance - from the transition date to December 31, 2024 - is mainly due to demographic revisions in the Health Insurance Segment, which increased the CSM balance, and - on the other hand - demographic revisions in the Life Insurance Subsegment, which decreased the CSM balance.
- The remaining CSM increased by approx. NIS 0.2 billion as of June 30, 2025.

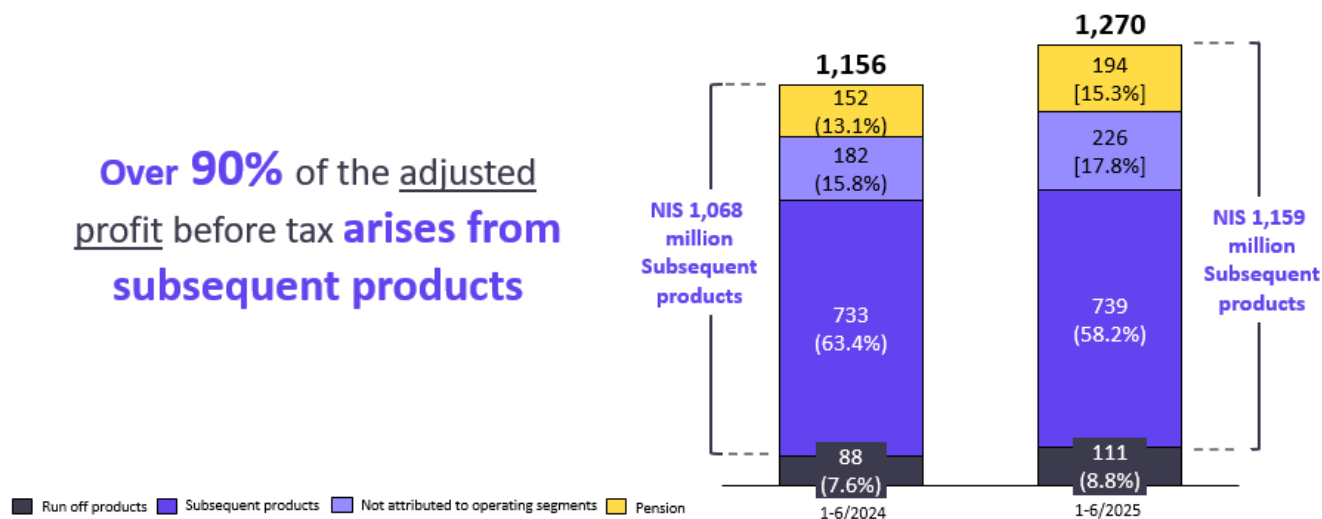


#### 7.4.2 The balance of the store of future earnings by products as of December 31, 2024 (NIS billion)



#### 7.4.3 Adjusted profit by breakdown of products for the 1-6/2025 period and the corresponding period last year (before tax, in NIS million)

Over 90% of the adjusted profit before tax arises from subsequent products



## 8. Embedded value - pension

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

The embedded value of the Pension Subsegment is calculated in accordance with a best estimate<sup>9</sup> based on assumptions that are mainly a result of projecting to the future existing experience relating to past events, within the environment in which the Company operates, and without conservatism factors. As a rule, the calculation of the embedded value of the pension subsegment was carried out in accordance with the practice of calculating the embedded value (EV) of insurance contracts in Israel. It is noted that the embedded value does not include the adjusted shareholders' equity.

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

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

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

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<sup>9</sup> Limitations and qualifications with regard to calculation of the best estimate:

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

current portfolio, but rather to a new business which is expected to be sold in the future.

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

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

**A. Economic assumptions**

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

**B. Operational assumptions**

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

**C. Demographic assumptions**

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

## 9. Cash Flow

In NIS million	1-6/2025	1-6/2024	% of change	4-6/2025	4-6/2024	% of change	1-12/2024
Net cash provided by (used for) activity:							
Operating	1,282	958	33.9%	1,253	207	505.2%	1,659
Investment	(341)	(442)	(22.9%)	(59)	(285)	(79.3%)	(541)
Financing	103	9	1109.6%	(335)	(93)	260.3%	(548)
Exchange rate differences in respect of cash and cash equivalent balances	(62)	29		(76)	22		8
<b>Change in the cash balance</b>	<b>982</b>	<b>554</b>	<b>77.4%</b>	<b>784</b>	<b>(148)</b>		<b>578</b>
<b>Cash balance at end of period</b>	<b>4,966</b>	<b>3,959</b>	<b>25.4%</b>	<b>4,966</b>	<b>3,959</b>	<b>25.4%</b>	<b>3,983</b>

## 10. Developments in the macroeconomic environment

The war, which started after the attack by the Hamas terrorist organization on October 7, 2023 (hereinafter - the **"Gaza War"**) continued into 2025. In early 2025, a ceasefire in Gaza was declared and several hostages were released. However, in March 2025, the War resumed and consequently Israel's risk premiums, which had declined following the ceasefire in Gaza and the ceasefire with Hezbollah in the northern front, increased again.

In March 2025, the fighting in Gaza resumed after a ceasefire and continued throughout the quarter. In June 2025, Israel attacked Iran in order to damage its nuclear program and ballistic capabilities. The war with Iran lasted about two weeks, during which the Israeli Air Force attacked military sites and infrastructures. Iran responded by launching missiles, which caused damage to various sites. The direct cost of the war with Iran is estimated by the Bank of Israel at approx. NIS 20 billion. Israel's risk premium had increased sharply at the beginning of the war with Iran; however, this trend has reversed during the war with the risk premium declining significantly. Concurrently, the NIS appreciated substantially and Israel's financial markets over-performed in anticipation of an improvement in Israel's geopolitical and security situation.

According to the current economic indicators, economic activity grew in the second quarter at a moderate rate, with private consumption continuing to be prominent. The Bank of Israel's Composite State-of-the-Economy Index remained almost without change during the quarter, and home purchases have slowed down. According to an estimate by the Bank of Israel Research Department, the GDP is expected to grow by a rate of 3.3% in 2025 and by 4.6% in 2026.

The labor market continues to be tight. The unemployment rate increased from 2.9% at the end of the first quarter to 3.1% in May 2025; however, in June it declined sharply to 2.7%, probably due to the war with Iran. The employment rate and participation rate of those aged 25-64 are slightly lower than the rates immediately prior to the Iron

Swords War. The average wage in Israel continues to rise, but the increase rate has slowed down.

The inflation rate remained at 3.3% at the end of the second quarter, similar to the first quarter, but fluctuated during the quarter. In accordance with the Bank of Israel's forecasts, inflation is expected to subside, but uncertainty levels around the forecast are high.

The Bank of Israel left its interest rate unchanged at 4.50%. The high uncertainty regarding inflation, especially after the war with Iran, has caused the Bank of Israel to delay interest rate cuts. In accordance with the Bank of Israel's Research Department, interest rates will decrease to 3.75% in a year's time.

The government passed a budget for 2025 with a planned deficit of 4.9%. The budget deficit in June was 5%. Government spending has increased above forecasts since the beginning of the year, mainly due to the increase in defense spending; however, on the other hand, government tax revenues have increased above forecasts.

The rating agencies confirmed Israel's existing rating after a decline in ratings made during 2024 with a negative outlook in all rating agencies. Israel is rated Baa1 by Moody's, and A by both S&P and Fitch.

In accordance with the IMF's revised forecast, the global economy is expected to grow by 2.8% in 2025, having grown by 3.3% in 2024. In 2026, growth is expected to reach 3%. The developed economies are expected to grow by 1.4%, having grown by 1.8% in 2024, and the emerging economies are expected to grow by 3.7%, having grown by 4.3% in 2024. The decline in growth forecast compared to 2024 arises mainly from economic and geopolitical uncertainties, due to the policies of the new US administration.

The US government announced in early April the imposition of tariffs on goods imported to the United States from various countries. The tariffs initially announced were higher than expected and caused sharp declines in the financial markets. A week later, the US government announced a 90-day postponement in the implementation of the tariffs, and a 10% uniform tariff was imposed on most countries for the duration of the interim period. During the second quarter, negotiations were held between the United States and various countries in order to reach trade deals. By the end of the second quarter, trade deals were agreed with the UK, China and Vietnam. After sharp slumps in financial markets in the first half of April following the initial announcement of tariffs, markets started to rally, and this trend continued through the end of the second quarter. Performance of US markets was weaker than that of major markets across the world against the backdrop of the USD's devaluation against other currencies.

Furthermore, the US government acted to reduce regulation, cut federal government spending and promote the tax reform, which was approved in early July. Under the tax reform, tax benefits were given to individuals and companies, and allocations of government budget funds were changed in accordance with the new administration's priorities. In accordance with estimates by independent research institutes - in particular the Congressional Budget Office's estimate - the tax reform is expected to substantially increase the US deficit and debt in the coming years.

After negative growth in the US economy in the first quarter, according to current indicators of economic activity, the growth rate in the second quarter is expected to be positive but relatively low. Private consumption has weakened. The labor market remains relatively stable with no increase in the unemployment rate. Investments in artificial intelligence grow at a high rate and are in high demand.

The Federal Reserve left interest rates without change at 4.25% -4.50%. The inflation rate increased from 2.4% at the end of the first quarter to 2.7% in the second quarter. According to the Fed's explanations, leaving the interest rate unchanged reflects concern about the effect of government policy on the inflation environment.

The European economy grew in the first quarter at an annual rate of 1.6%, higher than forecasts and growth in the fourth quarter of 2024. In accordance with current economic indicators, in the second quarter the European economy continued to recover, but the effect of the increase in tariffs on exports from Europe to the United States may have a substantial adverse effect on growth in Europe. The European Union decided to increase defense spending by EUR 800 billion. In Germany, an infrastructure investment plan totaling approx. EUR 500 billion was approved and defense spending increased. Interest rate in Europe was cut from 2.5% at the end of the first quarter to 2%. Inflation declined from 2.2% to 2.0%.

The emerging economies continue to expand, especially in Asia, but are also likely to be affected by the increase in tariffs in the United States. GDP in China increased by 1.1% in the second quarter having increased by 1.2% in the first quarter. Inflation in China remains low. After a trade deal was agreed between the United States and China, exports from China to the United States recovered.

Apart from the US Federal Reserve, during the second quarter, the world's major central banks continued with the interest rate reduction process. The decline in the interest rate reflects moderation in inflation and concern about significant damage to growth as a result of the US administration's new policy.

### **The bonds and equities markets**

Trading in markets around the world was mainly influenced by statements and actions of US President Donald Trump regarding foreign policy and economic policy. In the second quarter, US share indices achieved good correction, having lagged behind Europe in the first quarter (the S&P slumped by 4.6% whereas the STOXX Europe 600 increased by 5.2%). The correction was achieved after markets realized that the aggressive tariff policy planned by President Trump would not be implemented, mainly due to sharp slumps in markets caused by this policy in April. Indeed, during the quarter the President announced the postponement of tariffs and a significant reduction thereof, along with the exclusion of sectors and softer steps with regard to China in the technology sector. Consequently, US share indices rallied. The Israeli capital market, which stagnated in the first quarter of 2025 achieved outstanding positive performance in the second quarter against the backdrop of the successful war with Iran, along with the assessment that Israel's risk premium has decreased significantly as a result of that success.

In the second quarter of 2025, the TA 35, TA 125 and TA 90 indices increased by 22.4%, 23.6% and 26.3%, respectively. The following recorded overperformance: The TA-Banks Index - which was up by 29.6%, the TA-Insurance Index - which was up by 50.0% and the TA-Real Estate - which was up by 31.0%.

In the United States, in the second quarter of 2025, the S&P 500, NASDAQ and Dow Jones indices increased by 10.6%, 17.8% and 5.0%, respectively. On the other hand, in Europe trading trends were mixed. The STOXX Europe 600 was up by 1.4%, the German DAX was up by 7.9%, the British FTSE was up by 2.0%, while the French CAC was down by 1.6%. In the Far East, the Japanese Nikkei Index rose by 13.7% (correcting the sharp slump which took place in the first quarter), with the Shanghai SSE Index up by 3.3%.

Trading in Israeli bonds in the second quarter of 2025 was affected by the assessments that the interest rate may be gradually cut, a decline in inflation expectations, and the successful and rapid end of the war with Iran. In the domestic market, yields declined in the second quarter of 2025. Yields on 10-year bonds, which stood at around 4.5% at the beginning of the quarter, decreased to 4.1% at the end of the quarter. The 2-10 year bond yield spread was slightly lower and stood at 0.14%, while the 10-30 year bond yield spread remained without change. In the United States, the yield on 10-year bonds in the second quarter of 2025 did not change, and it remained at 4.2%. In this context, it is noted that yields declined in the first quarter against the backdrop of expected interest rate cuts, even though the Federal Reserve has not yet taken this move. The Tel Gov Shekel Index was up by 3.1% in the second quarter of 2025 while the CPI-Linked Government Bonds Index was up by 2.7%. This difference reflects a decrease of approx. 0.3% in the 10-year inflation expectation, which stood at 2.1% at the end of the second quarter. The Tel Bond-20 Index increased by approx. 3.0% and the Tel Bond 60 Index increased by approx. 2.9%. This increase in corporate bond indices reflects a continued reduction in spreads compared to government bonds.

In the first quarter of 2025, the NIS-USD exchange rate was volatile. In the second quarter of 2025, the NIS appreciated by 9.3% against the USD, reaching NIS 3.37 shekels per dollar. The appreciation took place throughout the quarter and arose from expectations that the War in Gaza will end, US stocks will rally, and a quick and successful end to the war with Iran. The foreign currency reserves of the Bank of Israel increased by approx. USD 9.3 billion in the second quarter, amounting to approx. USD 223.7 billion.

### **Events subsequent to the balance sheet date**

Toward the end of July 2025, the United States and the European Union reached a trade deal, under which the European Union undertook to purchase from the United States USD 750 billion worth of energy products and increase its investments in the US economy by USD 600 billion, and the United States will only impose a 15% tariff on European products (compared to the 30% it originally planned to impose).

## 11. Restrictions on and supervision of the corporation's business

### Legal provisions applicable to the Company as a whole

#### 11.1 The Commissioner's circulars, directives, position papers and fundamental decisions

In July 2025, the Revision to the Provisions of the Consolidated Circular - "Report to the Public" and "Reporting to the Commissioner of the Capital Market" - Date of Reporting the Economic Solvency Ratio Report and the Solvency Reporting File 2025-1-3 was published. The above-mentioned provisions stipulate that in view of the application of IFRS 17, the schedules must be synchronized and an Economic Solvency Ratio Report must be published together with the financial statements as of that date - as from December 31, 2026.

## 12. Funding sources

The balance of the loans and credit as of June 30, 2025 is approx. NIS 5,750 million compared to NIS 4,503 million as of December 31, 2024.

As of the report date, the Company's separate financial liabilities amount to approx. NIS 279 million, originating in Bonds (Series C), whose repayment is spread over 2 years (totaling NIS 108 million) according to the amortization schedules, and in an option to non-controlling interests (totaling NIS 171 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 totaling approx. NIS 684 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.

## 13. 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 nine months of 2025, there were no material changes in the Company's exposures to market risks and their management, compared to what is described in the 2024 Periodic Report.

## 14. Corporate Governance Aspects

### 14.1 Disclosure on the financial statements' approval procedure in the Company

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

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

- **Committee members**

As of the report publication date, the Balance Sheet Committee comprises three members, all of whom serve as Company directors, as follows: Mssrs. Gabriel Perel (ED and Chairman of the Balance Sheet Committee), Shai Feldman and Orit Stav (EDs) who possess accounting and financial expertise. All committee members possess the ability to review and understand financial statements. For details regarding the skills and experience of the directors, based on which the Company views them as persons who possess the ability to review 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 Company's financial statements were discussed in a meeting of the Balance Sheet Committee held on August 25, 2025. All members of the Balance Sheet Committee attended the above-mentioned meeting. The meeting was also attended by Group officers and managers, as detailed below: Mssrs. Ari Kalman, CEO; Eran Griffel, Chairman of the Board of Directors; Ran Kalmi, CFO; Shimon Ir-Shai, Chief Legal Counsel, and Eti Hirshman, Chief Internal Auditor. The independent auditors and the following officers and managers of the subsidiary - Menora Mivtachim Insurance - were also in attendance: Mssrs. Yehuda Ben Assayag - Chairman

of the Board; Michael Kalman - CEO; Ran Kalmi - CFO, Dan Bar-On - Chief Actuary; Omri Gal - Head of Finance and Accounting; Katy Resnick - Actuary, Life 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, 2025, including the Report of the Board of Directors, and the financial statements, were delivered to the members of the Balance Sheet Committee and Board of Directors in advance, several days prior to their approval date.

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

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

The members of the committee assessed the judgment exercised by management in connection with the different issues, and after listening to the position of the Company's independent auditor, they reached the conclusion that the Company applied adequate accounting policies, and used adequate estimates and assessments. The committee formulated its recommendations regarding the various issues discussed, and recommended that the Board of Directors approve the interim financial statements for the period ended June 30, 2025.

## **15. Dedicated disclosure for bond holders**

### **15.1 Details regarding the corporation's bonds**

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

## **16. Disclosure Provisions Relating to the Corporation's Financial Reporting**

### **16.1 Reporting critical accounting estimates**

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

### **16.2 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, 2025, 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.

At the same time, in the Corporation's subsidiaries Menora Mivtachim Insurance and Shomera, significant adjustments were made to the IT systems, working processes and internal controls related to the financial reporting, following the application of IFRS 17, Insurance Contracts and IFRS 9, Financial Instruments.

As of the current reporting date, the management of these companies believes that the adjustments and changes made to the internal control following the implementation of the new standards have been fully and efficiently implemented.

The management of these companies operates and will continue to operate in monitoring and examining the effectiveness of the new controls during the year, including making adjustments to working processes and controls as required.

## 17. Events subsequent to the balance sheet date

### 17.1 Signing an agreement with Maccabi - subsidiary

Further to the agreement in principle with Maccabi Healthcare Services (hereinafter - “**Maccabi**”), which was signed with Menora Insurance in December 2023 for the operation of the long-term care insurance of Maccabi members as from January 1, 2024, the parties signed a detailed agreement on July 10, 2025, the key points of which are, among other things - the 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 for periods as stipulated in the agreement; 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”, and arrangements and agreements regarding the assignment of areas of responsibility and other operational and service-related issues, as agreed between the parties.

### 17.2 Issuance of a sub-subsidiary - Series J

In August 2025, Menora Mivtachim Capital Raising - a sub-subsidiary - announced that it was looking into debt raising by way of issuing a bond series. The issuance structure, terms, timing and scope have not yet been determined as of the report publication date and are subject to the Commissioner’s approval. In this context, on August 27, 2025, Midroog assigned an A1 rating with a stable outlook to the subordinated bond (Tier 1 capital), to the extent that it is issued by the Company. For further details, see the Company’s immediate report of August 27, 2025 (Ref. No.: 2025-01-064065).

### 17.3 Dividend distribution

In August 2025, the Company’s board of directors declared the distribution of approx. NIS 450 million in dividend.

### 17.4 Dividend distribution by subsidiaries

In August 2025, Menora Insurance’s board of directors declared the distribution of NIS 450 million in dividend.

**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.**

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**Eran Griffel**  
Chairman of the Board

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**Ari Kalman**  
CEO

Ramat Gan, August 28, 2025

## Chapter B

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

## **Quarterly Report on the Effectiveness of the Internal Control over Financial Reporting and Disclosure in accordance with Regulation 38C(a)**

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

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

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

Ran Kalmi, CFO

Lior Yochpaz, Chief Investment Officer

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

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

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

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

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

In the Quarterly Report on the Effectiveness of Internal Control over Financial Reporting and Disclosure attached to the quarterly report for the period ended March 31, 2025 (hereinafter - the **"Most Recent Quarterly Report of Internal Control"**), the internal control was found to be effective.

As of the report date, the Board of Directors and management have not been informed of any event or matter that may alter the assessment of the effectiveness of internal control, as found in the Most Recent Quarterly Report of Internal Control;

As of the report date, based on the 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

### 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 2025 (hereinafter - the **"Reports"**);
- (2) To my knowledge, the Reports do not contain any misrepresentation of a material fact, or omit a representation of a material fact that is necessary in order for the representations included therein - under the circumstances in which such representations were included - to be misleading as to the reporting period;
- (3) To my knowledge, the financial statements and other financial information included in the Reports fairly represent, in all material aspects, the Company's financial position, financial performance and cash flows of the Corporation as of the dates and for the periods covered by the Reports;
- (4) I have disclosed to the independent auditor of the Corporation, the Board of Directors, and the Corporation's audit and financial statements committees, based on my most recent evaluation of the internal control over financial reporting and disclosure, the following:
  - (a) All significant deficiencies and material weaknesses in the establishment or implementation of the internal controls over financial reporting and disclosure that may adversely affect, in a reasonable manner, the Corporation's ability to collect, process, summate or report financial information in a manner that may give rise to doubt as to the reliability of financial reporting and preparation of the financial statements in accordance with the provisions of the law; and -
  - (b) Any fraud, whether material or not, involving the chief executive officer or anyone directly reporting thereto or involving other employees who have a significant role in the internal control over financial reporting and disclosure;
- (5) I, alone or together with others in the Corporation, state that:
  - (a) I have established such controls and procedures, or ensured that such controls and procedures under my supervision be established and in place, designed to ensure that material information relating to the Corporation, including its consolidated companies as defined in the Securities Regulations (Annual Financial Statements), -2010, is brought to my attention by others in the Corporation and the consolidated companies, particularly during the Reports' preparation period; and -
  - (b) I have established controls and procedures, or ensured that such controls and provisions under my supervision be established and in place, designed to ensure, in a reasonable manner, the reliability of financial reporting and preparation of financial statements in accordance with the provisions of the law, including in accordance with generally accepted accounting principles;
  - (c) 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, 2025

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Ari Kalman, CEO

## Certification

### Certification by the Most Senior Financial Officer

I, Ran Kalmi, hereby certify that as follows:

- (1) I have reviewed the 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 2025 (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 Reports, 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, 2025

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**Ran Kalmi, CFO**

Chapter C

# Financial Statements

# **Consolidated Interim Financial Statements**

As of June 30, 2025

Unaudited

**Menora Mivtachim Holdings Ltd.**

**Consolidated Interim Financial Statements**

**As of June 30, 2025**

**Unaudited**

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

### **Introduction**

We have reviewed the accompanying financial information of Menora Mivtachim Holdings Ltd. and its subsidiaries (hereinafter - the **"Group"**), including the condensed consolidated statement of financial position as of June 30, 2025 and the condensed consolidated statements of profit and loss, comprehensive income, changes in equity and cash flows for the six-month 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 IAS 34 - "Interim Financial Reporting" and in accordance with the disclosure requirements set by the Commissioner of the Capital Market, Insurance and Savings in accordance with the Financial Services Supervision Law (Insurance), 1981; they are also responsible for the preparation of financial information for these interim periods in accordance with Chapter D to the Securities Regulations (Periodic and Immediate Reports), 1970, insofar as these regulations apply to a corporation consolidating insurance companies. Our responsibility is to express a conclusion regarding the financial information for this interim period based on our review.

We have not reviewed the condensed interim financial information of the consolidated companies the total consolidated assets of which constitute approx. 3.62% of the total consolidated assets as of June 30, 2025 and the consolidated revenues of which constitutes 3.69% and 2.41% of the total consolidated revenues for the six-month 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 260,529 thousand as of June 30, 2025, and the Group's share in the profits of which totaled NIS 16,562 thousand and a total of NIS 10,783 thousand for the six-month and three-month periods then ended. The condensed interim financial information of the above companies was audited by other independent auditors, whose review reports have been furnished to us, and our conclusion, insofar as it relates to financial information in respect of these companies, is based on the review reports of the other independent auditors.

### **Review scope**

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

### **Conclusion**

Based on our review and the review reports of other independent auditors, nothing has come to our attention that causes us to believe that the above-mentioned financial information does not comply, in all material respects, with IAS 34 and with the disclosure requirements set by the Commissioner of the Capital Market, Insurance and Savings in accordance with the Financial Services Supervision Law (Insurance) Law, 1981.

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

### **Emphasis of matter**

Without qualifying the above conclusion, we draw attention to that which is stated in Note 12 to the Consolidated Interim Financial Statements regarding exposure to contingent liabilities.

Tel Aviv,  
August 28, 2025

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

## Consolidated Statements of Financial Position

### Assets

	Note	As of June 30		As of
		2025	2024	December 31
		Unaudited		2024
		NIS thousand		
Cash and cash equivalents for yield-dependent contracts		3,062,046	2,332,910	2,526,357
Other cash and cash equivalents		1,903,633	1,625,635	1,456,969
Financial investments for yield-dependent contracts	6.A	33,796,850	31,512,838	33,101,222
Other financial investments measured at fair value	6.B	17,147,850	15,203,984	15,895,547
Other financial investments measured at depreciated cost	6.B	10,180,713	9,165,437	9,256,025
Receivables and debit balances		326,274	510,307	526,804
Current tax assets		9,995	12,301	17,310
Insurance contract assets		1,411,946	714,573	1,272,967
Reinsurance contract assets		3,539,368	3,303,083	3,318,042
Equity-accounted investments		658,467	618,341	632,243
Investment property for yield-dependent contracts		176,861	106,057	168,294
Investment property - other		697,916	658,688	685,729
Property, plant, and equipment measured at fair value		853,319	841,519	897,247
Other property, plant and equipment		159,790	164,553	156,803
Intangible assets and goodwill		1,872,443	1,814,210	1,842,060
Costs of obtaining investment management service contracts		793,463	696,979	748,182
Deferred tax assets		1,271	22,565	10,414
<b>Total assets</b>		<b>76,592,205</b>	<b>69,303,980</b>	<b>72,512,215</b>
<b>Total assets for yield-dependent contracts</b>		<b>37,035,757</b>	<b>34,178,796</b>	<b>35,986,896</b>

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
		2025	2024	2024
		Unaudited		
	Note	NIS thousand		
<u>Liabilities</u>				
Loans and credit	7	5,750,402	4,726,446	4,502,552
Held-for-trading financial liabilities		130,561	423,886	294,717
Payables and credit balances		1,164,256	942,440	906,786
Liability for current taxes		544,809	71,612	79,679
Liabilities for yield-dependent investment contracts	4	6,100,451	5,128,471	5,602,407
Liabilities for non-yield-dependent investment contracts	4	5,238,650	5,137,873	5,176,010
Total liabilities for insurance contracts	4	48,043,924	45,598,168	47,343,859
Liabilities for reinsurance contracts	4	98,769	92,675	99,067
Liabilities for employee benefits, net		132,011	124,954	130,261
Liabilities for deferred taxes		747,947	329,627	746,156
Total liabilities		67,951,780	62,576,152	64,881,494
<u>Equity</u>				
Share capital		99,429	99,429	99,429
Share premium		316,563	331,960	326,460
Treasury shares		(64,920)	(94,267)	(84,019)
Capital reserves		327,187	321,206	347,253
Retained earnings		7,712,620	5,876,372	6,742,727
Total equity attributable to the Company's shareholders		8,390,879	6,534,700	7,431,850
Non-controlling interests		249,546	193,128	198,871
Total equity		8,640,425	6,727,828	7,630,721
Total liabilities and equity		76,592,205	69,303,980	72,512,215

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

August 28, 2025			
Approval date of the financial statements	Eran Griffel Chairman of the Board	Ari Kalman CEO	Ran Kalmi CFO

## Consolidated Statements of Income

	Note	For the 6 months ended June 30		For the 3 months ended June 30		For the year ended December 31
		2025	2024	2025	2024	2024
		Unaudited				
		NIS thousand [excluding earnings per share data]				
Revenues from insurance services		4,133,860	3,965,559	2,095,986	2,030,168	8,059,173
Expenses from insurance services		(3,251,907)	(3,040,686)	(1,554,164)	(1,576,282)	(6,103,137)
Income from insurance services before reinsurance policies held		881,953	924,873	541,822	453,886	1,956,036
Reinsurance expenses		(714,002)	(755,631)	(328,055)	(389,113)	(1,485,983)
Reinsurance revenues		586,991	596,821	204,057	343,143	1,059,845
Net expenses from reinsurance contracts held		(127,011)	(158,810)	(123,998)	(45,970)	(426,138)
Income from insurance services	9	754,942	766,063	417,824	407,916	1,529,898
Investment gains, net from assets held against insurance contracts and yield-dependent investment contracts		2,171,680	1,567,453	2,170,379	154,738	3,780,685
Other investment gains (losses), net:						
Interest revenues calculated using the effective interest method		360,107	339,422	184,343	174,911	768,824
Net losses from impairment of financial assets		(40,103)	(43,581)	(12,871)	(23,926)	(115,521)
Other investment gains (losses), net		1,003,964	167,759	852,868	(128,197)	1,269,971
Share in earnings (losses) of equity-accounted subsidiaries closely related to the investing activity		(2,357)	310	(2,966)	(327)	(6,074)
Total income from other investments, net		1,321,611	463,910	1,021,374	22,461	1,917,200
Total investment income, net		3,493,291	2,031,363	3,191,753	177,199	5,697,885
Finance expenses, net arising from insurance contracts		(2,209,680)	(1,559,085)	(2,120,028)	(127,052)	(3,876,209)
Finance income (expenses), net arising from reinsurance contracts		90,048	12,988	92,102	(20,948)	156,369
Increase in liabilities for investment contracts due to the yield component		(528,547)	(458,624)	(463,168)	(172,688)	(977,992)
Net investment and finance income	10	845,112	26,642	700,659	(143,489)	1,000,053
Income, net from insurance and investment		1,600,054	792,705	1,118,483	264,427	2,529,951
Revenues from management fees		574,718	496,818	293,203	250,657	1,043,287
Revenue from fees and commissions		75,239	69,729	35,802	34,897	144,272
Other operating expenses		(534,201)	(447,892)	(277,894)	(226,499)	(947,316)
Other revenues (expenses), net		75,567	(11,756)	18,233	(4,651)	(19,095)
Other finance expenses		(107,360)	(98,489)	(68,634)	(49,249)	(207,372)
Share in profits of equity-accounted subsidiaries which are not closely related to the investing activity		24,575	17,657	14,522	10,169	31,119
Income before income tax		1,708,592	818,772	1,133,715	279,751	2,574,846
Income tax		566,558	266,706	385,421	88,517	855,605
Income for the period		1,142,034	552,066	748,294	191,234	1,719,241
Attributable to:						
Company's shareholders		1,119,387	533,737	735,663	182,161	1,684,007
Non-controlling interests		22,647	18,329	12,631	9,073	35,234
Net income		1,142,034	552,066	748,294	191,234	1,719,241
<u>Basic earnings per share attributable to the Company's shareholders (in NIS)</u>		17.97	8.62	11.80	2.94	27.17
<u>Diluted net earnings per share attributable to the Company's shareholders (in NIS)</u>		17.76	8.32	11.66	2.84	26.59

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

## 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
	2025	2024	2025	2024	2024
	Unaudited				
	NIS thousand				
Net income	1,142,034	552,066	748,294	191,234	1,719,241
Other comprehensive income (loss):					
<u>Items of other comprehensive income (loss) not subsequently carried to profit or loss:</u>					
Revaluation of property, plant, and equipment, net	(29,805)	-	(29,805)	-	49,202
Gains (losses) from remeasurement of defined benefit plan for employees	820	(2,340)	1,021	(1,880)	(271)
Total other comprehensive income (loss) not to be subsequently carried to profit or loss before income tax	(28,985)	(2,340)	(28,784)	(1,880)	48,931
Income tax (tax benefit) associated with items of other comprehensive income not to be subsequently carried to profit or loss	(6,540)	(793)	(6,476)	(642)	11,240
Total other comprehensive income (loss) not to be subsequently carried to profit or loss, net of tax	(22,445)	(1,547)	(22,308)	(1,238)	37,691
<u>Items of other comprehensive income (loss) subsequently carried or will be carried to profit or loss:</u>					
Foreign currency translation differences for a foreign operation	(1,548)	1,205	(1,363)	220	3,826
Share in other comprehensive income (loss), net of associates	9,672	3,790	1,164	5,312	(7,344)
Total other comprehensive income (loss) which has been or will be carried to profit or loss, before income tax	8,124	4,995	(199)	5,532	(3,518)
Income tax (tax benefit) applicable to the remaining items of other comprehensive income which were carried or will be carried to profit or loss:	(2,015)	1,220	(2,803)	749	93
Total other comprehensive income (loss) which has been or will be carried to profit or loss, net of tax	10,139	3,775	2,604	4,783	(3,611)
Total other comprehensive income (loss) for the period, net of tax	(12,306)	2,228	(19,704)	3,545	34,080
Total comprehensive income for the period	1,129,728	554,294	728,590	194,779	1,753,321
Attributable to:					
Company's shareholders	1,107,071	535,960	715,982	185,686	1,718,051
Non-controlling interests	22,657	18,334	12,608	9,093	35,270
Total comprehensive income	1,129,728	554,294	728,590	194,779	1,753,321

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										Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Capital reserve for share-based payment transaction	Adjustments arising from translation of financial statements of foreign operations	Revaluation capital reserve	Other capital reserves	Retained earnings	Total			
Unaudited												
NIS thousand												
Balance as of January 1, 2025	99,429	326,460	(84,019)	58,833	(39,739)	314,624	13,535	6,742,727	7,431,850	198,871	7,630,721	
Net income	-	-	-	-	-	-	-	1,119,387	1,119,387	22,647	1,142,034	
Adjustments arising from translation of financial statements of foreign operations	-	-	-	-	(1,559)	-	-	-	(1,559)	11	(1,548)	
Impairment of property, plant and equipment (Note 13C)	-	-	-	-	-	(29,805)	-	-	(29,805)	-	(29,805)	
Gain (loss) due to remeasurement of defined benefit plans	-	-	-	-	-	-	-	822	822	(1)	821	
Share in other comprehensive income of associates	-	-	-	-	9,672	-	-	-	9,672	-	9,672	
Tax benefit (income tax) relating to items of other comprehensive income	-	-	-	-	2,015	6,855	-	(316)	8,554	-	8,554	
Total other comprehensive income (loss)	-	-	-	-	10,128	(22,950)	-	506	(12,316)	10	(12,306)	
Total comprehensive income (loss)	-	-	-	-	10,128	(22,950)	-	1,119,893	1,107,071	22,657	1,129,728	
Exercise of employee options	-	(9,897)	19,099	(9,202)	-	-	-	-	-	-	-	
Cost of share-based payment	-	-	-	2,368	-	-	-	-	2,368	(334)	2,034	
Non-controlling interests in a company consolidated for the first time (Note 5)	-	-	-	-	-	-	-	-	-	41,220	41,220	
Change in non-controlling interests for a put option	-	-	-	-	-	-	(410)	-	(410)	(2,889)	(3,299)	
Dividend distributed	-	-	-	-	-	-	-	(150,000)	(150,000)	(9,979)	(159,979)	
Balance as of June 30, 2025	99,429	316,563	(64,920)	51,999	(29,611)	291,674	13,125	7,712,620	8,390,879	249,546	8,640,425	

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	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	(36,213)	276,738	16,985	5,519,184	6,172,132	187,165	6,359,297
Net income	-	-	-	-	-	-	-	533,737	533,737	18,329	552,066
Adjustments arising from translation of financial statements of foreign operations	-	-	-	-	1,202	-	-	-	1,202	3	1,205
Gain (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 (income tax) relating to items of other comprehensive income (loss)	-	-	-	-	(1,220)	-	-	795	(425)	(2)	(427)
Total other comprehensive income (loss)	-	-	-	-	3,772	-	-	(1,549)	2,223	5	2,228
Total comprehensive income	-	-	-	-	3,772	-	-	532,188	535,960	18,334	554,294
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	-	-	-	-	-	-	-	-	-	632	632
Change in non-controlling interests for a put option	-	-	-	-	-	-	(1,630)	-	(1,630)	(3,628)	(5,258)
Dividend distributed	-	-	-	-	-	-	-	(175,000)	(175,000)	(9,443)	(184,443)
Balance as of June 30, 2024	99,429	331,960	(94,267)	61,554	(32,441)	276,738	15,355	5,876,372	6,534,700	193,128	6,727,828

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	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, 2025	99,429	317,289	(66,689)	52,107	(32,237)	314,624	13,021	6,976,314	7,673,858	205,646	7,879,504
Net income	-	-	-	-	-	-	-	735,663	735,663	12,631	748,294
Adjustments arising from translation of financial statements of foreign operations	-	-	-	-	(1,341)	-	-	-	(1,341)	(22)	(1,363)
Impairment of property, plant and equipment (Note 13C)	-	-	-	-	-	(29,805)	-	-	(29,805)	-	(29,805)
Gain (loss) due to remeasurement of defined benefit plans	-	-	-	-	-	-	-	1,022	1,022	(1)	1,021
Share in other comprehensive income, net of associates	-	-	-	-	1,164	-	-	-	1,164	-	1,164
Tax benefit (income tax) relating to items of other comprehensive income (loss)	-	-	-	-	2,803	6,855	-	(379)	9,279	-	9,279
Total other comprehensive income (loss)	-	-	-	-	2,626	(22,950)	-	643	(19,681)	(23)	(19,704)
Total comprehensive income (loss)	-	-	-	-	2,626	(22,950)	-	736,306	715,982	12,608	728,590
Exercise of employee options	-	(726)	1,769	(1,043)	-	-	-	-	-	-	-
Cost of share-based payment	-	-	-	935	-	-	-	-	935	(347)	588
Non-controlling interests in a company consolidated for the first time (Note 5)	-	-	-	-	-	-	-	-	-	41,220	41,220
Change in non-controlling interests for a put option	-	-	-	-	-	-	104	-	104	(1,762)	(1,658)
Dividend distributed	-	-	-	-	-	-	-	-	-	(7,819)	(7,819)
Balance as of June 30, 2025	99,429	316,563	(64,920)	51,999	(29,611)	291,674	13,125	7,712,620	8,390,879	249,546	8,640,425

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									Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Capital reserve for share-based payment transaction	Adjustments arising from translation of financial statements of foreign operations	Revaluation capital reserve	Other capital reserves	Retained earnings	Total		
Unaudited											
NIS thousand											
Balance as of April 1, 2024	99,429	332,215	(95,207)	60,451	(37,206)	276,738	16,595	5,695,451	6,348,466	193,127	6,541,593
Net income	-	-	-	-	-	-	-	182,161	182,161	9,073	191,234
Adjustments arising from translation of financial statements of foreign operations	-	-	-	-	202	-	-	-	202	18	220
Gain (loss) due to remeasurement of defined benefit plans	-	-	-	-	-	-	-	(1,884)	(1,884)	4	(1,880)
Share in other comprehensive income, net of associates	-	-	-	-	5,312	-	-	-	5,312	-	5,312
Tax benefit (income tax) relating to items of other comprehensive income (loss)	-	-	-	-	(749)	-	-	644	(105)	(2)	(107)
Total other comprehensive income (loss)	-	-	-	-	4,765	-	-	(1,240)	3,525	20	3,545
Total comprehensive income	-	-	-	-	4,765	-	-	180,921	185,686	9,093	194,779
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	-	-	-	-	-	-	-	-	-	632	632
Change in non-controlling interests for 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	(32,441)	276,738	15,355	5,876,372	6,534,700	193,128	6,727,828

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										Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Capital reserve for share-based payment transaction	Adjustments arising from translation of financial statements of foreign operations	Revaluation capital reserve	Other capital reserves	Retained earnings	Total			
Unaudited												
NIS thousand												
Balance as of January 1, 2024 (audited)	99,429	332,985	(100,200)	63,224	(36,213)	276,738	16,985	5,519,184	6,172,132	187,165	6,359,297	
Net income	-	-	-	-	-	-	-	1,684,007	1,684,007	35,234	1,719,241	
Adjustments arising from translation of financial statements of foreign operations	-	-	-	-	3,911	-	-	-	3,911	(85)	3,826	
Revaluation of property, plant and equipment	-	-	-	-	-	49,202	-	-	49,202	-	49,202	
Gain (loss) due to remeasurement of defined benefit plans	-	-	-	-	-	-	-	(423)	(423)	152	(271)	
Share in other comprehensive loss, net of associates	-	-	-	-	(7,344)	-	-	-	(7,344)	-	(7,344)	
Tax benefit (income tax) relating to items of other comprehensive income (loss)	-	-	-	-	(93)	(11,316)	-	107	(11,302)	(31)	(11,333)	
Total other comprehensive income (loss)	-	-	-	-	(3,526)	37,886	-	(316)	34,044	36	34,080	
Total comprehensive income (loss)	-	-	-	-	(3,526)	37,886	-	1,683,691	1,718,051	35,270	1,753,321	
Exercise of employee options	-	(6,525)	16,181	(9,656)	-	-	-	-	-	-	-	
Cost of share-based payment	-	-	-	5,265	-	-	-	-	5,265	74	5,339	
Non-controlling interests in a company consolidated for the first time	-	-	-	-	-	-	-	-	-	700	700	
Change in non-controlling interests for a put option	-	-	-	-	-	-	(3,450)	-	(3,450)	(4,604)	(8,054)	
Dividend distributed	-	-	-	-	-	-	-	(460,148)	(460,148)	(19,734)	(479,882)	
Balance as of December 31, 2024	99,429	326,460	(84,019)	58,833	(39,739)	314,624	13,535	6,742,727	7,431,850	198,871	7,630,721	

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

## Consolidated Statements of Cash Flows

	Appendix	For the 6 months ended June 30		For the 3 months ended June 30		For the year ended December 31
		2025	2024	2025	2024	2024
		Unaudited				
		NIS thousand				
Cash flows from operating activities	(a)	1,282,307	957,660	1,253,219	207,062	1,659,330
Cash flows provided by investing activities						
Investments in Investees		(1,058)	(44,169)	(355)	(44,120)	(67,157)
Cash received (derecognized) due to acquisition of consolidated companies consolidated for the first time	(d)	4,779	(3,495)	4,779	(3,495)	(3,495)
Cash received due to the disposal of a consolidated company	(e)	-	-	-	-	3,721
Investment in property, plant and equipment		(10,781)	(15,417)	(6,365)	(5,645)	(53,253)
Investment in intangible assets		(101,369)	(113,998)	(50,986)	(48,924)	(242,503)
Acquisitions of financial investments by Group companies, which are not insurance companies, net		(231,770)	(263,944)	(8,149)	(183,333)	(174,966)
Repayment (provision) of loans to investees		(1,657)	(1,688)	1,694	(234)	(6,381)
Dividend received from investees		946	311	242	220	2,191
Consideration from disposal of intangible assets		-	480	-	480	480
Proceeds from disposal (purchases) of property, plant and equipment		(7)	-	-	-	278
Net cash used for investing activities		(340,917)	(441,920)	(59,140)	(285,051)	(541,085)
Cash flows provided by financing activities						
Consideration from issuance of financial liabilities (less issuance expenses)		479,291	208,495	31,090	97,275	316,425
Repayment of financial liabilities		(215,904)	(15,503)	(207,885)	(7,812)	(384,386)
Dividend paid to the Company's shareholders		(150,000)	(175,000)	(150,000)	(175,000)	(460,148)
Dividend paid to non-controlling interests		(9,979)	(9,443)	(7,819)	(7,329)	(19,734)
Net cash provided by (used for) financing activities		103,408	8,549	(334,614)	(92,866)	(547,843)
Exchange rate differences for cash and cash equivalent balances		(62,445)	29,331	(75,738)	22,493	7,999
Increase (decrease) in cash and cash equivalents		982,353	553,620	783,727	(148,362)	578,401
Balance of cash and cash equivalents as of the beginning of period	(b)	3,983,326	3,404,925	4,181,952	4,106,907	3,404,925
Balance of cash and cash equivalents as of the end of the period	(c)	4,965,679	3,958,545	4,965,679	3,958,545	3,983,326

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

## 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
	2025	2024	2025	2024	2024
	Unaudited				
	NIS thousand				
(a) <u>Cash flows from operating activities</u>					
Net income for the period	1,142,034	552,066	748,294	191,234	1,719,241
<u>Adjustments to profit and loss line items:</u>					
The Company's share in profits of equity-accounted investees	(22,218)	(17,967)	(11,556)	(9,842)	(25,045)
Gains, net on financial investments for insurance contracts and yield- dependent investment contracts	(2,412,141)	(1,407,771)	(2,215,374)	(27,240)	(3,940,938)
Losses (gains), net on other financial investments:					
Measured at fair value through profit and loss	(830,709)	(18,298)	(785,443)	115,772	(1,135,176)
Measured at amortized cost	(282,539)	(311,171)	(153,118)	(82,035)	(578,590)
Finance expenses for financial and other liabilities	106,760	105,262	60,840	56,970	209,501
			-	-	
Profit (loss) from disposal:					
Property, plant & equipment	(85)	49	4	-	(230)
Investees	-	-	-	-	388
Intangible assets	-	(219)	-	(219)	(219)
Increase in fair value of investment property for yield-dependent contracts	(1,409)	-	(1,409)	-	(1,525)
Increase in fair value of other investment property	(968)	-	(968)	-	(26,619)
Impairment of intangible assets	-	686	-	549	686
Impairment of property, plant and equipment	-	-	-	-	1,713
Cost of share-based payment	1,314	2,849	259	1,622	4,143
Depreciation and amortization:					
Property, plant & equipment	41,555	42,430	21,050	21,573	85,281
Intangible assets	97,922	97,510	49,138	49,033	198,304
			-	-	
Income tax	566,558	266,706	385,421	88,517	855,605

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

## 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
	2025	2024	2025	2024	2024
	Unaudited				
	NIS thousand				
(a) <u>Cash flows from operating activities (cont.)</u>					
<u>Changes in assets and liabilities line items:</u>					
Change in assets and liabilities for insurance contracts	561,086	72,224	1,645,599	(592,484)	1,259,519
Change in assets for reinsurance contracts	(221,624)	(55,842)	(136,031)	(35,836)	(64,409)
Change in liabilities for yield-dependent investment contracts	498,044	291,532	386,878	75,847	765,468
Change in liabilities for non-yield-dependent investment contracts	62,640	72,271	49,739	72,682	110,407
Change in costs of obtaining investment management service contracts	(45,281)	(43,581)	(21,398)	(13,214)	(94,784)
Receivables and debit balances	209,463	(41,058)	165,416	(145,957)	(98,507)
Payables and credit balances	236,865	(102,586)	158,305	(22,507)	(116,104)
Liabilities for employee benefits, net	2,571	(4,959)	2,991	(4,801)	2,416
Financial investments and investment property for insurance contracts and yield-dependent investment contracts:			-	-	
Acquisition of investment property	(7,158)	(3,096)	(2,320)	(1,642)	(63,808)
Proceeds of disposal of financial investments, net	1,026,721	585,814	517,386	(66,721)	923,531
Financial investments and other investment property:					
Acquisition of investment property	(11,220)	(6,827)	(6,402)	(2,686)	(14,317)
Proceeds from sale of investment property	-	-	-	-	4,101
Proceeds of disposal (acquisition) of financial investments, net	(275,390)	207,037	(31,659)	125,853	175,904
Total adjustments required to present cash flows from operating activities	(699,243)	(269,005)	77,348	(396,766)	(1,563,304)
Cash paid and received during the period for:					
Interest paid	(68,929)	(88,904)	(35,737)	(38,740)	(177,530)
Interest received	626,761	588,602	296,824	286,541	1,357,633
Taxes paid	(202,162)	(182,052)	(40,634)	(103,335)	(359,751)
Taxes received	105,354	86,526	6,815	86,068	86,625
Dividend received	378,492	270,427	200,309	182,060	596,416
	839,516	674,599	427,577	412,594	1,503,393
Total cash flows provided by operating activities	1,282,307	957,660	1,253,219	207,062	1,659,330

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

## 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
	2025	2024	2025	2024	2024
	Unaudited				
	NIS thousand				
(b) <u>Cash and cash equivalents as of the beginning of the period</u>					
Cash and cash equivalents for yield-dependent contracts	2,526,357	2,080,711	2,232,419	2,686,100	2,080,711
Other cash and cash equivalents	1,456,969	1,324,214	1,949,533	1,420,807	1,324,214
Balance of cash and cash equivalents as of the beginning of period	3,983,326	3,404,925	4,181,952	4,106,907	3,404,925
(c) <u>Cash and cash equivalents as of the end of the period</u>					
Cash and cash equivalents for yield-dependent contracts	3,062,046	2,332,910	3,062,046	2,332,910	2,526,357
Other cash and cash equivalents	1,903,633	1,625,635	1,903,633	1,625,635	1,456,969
Balance of cash and cash equivalents as of the end of the period	4,965,679	3,958,545	4,965,679	3,958,545	3,983,326
(d) <u>Cash received (derecognized) due to acquisitions of consolidated companies consolidated for the first time</u>					
Intangible assets	(26,936)	(4,798)	(26,936)	(4,798)	(4,798)
Other financial investments measured at depreciated cost	(955,417)	-	(955,417)	-	-
Property, plant & equipment	(12,556)	(36)	(12,556)	(36)	(36)
Receivables and debit balances	(8,991)	(830)	(8,991)	(830)	(830)
Deferred taxes	3,705	626	3,705	626	626
Current taxes	4,646	-	4,646	-	-
Loans and credit	945,708	-	945,708	-	-
Liabilities for employee benefits	-	554	-	554	554
Payables and credit balances	13,400	289	13,400	289	289
Non-controlling interests	41,220	700	41,220	700	700
	4,779	(3,495)	4,779	(3,495)	(3,495)
(e) <u>Cash received due to the disposal of a consolidated company</u>					
Property, plant & equipment	-	-	-	-	8,779
Current taxes	-	-	-	-	59
Receivables and debit balances	-	-	-	-	1,343
Deferred taxes	-	-	-	-	1,265
Payables and credit balances	-	-	-	-	(1,463)
Financial liabilities	-	-	-	-	(5,874)
	-	-	-	-	4,109
Loss on disposal of a consolidated company	-	-	-	-	(388)
	-	-	-	-	3,721

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

## Notes to the Consolidated Interim Financial Statements

### NOTE 1 - GENERAL

#### Company description

Menora Mivtachim Holdings Ltd. (hereinafter - the “**Company**”) is a publicly-traded company, whose shares are listed on the Tel Aviv Stock Exchange. The Company’s principal shareholders are Najaden Establishment and Palamas Establishment (foreign corporations), which are held in trust for Msrs. Niva Gurevitch and Tali Griffel, and which (jointly) hold approx. 63% of the Company’s shares. The Company operates through companies under its control in all of the main insurance subsegments, including life insurance and long-term savings (life insurance, pension and provident funds), health insurance and property and casualty (P&C) insurance. The Company is also engaged, through companies under its control, in the provision of securities distribution services and an underwriting obligation, insurance brokerage, factoring, and provision of credit to real estate projects. In addition, the Company is engaged in real estate investments, 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.

- A. These financial statements were prepared in condensed format as of June 30, 2025 and for the six-month and three-month periods then ended (hereinafter - the “**Consolidated Interim Financial Statements**”).

The comparative figures for the year ended December 31, 2024 and for the six-month and three-month periods ended June 30, 2024 were taken from the Company's Annual Financial Statements as of December 31, 2024 and the year then ended and notes attached thereto (hereinafter – the “**Consolidated Annual Financial Statements**”) and from the Interim Consolidated Financial Statements as of June 30, 2024, respectively, except for the adjustments following the application of IFRS 17, Insurance Contracts, and IFRS 9, Financial Instruments, which have been reviewed but not yet audited by the independent auditor.

These financial statements should be read in conjunction with the audited Consolidated Annual Financial Statements.

- 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**”). Consequently, the Company and the Group subsidiaries undertook the requisite operational and business measures. and from 2024 the Group returned to full operating activity without suffering any material effects due to the War. See also Note 13C.

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

#### A. Preparation format of the Condensed Consolidated Interim Financial Statements

The Consolidated Interim Financial Statements are prepared in accordance with IAS 34 - "Interim Financial Reporting", and in accordance with the disclosure requirements set by the Commissioner of the Capital Market, Insurance and Savings in accordance with the Financial Services Supervision Law (Insurance), 1981. In addition, the financial statements were prepared in accordance with the disclosure provisions in Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970, insofar as these regulations apply to a corporation consolidating an insurance company.

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

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 which was set in the standard itself - January 1, 2023). In view of the above, in the periods commencing January 1, 2023 and through initial application in Israel, the Group's Consolidated Financial Statements were prepared in accordance with the provisions of the Securities Regulations (Periodic and Immediate Reports), 1970. In accordance with these provisions, these financial statements data relating to consolidated subsidiaries which meet the definition of insurers, as defined in the Securities Regulations (Preparation of Annual Financial Statements), 2010, were prepared in accordance with the requirements set by the Commissioner in accordance with the Financial Services Supervision Law (Insurance), 1981.

As from January 1, 2025, the Group has been applying IFRS 17 and IFRS 9 for the first time to financial statement data relating to the subsidiaries as stated above, and as a consequence it resumed full application of IFRS. For additional information, see Note 2D.

In preparing the condensed financial statements in accordance with the above, the Company's management is required to exercise discretion in assessments, estimates and assumptions that affect the implementation of the policy and the amounts of assets and liabilities, revenues and expenses. It is clarified that the actual results may differ from those estimates.

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

#### B. Insurance contracts

As detailed in Note 2D regarding first-time application of IFRS 17, Insurance Contracts (hereinafter – "**IFRS 17**"), the consolidated insurance companies (hereinafter – the "**Companies**") have been applying IFRS 17 as from January 1, 2025 in accordance with the Provisions for the Transitional Period set forth in IFRS 17, including the restatement of the comparative figures for 2024. Wherever there is text relevant only to the subsidiary Menora Mivtachim Insurance Ltd., the name "Menora Insurance" will be noted accordingly.

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### B. Insurance contracts (cont.)

##### **Classification of insurance contracts and reinsurance contracts**

A contract is classified as an insurance contract if it transfers to the issuing company a significant insurance risk. The Companies issue insurance contracts in their ordinary course of business, in which they accept a significant insurance risk from the policyholders. The Companies determine whether they have a significant insurance risk, by comparing the benefits, which will be provided to the policyholder after an insured event, to the benefits which will be provided to the policyholder if the insured event does not occur. In addition to the significant insurance risk, some insurance contracts also transfer financial risk to Menora Insurance, such as a guaranteed rate of return. Some of the contracts entered into by Menora Insurance have the legal form of an insurance contract but do not transfer a significant insurance risk (savings policies without insurance coverage). These contracts are classified as financial liabilities and referred to as 'investment contracts'.

Reinsurance contracts held are contracts held by the Companies under which they transfer to reinsurers a significant insurance risk relating to underlying insurance contracts. The purpose of the reinsurance contracts held is to mitigate the Companies' significant insurance risk in respect of the underlying insurance contracts.

Insurance contracts are classified as contracts with direct participation features or contracts without direct participation features. Insurance contracts with direct participation features are insurance contracts, which, at the time of engagement therein:

- a) The contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- b) Menora Insurance expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- c) Menora Insurance 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.

All other insurance contracts and reinsurance contracts were classified as contracts without direct participation features. Some of these contracts are measured in accordance with the PAA model.

##### **Separating components from 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

Embedded derivatives in insurance contracts will be separated and accounted for in accordance with the requirements of IFRS 9 where their economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract, unless the embedded derivative itself meets the definition of an insurance contract.

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### B. Insurance contracts (cont.)

##### **Separating components from insurance contracts (cont.)**

An investment component represents amounts, which Menora Insurance is required to repay the policyholder in all circumstances regardless of the occurrence of the insured event. A distinct investment component shall be separated from the host insurance contract and will be accounted for in accordance with IFRS 9. An investment component is distinct if it can be sold separately from the insurance component, and the investment component and the insurance component are not highly interrelated. Some of Menora Insurance's life insurance contracts include a savings component, which constitutes an investment component. Menora Insurance believes that the investment component is highly interrelated with the contract's insurance component; therefore, it is not a distinct component and is not accounted for separately from the host insurance contract. However, receipts and payments arising from the investment component are excluded from insurance revenues and insurance service expenses.

Service components constitute a promise to transfer goods or services to the policyholder in addition to the insurance contract services. A distinct service component will be separated from the host insurance contract and accounted for in accordance with IFRS 15. A service component is distinct if the policyholder can benefit from the goods or services on their own or together with other resources that are readily available to the policyholder. A service component is not distinct if the cash flows and risks associated with the good or service are highly interrelated with the cash flows and risks associated with the insurance components in the contract, and the Companies provide a significant service in integrating the good or non-insurance service with the insurance components.

After separating distinct components, the Companies apply IFRS 17 to all components not separated from the host insurance contract and account for them as a single insurance contract. The Companies did not identify components, which must be separated from the insurance contracts.

##### **Level of aggregation and combination of insurance contracts**

Insurance contracts are classified into groups for measurement purposes. The Companies determine the groups at initial recognition and may add contracts to those groups after the end of the reporting period; however, the Companies do not reassess the composition of the groups in subsequent periods.

In order to determine the groups, the Companies first identify insurance contract portfolios. A portfolio comprises contracts subject to similar risks and managed together. The Companies identified insurance contract portfolios in accordance with the major product lines and based on the list of insurance portfolios included in the Professional Issues Circular published by the Commissioner. Contracts managed by the subsidiary Menora Insurance are classified into a portfolio separate to that of the contracts managed by the subsidiary Shomera Insurance even if they belong to the same product line. Once they have identified a portfolio, the Companies 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 (this group is negligible); and
- A group of the remaining contracts in the portfolio.

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### B. Insurance contracts (cont.)

##### **Level of aggregation and combination of insurance contracts (cont.)**

For contracts to which the Companies apply the PPA Model, the Companies 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 is attributed to a separate group of insurance contracts, except for insurance contract groups for which Menora Insurance applied the fair value approach on the transition date (see note 2D).

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 Company's 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 compulsory motor insurance policies sold by the Companies themselves.

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 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 Company's 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 recognize and measure such policies as a single insurance contract. When an insurance contract includes more than one insurance coverage, and the coverages would have been attributed to different insurance portfolios had they been provided under separate contracts, the Companies classify the contract as a whole in accordance with the portfolio to which the main coverage in the contract is attributed.

The Companies exercise judgment in determining whether to separate insurance components, or to combine a set or a series of insurance contracts with the same counterparty and account for them as a single contract. The Companies' judgment is based, among other things, on the interdependence between the cash flows of the insurance contracts, whether the insurance contracts expire together, and priced and sold together, and on the customer's view of the contracts as a single unit.

##### **Recognition**

The Companies recognize a group of insurance contracts they issue from the earliest of the following:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group becomes due
- For a group of onerous contracts, when the group becomes onerous

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### B. Insurance contracts (cont.)

##### **Recognition (cont.)**

The Companies recognize a group of reinsurance contracts held from the earliest of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. However, the Companies defer the recognition of a group of reinsurance contracts held which provide proportionate coverage until the initial recognition of any underlying insurance contract, if that date is later than the date of commencement of the coverage period of the group of reinsurance contracts held.
- and,
- The date on which the Companies recognizes an onerous group of underlying insurance contracts if it entered into the reinsurance contract held in question as part of a group of reinsurance contracts held on or prior to that date.

The Companies add new contracts to the group during the reporting period in which the contract meets one of the above-mentioned recognition criteria.

##### **Insurance acquisition cash flows**

Insurance acquisition cash flows arise from the costs to sell, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the Group belongs.

The Companies allocate on a systematic and rational basis:

- a) Insurance acquisition cash flows, which are directly attributable to a group of insurance contracts:
  - (i) to this group; and
  - (ii) To groups comprising insurance contracts, which are expected to arise from renewals of the Group's insurance contracts.
- b) Insurance acquisition cash flows, which are directly attributable to a portfolio of insurance contracts, which are not directly attributable to a group of insurance contracts - to groups of insurance contracts in the portfolio.

The Companies allocate insurance acquisition cash flows for future renewals in certain P&C insurance contracts in which the coverage period is one year.

When the insurance acquisition cash flows were paid or incurred before the related group of insurance contracts is recognized in the statement of financial position, a separate insurance acquisition cash flows asset is recognized for each related group.

The asset in respect of insurance acquisition cash flows is derecognized from the statement of financial position when the insurance acquisition cash flows are included in the initial measurement of the related group of insurance contracts.

At the end of each reporting period, the Companies revise the amounts of insurance acquisition cash flows allocated to groups of insurance contracts, which are yet to be recognized, in order to reflect changes in assumptions relating to the allocation method used.

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### B. Insurance contracts (cont.)

##### **Insurance acquisition cash flows (cont.)**

Subsequent to the revision of the allocation of insurance acquisition cash flows, the Companies assess the recoverable amount of the asset in respect of the insurance acquisition cash flows, if facts or circumstances indicate an impairment of the asset. When it makes this assessment, the Company applies the following to the relevant subsegments:

- Impairment test at the level of an existing or future group of insurance contracts; and
- Another impairment test specifically relating to the asset in respect of insurance acquisition cash flows allocated to expected future renewals of insurance contracts.

If an impairment loss is identified, the carrying value of the asset is adjusted and an impairment loss is recognized in profit or loss.

If the conditions which triggered an impairment in previous periods no longer exist or have improved, the Companies will recognize the reversal of some or all of the impairment loss in profit or loss and increase the carrying value of the asset.

##### **Contract boundary**

The Companies include in the measurement of a group of insurance contracts all cash flows within the contract boundary of each contract in the group. Cash flows are within the boundary of a contract if they arise from substantive rights and obligations which exist during the reporting period in which the Company can compel the policyholder to pay the premiums or in which it has a substantive **obligation** to provide the policyholder with insurance services. A substantive obligation to provide insurance services ends when:

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

A liability or asset relating to expected premiums or expected claims outside the boundary of the insurance contract is not recognized. Such amounts relate to future contracts.

For reinsurance contracts held, cash flows are within the boundary of a 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 therefrom. 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 insurance coverage.

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### B. Insurance contracts (cont.)

##### **Measurement model**

There are three models for measuring insurance contracts:

- The general measurement model (the GMM model) Menora Insurance applies this model for insurance contracts and reinsurance contracts, which are not measured in accordance with the VFA or PAA model. These contracts mainly include policies, which have a non-yield-dependent savings component, life insurance, and permanent health insurance (PHI), which are sold as a standalone policy, and long-term health insurance products.
- The variable fee approach (the VFA model) – Menora Insurance applies this approach to insurance contracts with direct participation features (see details under “**classification of insurance contracts and reinsurance contracts**” above). The Company's insurance contracts with direct participation features are policies, which have a yield-dependent savings component, and yield-dependent immediate annuity policies.
- The premium allocation approach (the PAA model) - the Companies apply this simplified approach to certain insurance and reinsurance contracts, whose coverage period is normally one year or less, and insurance contracts, which satisfied the eligibility criteria for application of the PAA model (see details under “insurance contracts measured in accordance with the PAA model”), which include P&C insurance contracts and short-term health insurance products.

##### **Insurance contracts measured under the GMM or VFA model**

##### Measurement on initial recognition

The measurement of insurance contracts upon initial recognition is identical for the GMM model and the VFA model. Upon initial recognition, Menora Insurance measures a group of insurance contracts as the total of: (a) the fulfillment cash flows, and (b) the contractual service margin (CSM).

The fulfillment cash flows include estimated future cash flows, adjusted to reflect the time value of money and the financial risks and a risk adjustment for non-financial risk.

If the fulfillment cash flows constitute in total a net inflow upon initial recognition, a CSM is recognized to fully offset the fulfillment cash flows, with no effect on profit or loss upon initial recognition. The CSM represents the unearned profit of the insurance contract, which the Company will recognize insofar as it provides services under the contract. However, if the fulfillment cash flows constitute in total a net outflow upon initial recognition, a loss is recognized immediately in the profit or loss (hereinafter - the “**loss component**”) and the group of contracts is deemed onerous.

The CSM or loss component unit of account is based on groups of insurance contracts consistently with the aggregation level described above.

##### Subsequent measurement of fulfillment cash flows

In each reporting period, the fulfillment cash flows are measured using current estimates of the expected cash flows and current discount rates. In subsequent periods, the balance of a group of insurance contracts on each reporting date is the sum of:

- The liability for remaining coverage (LRC), which includes the fulfillment cash flows relating to future services, and any remaining CSM as of that date; and

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### B. Insurance contracts (cont.)

##### **Insurance contracts measured under the GMM or VFA model (cont.)**

##### Subsequent measurement of fulfillment cash flows (cont.)

- The liability for incurred claims (LIC), which includes the fulfillment cash flows for incurred claims (including claims incurred and not yet reported) and expenses payable.

For an onerous group, the LRC is split into a loss component, which reflects the losses recognized in respect of an onerous group of insurance contracts and an LRC excluding a loss component, which reflects the balance of liability for future service. The loss component determines the amounts presented in profit or loss as reversals of losses on onerous groups and are consequently excluded from revenues from insurance services.

##### Subsequent measurement of CSM under the GMM model

For contracts without direct participation features, when applying the GMM model, the CSM balance at the end of the reporting period is the CSM calculated at the end of the latest reporting period adjusted to reflect the following changes:

- Effect of new contracts added to the group;
- Interest accrued on the carrying amount of the CSM, measured at nominal discount rates as of the initial recognition date;
- changes in the fulfillment cash flows relating to future service, except if:
  - The increase in fulfillment cash flows exceeds the carrying value of the CSM, in which case the excess is recognized as a loss in profit or loss and forms a loss component.
  - The decrease in the fulfillment cash flows is carried to the loss component and reverses losses recognized in profit or loss in previous periods; and
- The amount recognized as insurance revenues because of the transfer of services in the period, determined by the allocation of the remaining contractual service margin at the end of the reporting period (before any allocation) over the current and remaining coverage period.

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

##### Subsequent measurement of CSM under the VFA model

Contracts with direct participation features measured in accordance with the VFA model are contracts under which Menora Insurance's obligation to the policyholder is the net of:

- The obligation to pay the policyholder an amount equal to the fair value of the underlying items; and
- A variable fee in exchange for the future services provided by the insurance contract, which is Menora Insurance's share in the fair value of the underlying items net of fulfillment cash flows which do not vary based on the returns on underlying items. Menora Insurance provides investment management services under these contracts by providing a guaranteed return on investments based on underlying items, in addition to insurance coverage.

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### B. Insurance contracts (cont.)

##### **Insurance contracts measured under the GMM or VFA model (cont.)**

##### Subsequent measurement of CSM under the VFA model (cont.)

When measuring a group of contracts with direct participation features, Menora Insurance adjusts the fulfillment cash flows in respect of all changes in the obligation to pay the policyholder an amount equal to the fair value of the underlying items. These changes do not relate to future services and are recognized in profit or loss. Menora Insurance adjusts the CSM for changes in the amount of the Company's share in the fair value of the underlying items, relating to future services, as described below.

The CSM balance at the end of the reporting period is the CSM calculated at the end of the latest reporting period adjusted to reflect the following changes:

- Effect of new contracts added to the group;
- The change in the amount of the Company's share in the fair value of the underlying items and changes in fulfillment cash flows relating to future services, except if:
  - The risk mitigation option was applied so as not to recognize the change in CSM to reflect changes in the effect of financial risk on the amount of its share in the underlying items or fulfillment cash flows (see below);
  - A decrease in the amount of the Company's share in the fair value of the underlying items, or an increase in the fulfillment cash flows relating to future services, exceeds the carrying value of the CSM, giving rise to a loss and consequently - a loss component; or
  - An increase in the amount of the Company's share in the fair value of the underlying items, or a decrease in the fulfillment cash flows relating to future services, is attributed to the loss component, and reverses losses recognized in profit or loss in previous periods; and
- The amount recognized as revenues from insurance services provided during the period.

Changes in fulfillment cash flows relating to future services include changes relating to the above-mentioned future services for contracts without direct participation features (measured at current discount rates), and changes in the effect of the time value of money and financial risk, which do not arise from the underlying items.

##### Risk mitigation option

Under the management of its business and as part of its regulatory obligations, Menora Insurance is required to manage investment portfolios of assets held for yield-dependent insurance policies. Under such portfolios, Menora Insurance may actually hold assets, whose total amount exceeds the nominal aggregate value of the yield-dependent policies accounted for by the VFA approach, in order to hedge the effects of additional financial exposures arising from those policies, including with regard to the effect of guaranteed annuity conversion factors, all in accordance with the Company's objective and risk mitigation strategy. The Company put into practice the risk mitigation alternative set in the standard with regard to changes in the fulfillment cash flows arising from changes in the time value of money and financial risks in the relevant insurance liabilities, which are hedged through those assets. Therefore, the aforementioned changes will be recognized in profit or loss under the "Net finance income (expenses) from insurance contracts" concurrently with the income or expenses incurred in respect of the above-mentioned assets. Menora Insurance assesses and may periodically assess the amount of excess assets under management be held in practice under the participating portfolio in order to hedge the yield-dependent liabilities.

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### B. Insurance contracts (cont.)

##### **Insurance contracts measured under the GMM or VFA model (cont.)**

###### Subsequent measurement of loss component

For contracts, which are not measured under the PAA model, Menora Insurance creates a loss component of the obligation in respect of the remaining coverage for onerous groups of insurance contracts. The loss component determines the amount of fulfillment cash flows to be recognized in profit or loss in subsequent periods as reversal of losses on onerous contracts, excluded from revenues from insurance services when incurred. When fulfillment cash flows are incurred, they are allocated between the loss component and the LRC without a loss component on a systematic basis.

The systematic basis is determined by the ratio between the loss component and the present value of the expected claims and expenses plus RA at the beginning of each period.

Changes in fulfillment cash flows relating to future services and changes in the amount of the Company's share in the fair value of the underlying items for contracts with direct participation features are allocated solely to the loss component. If the loss component is reduced to zero, any excess exceeding the amount allocated to the loss component gives rise to new CSM for the group of contracts.

##### **Insurance contracts measured under the PAA model**

The Companies 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 substantively differ from the measurement that would result from applying the general measurement model.

In most property and casualty insurance portfolios, the coverage period of all contracts is up to one year. These groups of insurance contracts qualify automatically for application of the PAA model.

In respect of the remaining groups of contracts, the Companies compare the liability in respect of the remaining coverage period, which will be created by applying the PPA Model, and the liability, which will be created from applying the general measurement model (GMM) under possible future scenarios (PAA eligibility test).

The LRC is initially measured as the total premiums received upon initial recognition net of the insurance acquisition cash flows as of that date, without adjustment in respect of the time value of money, since the premiums are usually received within one year from the date of providing the related coverage.

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### B. Insurance contracts (cont.)

##### **Insurance contracts measured under the PAA model (cont.)**

For insurance acquisition cash flows allocated to groups of insurance contracts measured when applying the PAA model, the Companies may amortize the amount over the coverage period or recognize the amount as an expense as incurred, if the coverage period of each contract in the group does not exceed one year. This choice may be carried out at the insurance contracts group level. For all groups of insurance contracts of the Companies, which are measured using the PAA model, the Companies opted to recognize the insurance acquisition cash flows which are directly attributable to the groups of insurance contracts in profit or loss over the coverage period in a systematic manner based on the passage of time. If facts and circumstances indicate that a group of contracts is onerous upon initial recognition, loss is immediately recognized in profit or loss in respect of net payments and a loss component of the LRC arises in respect of the group.

##### Subsequent measurement

In subsequent periods, the Companies measure the LRC balance at the end of each reporting period as follows:

- The LRC at the beginning of the period; plus
- Premiums received during the period; net of
- Insurance acquisition cash flows; with an added
- Amounts recognized as amortization of insurance acquisition cash flows; net of
- Amounts recognized as revenues from insurance services during the period; net of
- Investment component paid or transferred to LIC.

The amounts recognized as revenues from insurance services during the period are based on the passage of time.

If during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Companies recognize a loss in profit or loss and an increase in the LRC up to the amount by which current estimates of the fulfillment cash flows relating to the remaining coverage (including RA) exceed the LRC balance.

The Companies estimate the LIC as the fulfillment cash flows relating to incurred claims. IFRS 17 allows not to discount the future cash flows in respect of incurred claims if those cash flows are expected to be paid or received within one year or less from the date the claims are incurred. The Companies no longer apply the above-mentioned expedient.

##### **Reinsurance contracts held measured under the GMM model**

##### Measurement on initial recognition

The measurement of reinsurance contracts held is made by applying the principles applied for the GMM model for issued insurance contracts, subject to the adjustments detailed below. Reinsurance contracts cannot be measured using the VFA model.

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### B. Insurance contracts (cont.)

##### **Reinsurance contracts held measured under the GMM model (cont.)**

###### Measurement on initial recognition (cont.)

Upon initial recognition, Menora Insurance recognizes net profit/cost as CSM in the consolidated statements of financial position, except for several exceptions. If the net cost of reinsurance contracts held relates to insured events which occurred before the acquisition of the reinsurance contract held, the net cost is immediately recognized in profit or loss. Furthermore, if the underlying insurance contracts are onerous, Menora Insurance is required to recognize immediately a profit in profit or loss in respect of that portion of the claims which the Company expects to recover from reinsurance, if Menora Insurance entered into the reinsurance contract held on or before the date on which it entered into the onerous contracts (hereinafter - the "**loss recovery component**").

The measurement of the cash flows of a reinsurance contract held is consistent with that of the underlying insurance contracts, but includes an adjustment for the risk of non-performance by the reinsurer. The RA represents the risk transferred by the Company to the reinsurer.

###### Subsequent measurement

In subsequent periods, the book balance of a group of reinsurance contracts held is the sum of:

- The asset for remaining coverage (ARC), which includes the fulfillment cash flows relating to services, which will be received under the contract in future periods, and any remaining CSM as of that date; and
- The asset for incurred claims (AIC), which includes the fulfillment cash flows for incurred claims and expenses receivable.

Menora Insurance adjusts the CSM balance of a group of reinsurance contracts held to reflect changes in the fulfillment cash flows by applying the approach applied for issued insurance contracts, excluding:

- Revenues recognized to cover losses from initial recognition of onerous underlying contracts adjusts the CSM balance;
- Reversals of the loss recovery component, up to the amount at which these reversals are not changes in the fulfillment cash flows of the group of reinsurance contracts held, also adjust the CSM; and
- Changes in the fulfillment cash flows relating to future services adjust the CSM provided that changes in fulfillment cash flows relating to a group of underlying insurance contracts also adjust the CSM.

When a loss component is recognized after initial recognition of a group of underlying insurance contracts, the recognized reinsurance income adjusts the loss recovery component of the reinsurance asset for the remaining coverage. The balance of the loss recovery component may not exceed that portion of the balance of the loss component of the onerous group of underlying insurance contracts, which the Company expects to recover from the group of reinsurance contracts. Accordingly, the loss recovery component is reduced to zero when the loss component of the underlying insurance contracts is reduced to zero.

##### **Reinsurance contracts held measured under the PAA model**

Reinsurance contracts held may be measured under the PAA model if they meet the criteria for applying the model, which are similar to the criteria for issued insurance contracts.

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### B. Insurance contracts (cont.)

##### **Reinsurance contracts held measured under the PAA model (cont.)**

The Companies measure reinsurance contracts held for which the PAA model is applied on the same basis as issued insurance contracts, with adjustments reflecting the features of reinsurance contracts held, which vary from those of issued insurance contracts. If the loss recovery component is recognized for a group of reinsurance contracts measured according to the PAA model, the Companies adjust the ARC balance since under the PAA model there is no CSM.

##### **Derecognition and modifications to the terms of an insurance contract**

The Companies derecognize an insurance contract when it is extinguished, i.e., when the obligation specified in the insurance contract expires or is discharged or cancelled.

Furthermore, if a modification is made to the terms of the insurance contract, which would have substantially changed the accounting treatment applied to the insurance contract had the modified terms existed on initial recognition date (hereinafter - "**Material Modification of Terms**"), the Companies derecognize the original insurance contract and recognizes the modified contract as a new insurance contract.

If an immaterial modification is made in the terms of the insurance contract, the Companies treat changes in the cash flows arising from the modification of terms as changes in the estimated fulfillment cash flows.

##### **Disclosure and presentation**

The Companies presented separately in the statement of financial position the balances of insurance contract portfolios which constitute assets, and the balances of insurance contract portfolios which constitute liabilities, portfolios of reinsurance contracts which constitute assets and portfolios of reinsurance contracts held which constitute liabilities.

Any asset in respect of insurance acquisition cash flow recognized before the respective insurance contracts were recognized is included in the related portfolio balance of the issued insurance contracts.

The Companies divide the amounts recognized in the statement of income into:

- A. Insurance service results, comprising insurance revenues and insurance service expenses; and
- B. Finance income or finance expenses from insurance.

IFRS 17 does not require disaggregation of the RA between insurance service results and finance income or finance expenses from insurance. The Companies opted not to apply this expedient and to disaggregate the RA between insurance service results and finance income or finance expenses from insurance.

The Companies present separately revenues or expenses from reinsurance contracts held and revenues or expenses from insurance contracts issued.

##### Insurance service results

Revenues from insurances services reflect the amount to which the Companies expect to be entitled in exchange for providing the services arising from a group of insurance contracts. For contracts measured in accordance with the GMM or VFA model, insurance revenues during the period is measured in accordance with the change in the LRC which relates to insurance services for which the Company expects to receive a consideration. Revenues from insurance services include:

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### B. Insurance contracts (cont.)

##### **Disclosure and presentation (cont.)**

##### Insurance service results (cont.)

- (a) Claims and other expected insurance service expenses incurred, excluding repayments of investment components/ premium repayment and excluding amounts allocated to the loss component;
- (b) Changes in RA excluding amounts allocated to the loss component;
- (c) CSM release based on the coverage units;
- (d) Other amounts including experience adjustments in respect of premiums relating to current or past service; and
- (e) A portion of the premiums which relate to the recovery of insurance acquisition cash flows.

For contracts measured in accordance with the PAA model, insurance revenues for each period is the amount of expected premiums receivable for the insurance services provided during the period, including fees and credit fees. The Companies allocate the amount of premiums expected to be received in each period based on the passage of time.

Insurance service expenses arising from insurance contracts are generally recognized in profit or loss as incurred and do not include refunds of investment/premium components. Expenses from insurance services include:

- A. Claims and other insurance service expenses incurred;
- B. Losses and reversal of losses for groups of onerous insurance contracts
- C. Adjustments for LIC;
- D. Amortization of insurance acquisition cash flows; and
- E. Impairment losses and reversals of impairment losses on assets for insurance acquisition cash flows.

Amortization of the insurance acquisition cash flows, which constitutes part of the insurance service expenses, is identical to the recovery of the insurance acquisition cash flows, which constitutes part of insurance revenues for contracts measured under the GMM or VFA model. Amortization of the acquisition costs for the period is calculated based on the coverage units.

Expenses in respect of reinsurance contracts held include the allocation of premiums paid to the reinsurer. Revenues in respect of reinsurance contracts held includes amounts, which the Companies expect to recover from the reinsurer, including recognition of the loss recovery component in respect of onerous groups of insurance contracts. Reinsurance cash flows, which are contingent on claims on the underlying contracts, are treated as part of the claims, which the Companies expect to recover from the reinsurer, while reinsurance cash flows, which are not contingent on claims of the underlying contracts (for example, ceding commissions) are treated as a reduction in the premium paid to the reinsurer. For reinsurance contracts measured under the GMM model, the allocation of premiums paid to the reinsurer represents the total changes to the asset for the remaining coverage relating to the services for which the Companies expect to pay consideration. For insurance contracts measured under the PAA model, the allocation of premiums paid to the reinsurer is the expected amount of premium payments for receiving service during the period.

##### Finance income or finance expenses from insurance

Finance income or finance expenses from insurance include the change in the balance of a group of insurance contracts arising from:

- A. From the effect of the time value of money and changes in the time value of money; and
- B. The effect of financial risk and changes in financial risk, including the effect of the change in the Consumer Price Index (CPI); but

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### B. Insurance contracts (cont.)

##### **Disclosure and presentation (cont.)**

##### Finance income or finance expenses from insurance (cont.)

- C. Excluding any such changes for groups of insurance contracts with direct participation features, which were carried to the loss component and included in insurance service expenses.

For all insurance portfolios, the Companies recognize in profit or loss finance income or expenses from insurance for the period.

#### C. Financial instruments

##### **Financial assets**

Financial assets are measured at initial recognition at fair value plus transaction costs that are directly attributable to the purchase of the financial asset, except for financial assets that are measured at fair value through profit or loss, for which transaction costs are carried to profit or loss.

The Companies classify and measure the debt instruments in their financial statements based on the following criteria:

- (a) The business model for managing financial assets, and
- (b) Contractual cash flow characteristics of the financial asset.

The Companies measure debt instruments at amortized cost when:

The Companies' financial model is to hold the financial assets in order to collect contractual cash flows; furthermore, the contractual terms and conditions of the financial assets provide entitlement, at specified dates, to cash flows that are only principal and interest payments in respect of the outstanding principal amount, unless at the initial recognition date, the Company opted to designate the assets to the fair value group through profit and loss, in order to reverse or significantly reduce measurement or recognition inconsistencies.

Debt instruments at fair value through profit or loss:

Financial assets in this category are those, which IFRS 9 requires that they are measured at fair value or which were designated to be measured at fair value through profit or loss upon initial recognition to prevent an accounting mismatch. This category includes debt instruments, the features of the cash flows of which do not meet the Principal and Interest Test or are not held under a business model whose objective is to collect contractual cash flows, or to collect contractual cash flows and to sell financial assets. Subsequent to initial recognition, the financial asset is measured at fair value; gains or losses arising from fair value adjustments are charged to profit or loss. This group mainly includes the debt assets in the Participating Portfolio managed on a fair value basis and debt assets, which back the insurance contracts (including designated bonds), and managed on a of fair value basis or designated to the fair value through profit and loss category to prevent an accounting mismatch against the insurance liabilities.

Equity instruments and other financial assets held for trading

Investments in equity instruments do not meet the projected contractual cash flow characteristics criterion and are therefore measured at fair value through profit or loss.

Other financial assets held-for-trading, including derivatives, are measured at fair value through profit or loss.

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### C. Financial instruments (cont.)

##### **Impairment of financial assets**

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

- a) Debt instruments with no significant impairment in credit quality since the initial recognition date or with a low credit risk - the provision for loss recognized for this debt instrument will take into account current expected credit losses in the 12 months period after the reporting date, or;
- b) debt instruments with significant deterioration in credit quality since 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 Group has credit facilities, which are not designated to be measured at fair value through profit or loss. These credit facilities constitute commitments to advance a loan, which are accounted for as off-balance sheet liabilities, but are subject to the impairment requirements of IFRS 9.

In estimating the current expected credit losses in respect of a commitment to advance a loan, the Companies estimate the expected credit facility to be utilized over the expected life of the commitment. The ECL is based on the present value of the expected cash flows, which will not be received, based on a probability-weighted average of reasonably possible scenarios. The estimated expected cash flows, which will not be received, are discounted at the expected effective interest rate on the loan.

The Companies have financial assets with short credit periods, to which they apply the expedient set forth in IFRS 9, i.e., the Companies measure the impairment provision at an amount equal to current expected credit losses throughout the entire life of the instrument.

The Companies apply the relief provided in IFRS 9, according to which they assume that the credit risk of a debt instrument has not increased significantly since its initial recognition date if it is determined, at the reporting date, that the instrument has low credit risk, for example - if the instrument has an external "investment grade" rating.

Furthermore, the Companies estimate that when contractual payments for a debt instrument are past due, a significant increase in credit risk occurred, unless there is reasonable and supportable information proving that credit risk has not increased substantially.

The Companies deem a financial asset to have defaulted when contractual payments for the financial asset are past due. However, there are situations in which the Companies deem a financial asset to have defaulted when external or internal information is received whereby the Companies are not expected to receive all contractual payments.

The Companies consider a financial asset not measured at fair value through profit or loss as a credit-impaired financial asset, when one or more events which have a detrimental impact on the estimated future cash flows of that financial asset have occurred. The Companies take into account the following events as evidence that a financial asset is impaired:

- A. A significant financial difficulty of the issuer or the borrower
- B. A breach of a contract such as a failure event, or a payment delay.
- C. A concession granted to the borrower due to its financial difficulties, which the lender would not otherwise grant.
- D. It is becoming probable that the borrower will enter bankruptcy or other financial restructuring.
- E. The disappearance of an active market for that financial asset because of financial difficulties
- F. The acquisition or origination of a financial asset at a deep discount, which reflects the incurred credit losses.

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### C. Financial instruments (cont.)

##### **Derecognition of financial assets**

The Companies derecognize a financial asset if and only if:

- A. The contractual rights to the cash flows from the financial asset have expired, or
- B. The Companies transfer substantially all the risks and rewards arising from the contractual rights to receive the cash flows from the financial asset or when some of the risks and rewards upon the transfer of the financial asset remain in the hands of the Company but the Company can be said to have transferred control over the asset, or
- C. The Companies retain the contractual rights to receive the cash flows arising from the financial asset, but assume a contractual obligation to pay these cash flows in full to a third party, without any substantial delay.

If the Companies transferred their rights to receive cash flows from an asset but neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognized to the extent of the Companies' continuing involvement in the asset. When continuing involvement takes the form of guaranteeing the transferred asset, the extent of the continuing involvement is the lower of the original carrying value of the asset and the maximum amount of consideration received that the Company could be required to repay (the guarantee amount).

When the Companies continue to recognize an asset to the extent of their continuing involvement, the Companies also recognize an associated liability. The associated liability is measured in such a way that the net carrying value of the transferred asset and the associated liability is:

- A. The amortized cost of the rights and obligations retained by the Companies, if the transferred asset is measured at amortized cost; or
- B. Equal to the fair value of the rights and obligations retained by the Companies when measured on a stand-alone basis, if the transferred asset is measured at fair value.

##### **Financial liabilities**

##### Financial liabilities measured at amortized cost

At initial recognition, the Companies measure the financial liabilities at fair value net of transaction costs that are directly attributable to the issue of the financial liability.

Subsequent to initial recognition, the Companies measure all financial liabilities at amortized cost using the effective interest method, except for:

- A. Financial liabilities measured at fair value through profit or loss
- B. Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or the continuing involvement approach applies;
- C. Financial guarantee contracts:
- D. Commitment to advance a loan at an interest rate which is lower than the market interest rate;
- E. Contingent consideration recognized by an acquirer in a business combination that falls within the scope of IFRS 3.

##### Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include financial liabilities classified as held-for-trading - including derivatives, liabilities for short sale and financial liabilities that meet certain criteria, and which are designated, upon initial recognition, to be presented at fair value through profit or loss.

At initial recognition, the Companies measure these financial liabilities at fair value, and transaction costs are stated in profit or loss. Subsequent to initial recognition, changes in fair value are charged to profit or loss.

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### C. Financial instruments (cont.)

##### **Derecognition of financial liabilities**

The Companies derecognize a financial liability if and only if it is settled - that is to say, when the obligation established in a contract is repaid or canceled or expires.

A financial liability is extinguished when the debtor repays the liability by a cash payment, other financial assets, goods or services, or is legally released from the liability.

If the terms of an existing financial liability change, the Companies assess whether the terms of the liability are materially different than the existing terms, taking into account qualitative and quantitative considerations.

When a material change has been made to the terms of an existing financial liability or a liability has been replaced with another liability between the Companies and the same lender with materially different terms, the transaction is accounted for as a derecognition of the original liability and a recognition of a new liability. The difference between the balances of the above two liabilities in the financial statements is recognized in profit or loss.

In the event that a non-material change is made to the terms of an existing liability or a liability has been replaced with another liability between the Company and the same lender with terms that do not differ materially, the Companies update the liability amount, that is to say, discounts the new cash flows at the original effective interest rate, and the difference is recognized in profit or loss.

##### **Embedded derivatives**

In accordance with the provisions of IFRS 9, derivatives embedded into financial assets shall not be separated from a host contract. These hybrid contracts shall be measured as a whole at amortized cost or at fair value, in accordance with the criteria of the business model and the contractual cash flows.

When a host contract does not falls within the scope of the definition of financial asset, an embedded derivative is separated from the host contract and is accounted for as a derivative, if the economic characteristics and risks of an embedded derivative are not closely related to the economic characteristics and risks of the host contract, the embedded instrument meets the definition of a derivative, and the hybrid instrument is not measured at fair value with changes in fair value recognized in profit or loss.

The need to bifurcate an embedded derivative is only reassessed if there is a change in the terms and conditions of the contract that significantly modifies the cash flows from the contract.

#### D. First-time application of IFRS 17, *Insurance Contracts*, and IFRS 9, *Financial Instruments*

In May 2017, the International Accounting Standards Board (IASB) published IFRS 17 - Insurance Contracts (hereinafter - "**IFRS 17**"). 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 Commissioner's Directives.

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.

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### D. First-time application of IFRS 17, Insurance Contracts, and IFRS 9, Financial Instruments (cont.)

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 Company complied with the above-mentioned 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.

Due to the deferral of the first-time application date of IFRS 17 and IFRS 9 in Israel to quarterly and annual reporting periods beginning on January 1, 2025 (instead of January 1, 2023), the Company is effectively deemed a first-time adopter of International Financial Reporting Standards as defined in IFRS 1 in its quarterly financial statements and its 2025 annual financial statements; therefore, IFRS 1 applies to these financial statements. In accordance with IFRS 1, IFRS must be applied retrospectively, excluding exceptions for which specific provisions have been set. The provisions of IFRS 1 stipulate that IFRS 17's transitional provisions should be applied upon first-time adoption. Furthermore, IFRS 1 includes provisions with respect to the classification of financial assets, the calculation of the provision for expected credit losses and the designation of financial assets and liabilities to fair value through profit or loss upon first-time adoption.

#### (1) Main changes resulting from application of IFRS 17:

##### **Recognition, measurement and presentation of insurance contracts**

IFRS 17 sets rules for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. The standard presents a model that measures groups of contracts based on the Company's estimates of the present value of future cash flows expected to arise from the fulfillment of the contracts, explicit risk adjustment with respect to non-financial risk and CSM.

Under IFRS 17, insurance revenues (long-term life and health insurance products) in each reporting period represent the changes in liability for the remaining coverage relating to the services for which the Company expects to receive consideration and allocation of premiums relating to the recovery of insurance acquisition cash flows instead of revenues recognition based on the premiums charged during the period (gross premiums). Furthermore, investment components are no longer included in revenues from insurances services and insurance service expenses. 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 Company in respect of the service, and its refund does not constitute part of the Company's expenses.

Insurance finance income or expenses, which are included in profit or loss, are presented separately from revenues from insurances services and insurance service expenses. The above disaggregation shall increase transparency as to the Company's sources of income.

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### D. First-time application of IFRS 17, Insurance Contracts, and IFRS 9, Financial Instruments (cont.)

##### (1) Main changes resulting from application of IFRS 17: (cont.)

##### **Recognition, measurement and presentation of insurance contracts (cont.)**

The Companies apply the PAA model to simplify the measurement of contracts in the P&C Insurance Segment and in some short-term health insurance products, except for groups of insurance contracts, which do not qualify for application of the PAA model. The measurement of the liability with respect to the remaining coverage under the PAA model is similar to the Company's previous accounting treatment under IFRS 4. However, in its measurement of liability for incurred claims, the Companies include an explicit risk adjustment for non-financial risk. In addition, the Commissioner's Directives, which cap the discount rates applicable to acquisition costs regarding insurance premium do not apply under the New Standard. Furthermore, the level of aggregation of insurance contracts for the purpose of calculating premium deficiency varies from the one applied under IFRS 4.

Previously, all acquisition expenses were recognized and presented as separate assets from the related insurance contracts ('deferred acquisition expenses') until these costs were recognized in profit or loss. Under IFRS 17, only insurance acquisition cash flows arising prior to the recognition of the associated insurance contracts are recognized as separate assets and tested for recoverability. These assets are presented in the balance of the associated portfolio of insurance contracts and derecognized when the associated contracts are recognized.

For the Company's accounting policies with respect to insurance contracts and reinsurance contracts under IFRS 17, see Note 2B above.

##### **Transitional Provisions**

Changes in accounting policies arising from the application of IFRS 17 were applied retrospectively using the full retrospective application approach to the extent possible. In applying the Full Retrospective Application approach, 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 been applied retrospectively. Any resulting net difference will be recognized in equity.

The transition date is January 1, 2024, such that upon initial application the Companies have restated 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 Company 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 - in this approach the Company shall determine the contractual service margin or loss component of the liability for remaining coverage at the transition date as the difference between the fair value of a group of insurance contracts at that date and the fulfilment cash flows measured at that date.

The Companies will apply the retrospective application approach to the short-term P&C and Health 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, for the following reasons:

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### D. First-time application of IFRS 17, Insurance Contracts, and IFRS 9, Financial Instruments (cont.)

##### (1) Main changes resulting from application of IFRS 17: (cont.)

##### **Transitional Provisions (cont.)**

- The effects of a full retrospective application cannot be determined since the required information (for example, expectations as to an insurance contract's profitability and the risk of its becoming onerous, information regarding historical cash flows and discount rates, information regarding changes in assumptions and assessments, etc.) is not collected nor available due to changing of a system, data retention requirements or other reasons.
- The retrospective application approach requires assumptions regarding the intentions of the Company's management in previous periods or material accounting estimates, which cannot be made without using hindsight (for example, assumptions regarding the discount rates and RA for previous periods where these assumptions were not required by the Company).

##### The modified retrospective application approach (MRA)

Menora Insurance applied the modified retrospective approach to the following portfolio groups (gross): life, critical illness and personal accidents, which are not measured using the premium allocation approach in respect of underwriting years 2018-2023 inclusive, and to the individual long-term care reinsurance and individual medical expenses reinsurance portfolios in respect of underwriting years 2005-2023 inclusive and 2009-2023, respectively.

In applying this approach, Menora Insurance made the following permitted adjustments for the purpose of setting the CSM on the transition date:

- a) The future cash flows of each group of insurance contracts are estimated on the initial recognition date as the amount of the future cash flows on the Group's transition date, adjusted to reflect the cash flows already known to have occurred between the initial recognition date of the said group and the transition date (including with respect to the cash flows actually incurred in respect of insurance contracts that ceased to exist before the transition date).
- b) Risk adjustment for non-financial risk (RA) is determined as of the Group's initial recognition date as the RA amount on the transition date adjusted to reflect the expected release from the risk prior to the transition date. The expected release from risk is determined with respect to the release from risk of similar insurance contracts, which the Company issues on the transition date.
- c) The CSM determined as of the initial recognition date as described above is reduced as of the transition date by comparing the coverage units provided as of the transition date and the expected remaining coverage units as of the transition date.

Menora Insurance's remaining insurance contracts groups will be measured in accordance with the fair value approach (FVA).

##### The fair value approach - FVA

In accordance with the Commissioner's Directive, the assessment of the fair value of the liabilities and the reinsurance assets was carried out using the Appraisal Value method (hereinafter - "AV"). The calculations under this method were based - to the extent possible - on calculations of IFRS 17 and Solvency 2-based economic solvency regime.

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### D. First-time application of IFRS 17, Insurance Contracts, and IFRS 9, Financial Instruments (cont.)

##### (1) Main changes resulting from application of IFRS 17: (cont.)

##### **Transitional Provisions (cont.)**

##### The fair value approach - FVA (cont.)

In accordance with the AV approach, the fair value is calculated as the consideration that a market participant will agree to pay (or receive) for the insurance portfolio, such that the forecast of cash flows released from the capital, which the market participant is required to hold in each period until the portfolio is extinguished, will yield the required return on equity of the market participant.

Following are the main assumptions underlying the valuation:

- A. Capital requirement: The capital requirements are based on the provisions of Solvency II in Israel. For the purpose of assessing the compensation for the Menora Insurance's diversification, it is assumed that the market participant has an existing business mix similar to that of the Company. When calculating the compensation for diversification until the extinguishment of the portfolio, the Company takes into account new future sales in accordance with its current sales mix. Furthermore, the valuation assumes that 40% of the capital requirements are financed through Tier 2 capital instruments.
- B. Minimum economic solvency ratio target - The assumption underlying the model is that a market participant will hold capital in accordance with the minimum economic solvency ratio target set for dividend distribution. In accordance with the Commissioner's Directives, the initial economic solvency ratio target required from the market participant will be based on the average of the current capital targets for dividend distribution purposes of the five largest insurance companies in Israel plus a 10% margin, and the final economic solvency ratio target required from the market participant will be based on the average of the future capital targets for dividend distribution purposes of the five largest insurance companies in Israel. Accordingly, the valuation assumes an initial capital target of 121% in the year following the transition date, which will rise to 135% at the end of 2032 and then remain constant.
- C. Target Return on Equity (TRE) - The valuation assumes a 13.6% return on equity based on the CAPM model with adjustments to reflect level of inherent risk in Menora Insurance's insurance portfolio mix.
- D. Assumption of return on the assets backing the insurance portfolio: The appraisal model assumes that the backing assets will generate a return at a risk-free interest rate plus an illiquidity premium.
- E. Expenses forecast: The cash flows in respect of the expenses allocated to the insurance portfolio for the purpose of calculating the fair value are based on the expenses included in the cash flows forecast in the Company's Solvency II calculations.

The fair value of a reinsurance portfolio is calculated as the difference between the fair value of the (gross) portfolios included in the reinsurance portfolio and the fair value of those portfolios net of reinsurance.

In applying the fair value approach, Menora Insurance may include in a group contracts issued more than one year apart. The Company opted to apply this expedient, rather than to divide groups into those, which include only contracts issued one year or less apart.

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### D. First-time application of IFRS 17, Insurance Contracts, and IFRS 9, Financial Instruments (cont.)

##### (2) Main changes resulting from application of IFRS 9:

##### **Classification of financial assets and financial liabilities**

To determine the classification and measurement group, IFRS 9 requires that all financial assets be evaluated based on the Companies' business model for managing the assets and the characteristics of the instrument's contractual cash flows. IAS 39's financial asset measurement categories (fair value through profit or loss, available for sale, held to maturity and loans and receivables) have been replaced by the following measurement categories:

- Financial assets at fair value through profit or loss, including equity instruments and derivatives
- Debt instruments at amortized cost

Under IFRS 9, derivatives embedded in a host contract, which constitutes a financial asset within the scope of IFRS 9 are not separated. Instead, the financial instrument in question is assessed in its entirety for classification purposes.

For an explanation of how the Companies classify and measure financial assets and account for related gains or losses under IFRS 9, see Note 2C above.

IFRS 9 did not have a material effect on the Companies' accounting policies regarding the classification of financial liabilities.

##### **Impairment of financial assets**

IFRS 9 supersedes IAS 39's impairment model with a forward-looking 'expected credit losses' model. The new impairment model is applied to financial assets measured at amortized cost, debt instruments measured at fair value through other comprehensive income and lease receivables. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

##### **Transitional Provisions**

Changes in accounting policies resulting from first-time application of IFRS 9 were applied retrospectively, including presentation of comparative figures as of the transition date, except as specified below.

- The following assessments were made based on the facts and circumstances as of the transition date:
  - Assessment of the business model
  - Simple debt test/ solely payments of principal and interest test (SPPI) test
  - Designation of financial instruments to measurement at fair value through profit or loss due to recognition or measurement inconsistency.
- If a financial asset had a low credit risk on the transition date, the Company concludes that there was no substantial increase in credit risk since initial recognition.

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### D. First-time application of IFRS 17, Insurance Contracts, and IFRS 9, Financial Instruments (cont.)

##### (3) Effect of first-time application on the line items of the Statements of Financial Position

Following is the effect of the first-time application on Statement of Financial Position line items as of January 1, 2024:

	As of December 31, 2023 as previously reported	Effect of first-time application of IFRS 17 and IFRS 9	As of December 31, 2023, according to IFRS
		Audited	
		NIS thousand	
<b>Assets</b>			
Cash and cash equivalents for yield-dependent contracts	2,080,711	-	2,080,711
Other cash and cash equivalents	1,324,214	-	1,324,214
Financial investments for yield-dependent contracts	31,077,288	-	31,077,288
Other financial investments measured at fair value (1)	9,179,805	6,318,181	15,497,986
Other financial investments measured at depreciated cost (1)	14,689,853	(5,855,483)	8,834,370
Receivables and debit balances	524,638	(52,422)	472,216
Collectible premium (2)	1,030,293	(1,030,293)	-
Current tax assets	119,148	(531)	118,617
Insurance contract assets (3)	-	705,986	705,986
Reinsurance contract assets (4)	3,628,513	(379,450)	3,249,063
Equity-accounted investments	542,907	-	542,907
Investment property for yield-dependent contracts	102,961	-	102,961
Investment property - other	651,862	-	651,862
Property, plant, and equipment measured at fair value	852,054	-	852,054
Other property, plant and equipment	165,264	-	165,264
Intangible assets and goodwill	1,795,069	(1,059)	1,794,010
Costs of obtaining investment management service contracts	653,398	-	653,398
Deferred acquisition costs (5)	1,535,028	(1,535,028)	-
Deferred tax assets	24,348	-	24,348
<b>Total assets</b>	<b>69,977,354</b>	<b>(1,830,099)</b>	<b>68,147,255</b>
<b>Total assets for yield-dependent contracts</b>	<b>33,559,357</b>	<b>(164,710)</b>	<b>33,394,647</b>
<b>Liabilities</b>			
Loans and credit	4,489,126	-	4,489,126
Liabilities for derivative instruments	265,770	-	265,770
Payables and credit balances	2,587,938	(1,536,256)	1,051,682
Liability for current taxes	8,500	-	8,500
Liabilities for yield-dependent investment contracts	4,836,939	-	4,836,939
Liabilities for non-yield-dependent investment contracts (6)	5,065,602	-	5,065,602
Liabilities for insurance contracts (3)	45,512,058	5,300	45,517,358
Liabilities for reinsurance contracts (4)	-	94,497	94,497
Liabilities for employee benefits, net	127,019	-	127,019
Liabilities for deferred taxes	466,400	(134,935)	331,465
<b>Total liabilities</b>	<b>63,359,352</b>	<b>(1,571,394)</b>	<b>61,787,958</b>
<b>Equity</b>			
Share capital	99,429	-	99,429
Share premium	332,985	-	332,985
Treasury share	(100,200)	-	(100,200)
Capital reserves (7)	804,046	(483,312)	320,734
Retained earnings	5,294,577	224,607	5,519,184
<b>Total equity attributable to Company's shareholders</b>	<b>6,430,837</b>	<b>(258,705)</b>	<b>6,172,132</b>
Non-controlling interests	187,165	-	187,165
<b>Total equity</b>	<b>6,618,002</b>	<b>(258,705)</b>	<b>6,359,297</b>
<b>Total current liabilities and equity</b>	<b>69,977,354</b>	<b>(1,830,099)</b>	<b>68,147,255</b>

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### D. First-time application of IFRS 17, Insurance Contracts, and IFRS 9, Financial Instruments (cont.)

##### (3) Effect of first-time application on the line items of the Statements of Financial Position (cont.)

Following is the effect of the first-time application on Statement of Financial Position line items as of January 1, 2024: (cont.)

- (1) As a result of the transition to IFRS 9, some illiquid debt assets measured at amortized cost - including Israeli government Hetz bonds - are measured at fair value through profit and loss.

Under the line item "Other financial investments measured at fair value" most of the change arises from revaluation to fair value of designated bonds instead of measurement at adjusted cost. The credit loss provision balance for the debt assets at depreciated cost totaling approx. NIS 210,564 thousand.

- (2) In accordance with IFRS 17, the collectible premium balance is included in the estimated future cash flows in respect of insurance contracts and therefore it was included in the liabilities for insurance contracts line item.
- (3) Following is a disclosure regarding contractual service margin (CSM) and risk adjustment (RA) as of January 1, 2024:

	Life Insurance and Long-Term Savings	Health Insurance	Property and Casualty Insurance	Total
<b><u>Contractual service margin (CSM):</u></b>				
CSM, gross	2,588,050	4,500,889	-	7,088,939
CSM, reinsurance	<u>80,521</u>	<u>556,456</u>	-	<u>636,977</u>
<b>CSM, net</b>	<b>2,507,529</b>	<b>3,944,433</b>	-	<b>6,451,962</b>
<b><u>Risk adjustment (RA):</u></b>				
RA, gross	369,716	1,286,171	266,268	1,922,155
RA, reinsurance	<u>42,659</u>	<u>357,939</u>	<u>100,267</u>	<u>500,865</u>
<b>RA, net</b>	<b>327,057</b>	<b>928,232</b>	<b>166,001</b>	<b>1,421,290</b>

The revision of the insurance contract assets and liabilities arises mainly from the recognition of the asset in respect of life, critical illness and medical expenses insurance portfolios, which are measured in accordance with the present value of the estimated future cash flows, which constitutes an asset, less the RA and CSM representing an unrecognized future income. On the other hand, the Company increased the liabilities, mainly in respect of the guaranteed-return long-term care insurance portfolios, and insurance contracts with yield-dependent savings component and variable management fees as a result of recognition of an additional liability in respect of CSM and RA and transition to discounting based on risk-free interest. For details regarding the measurement method, see Note 2B.

- (4) Most of the contribution to CSM reinsurance arises from the Health Insurance Segment, from the medical expenses, critical illness and long-term care portfolios.

In accordance with IFRS 17, reinsurers' deposits are included in the estimated future cash flows in respect of the reinsurance contracts and therefore are included in the reinsurance assets line item.

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### D. First-time application of IFRS 17, *Insurance Contracts*, and IFRS 9, *Financial Instruments* (cont.)

##### (3) Effect of first-time application on the line items of the Statements of Financial Position (cont.)

Following is the effect of the first-time application on Statement of Financial Position line items as of January 1, 2024: (cont.)

- (5) In accordance with IFRS 17, deferred acquisition costs attributable to life and health insurance contracts were derecognized on transition date against capital reduction. As from 2024, deferred acquisition costs are included in the measurement of insurance contracts and reduce CSM.
- (6) This line item also includes liabilities for contracts for the management of guaranteed return provident funds.
- (7) Capital reserve for available-for-sale financial assets was classified to retained earnings at the transition date.

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### D. First-time application of IFRS 17, Insurance Contracts, and IFRS 9, Financial Instruments (cont.)

##### (3) Effect of first-time application on the line items of the Statements of Financial Position (cont.)

Following is the effect of the first-time application on Statement of Financial Position line items as of June 30, 2024: (cont.)

	As of June 30, 2024, as previously reported	Effect of first- time application of IFRS 17 and IFRS 9	As of June 30, 2024, according to IFRSs
	Unaudited		
	NIS thousand		
<b>Assets</b>			
Cash and cash equivalents for yield-dependent contracts	2,332,910	-	2,332,910
Other cash and cash equivalents	1,625,635	-	1,625,635
Financial investments for yield-dependent contracts	31,512,838	-	31,512,838
Other financial investments measured at fair value (1)	8,936,208	6,267,776	15,203,984
Other financial investments measured at depreciated cost (1)	15,170,090	(6,004,653)	9,165,437
Receivables and debit balances	616,146	(105,839)	510,307
Collectible premium (2)	1,202,773	(1,202,773)	-
Current tax assets	13,342	(1,041)	12,301
Insurance contract assets (3)	-	714,573	714,573
Reinsurance contract assets (4)	3,905,597	(602,514)	3,303,083
Equity-accounted investments	618,341	-	618,341
Investment property for yield-dependent contracts	106,057	-	106,057
Investment property - other	658,688	-	658,688
Property, plant, and equipment measured at fair value	841,519	-	841,519
Other property, plant and equipment	164,553	-	164,553
Intangible assets and goodwill	1,815,113	(903)	1,814,210
Costs of obtaining investment management service contracts	696,979	-	696,979
Deferred acquisition costs (5)	1,631,111	(1,631,111)	-
Deferred tax assets	22,565	-	22,565
<b>Total assets</b>	<b>71,870,465</b>	<b>(2,566,485)</b>	<b>69,303,980</b>
<b>Total assets for yield-dependent contracts</b>	<b>34,323,455</b>	<b>(144,659)</b>	<b>34,178,796</b>
<b>Liabilities</b>			
Loans and credit	4,726,446	-	4,726,446
Liabilities for derivative instruments	423,886	-	423,886
Payables and credit balances	2,471,407	(1,528,967)	942,440
Liability for current taxes	73,419	(1,807)	71,612
Liabilities for yield-dependent investment contracts	5,128,471	-	5,128,471
Liabilities for non-yield-dependent investment contracts (6)	5,137,873	-	5,137,873
Liabilities for insurance contracts (3)	46,397,262	(799,094)	45,598,168
Liabilities for reinsurance contracts (4)	-	92,675	92,675
Liabilities for employee benefits, net	124,954	-	124,954
Liabilities for deferred taxes	445,709	(116,082)	329,627
<b>Total liabilities</b>	<b>64,929,427</b>	<b>(2,353,275)</b>	<b>62,576,152</b>
<b>Equity</b>			
Share capital	99,429	-	99,429
Share premium	331,960	-	331,960
Treasury share	(94,267)	-	(94,267)
Capital reserves (7)	751,729	(430,523)	321,206
Retained earnings	5,659,059	217,313	5,876,372
<b>Total equity attributable to Company's shareholders</b>	<b>6,747,910</b>	<b>(213,210)</b>	<b>6,534,700</b>
Non-controlling interests	193,128	-	193,128
<b>Total equity</b>	<b>6,941,038</b>	<b>(213,210)</b>	<b>6,727,828</b>
<b>Total current liabilities and equity</b>	<b>71,870,465</b>	<b>(2,566,485)</b>	<b>69,303,980</b>

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### D. First-time application of IFRS 17, Insurance Contracts, and IFRS 9, Financial Instruments (cont.)

##### (3) Effect of first-time application on the line items of the Statements of Financial Position (cont.)

Following is the effect of the first-time application on Statement of Financial Position line items as of January 1, 2024: (cont.)

- (1) As a result of the transition to IFRS 9, some illiquid debt assets measured at amortized cost - including Hetz bonds - are measured at fair value through profit and loss.

Under the line item "Other financial investments measured at fair value" most of the change arises from revaluation to fair value of designated bonds instead of measurement at adjusted cost. In addition, of which: The credit loss provision balance for the debt assets at depreciated cost totaling NIS 196,711 thousand.

- (2) In accordance with IFRS 17, the collectible premium balance is included in the estimated future cash flows in respect of insurance contracts and therefore it was included in the liabilities for insurance contracts line item.
- (3) Following is a disclosure regarding contractual service margin (CSM) and risk adjustment (RA) as of June 30, 2024:

	Life Insurance and Long-Term Savings	Health Insurance	Property and Casualty Insurance	Total
<b><u>Contractual service margin (CSM):</u></b>				
CSM, gross	2,242,650	4,656,892	-	6,899,542
CSM, reinsurance	<u>90,591</u>	<u>438,741</u>	-	<u>529,332</u>
<b>CSM, net</b>	<b>2,152,059</b>	<b>4,218,151</b>	-	<b>6,370,210</b>
<b><u>Risk adjustment (RA):</u></b>				
RA, gross	324,396	1,267,025	279,394	1,870,815
RA, reinsurance	<u>42,242</u>	<u>352,333</u>	<u>105,376</u>	<u>499,951</u>
<b>RA, net</b>	<b>282,154</b>	<b>914,692</b>	<b>174,018</b>	<b>1,370,864</b>

In the Life Insurance and Long-Term Savings Segment, the main contribution to CSM arises from the Life Insurance Segment and in the Health Insurance Segment - from the medical expenses and critical illness portfolios.

- (4) Most of the contribution to CSM reinsurance arises from the Health Insurance Segment, from medical expenses, critical illness and long-term care portfolios.

In accordance with IFRS 17, reinsurers' deposits are included in the estimated future cash flows in respect of the reinsurance contracts and therefore are included in the reinsurance assets line item.

- (5) In accordance with IFRS 17, deferred acquisition costs attributable to life and health insurance contracts were derecognized on transition date against capital reduction. As from 2024, deferred acquisition costs are included in the measurement of insurance contracts and reduce CSM.

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### D. First-time application of IFRS 17, *Insurance Contracts*, and IFRS 9, *Financial Instruments* (cont.)

##### (3) Effect of first-time application on the line items of the Statements of Financial Position (cont.)

Following is the effect of the first-time application on Statement of Financial Position line items as of January 1, 2024: (cont.)

- (6) This line item also includes liabilities in respect of contracts for the management of guaranteed return provident funds.
- (7) Capital reserve for available-for-sale financial assets were classified to retained earnings at the transition date.

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### D. First-time application of IFRS 17, Insurance Contracts, and IFRS 9, Financial Instruments (cont.)

##### (3) Effect of first-time application on the line items of the Statements of Financial Position (cont.)

Following is the effect of the first-time application on Statement of Financial Position line items as of December 31, 2024:

	As of December 31, 2024 as previously reported	Effect of first-time application of IFRS 17 and IFRS 9	As of December 31, 2024, according to IFRS
	Unaudited		
	NIS thousand		
<b>Assets</b>			
Cash and cash equivalents for yield-dependent contracts	2,526,357	-	2,526,357
Other cash and cash equivalents	1,456,969	-	1,456,969
Financial investments for yield-dependent contracts	33,101,222	-	33,101,222
Other financial investments measured at fair value (1)	9,440,798	6,454,749	15,895,547
Other financial investments measured at depreciated cost (1)	15,263,779	(6,007,754)	9,256,025
Receivables and debit balances	624,615	(97,811)	526,804
Collectible premium (2)	1,089,038	(1,089,038)	-
Current tax assets	17,399	(89)	17,310
Insurance contract assets (3)	-	1,272,967	1,272,967
Reinsurance contract assets (4)	3,867,297	(549,255)	3,318,042
Equity-accounted investments	632,243	-	632,243
Investment property for yield-dependent contracts	168,294	-	168,294
Investment property - other	685,729	-	685,729
Property, plant, and equipment measured at fair value	897,247	-	897,247
Other property, plant and equipment	156,803	-	156,803
Intangible assets and goodwill	1,842,808	(748)	1,842,060
Costs of obtaining investment management service contracts	748,182	-	748,182
Deferred acquisition costs (5)	1,647,283	(1,647,283)	-
Deferred tax assets	10,414	-	10,414
<b>Total assets</b>	<b>74,176,477</b>	<b>(1,664,262)</b>	<b>72,512,215</b>
<b>Total assets for yield-dependent contracts</b>	<b>36,142,945</b>	<b>(156,049)</b>	<b>35,986,896</b>
<b>Liabilities</b>			
Loans and credit	4,502,552	-	4,502,552
Liabilities for derivative instruments	294,717	-	294,717
Payables and credit balances	2,448,242	(1,541,456)	906,786
Liability for current taxes	76,636	3,043	79,679
Liabilities for yield-dependent investment contracts	5,602,407	-	5,602,407
Liabilities for non-yield-dependent investment contracts (6)	5,176,010	-	5,176,010
Liabilities for insurance contracts (3)	47,898,549	(554,690)	47,343,859
Liabilities for reinsurance contracts (4)	-	99,067	99,067
Liabilities for employee benefits, net	130,261	-	130,261
Liabilities for deferred taxes	634,027	112,129	746,156
<b>Total liabilities</b>	<b>66,763,401</b>	<b>(1,881,907)</b>	<b>64,881,494</b>
<b>Equity</b>			
Share capital	99,429	-	99,429
Share premium	326,460	-	326,460
Treasury share	(84,019)	-	(84,019)
Capital reserves (7)	958,533	(611,280)	347,253
Retained earnings	5,913,802	828,925	6,742,727
<b>Total equity attributable to Company's shareholders</b>	<b>7,214,205</b>	<b>217,645</b>	<b>7,431,850</b>
Non-controlling interests	198,871	-	198,871
<b>Total equity</b>	<b>7,413,076</b>	<b>217,645</b>	<b>7,630,721</b>
<b>Total current liabilities and equity</b>	<b>74,176,477</b>	<b>(1,664,262)</b>	<b>72,512,215</b>

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### D. First-time application of IFRS 17, Insurance Contracts, and IFRS 9, Financial Instruments (cont.)

##### (3) Effect of first-time application on the line items of the Statements of Financial Position (cont.)

Following is the effect of the first-time application on Statement of Financial Position line items as of December 31, 2024: (cont.)

- (1) As a result of the transition to IFRS 9, some illiquid debt assets measured at amortized cost - including Hetz bonds - are measured at fair value through profit and loss.

Under the line item "Other financial investments measured at fair value" most of the change arises from revaluation to fair value of designated bonds instead of measurement at adjusted cost. In addition, of which: The credit loss provision balance for the debt assets at depreciated cost totaling NIS 188,110 thousand.

- (2) In accordance with IFRS 17, the collectible premium balance is included in the estimated future cash flows in respect of insurance contracts and therefore it was included in the liabilities for insurance contracts line item.
- (3) Following is a disclosure regarding contractual service margin (CSM) and risk adjustment (RA) as of December 31, 2024:

	Life Insurance and Long- Term Savings	Health Insurance	Property and Casualty Insurance	Total
<b><u>Contractual service margin (CSM):</u></b>				
CSM, gross	1,978,024	4,697,782	-	6,675,806
CSM, reinsurance	<u>82,590</u>	<u>320,849</u>	-	<u>403,439</u>
<b>CSM, net</b>	<b>1,895,434</b>	<b>4,376,933</b>	-	<b>6,272,367</b>
<b><u>Risk adjustment (RA):</u></b>				
RA, gross	323,370	1,434,249	262,414	2,020,033
RA, reinsurance	<u>43,763</u>	<u>399,272</u>	<u>93,998</u>	<u>537,034</u>
<b>RA, net</b>	<b>279,607</b>	<b>1,034,977</b>	<b>168,416</b>	<b>1,482,999</b>

In the Life Insurance and Long-Term Savings Segment, the main contribution to CSM arises from the Life Insurance Segment and in the Health Insurance Segment - from the medical expenses and critical illness portfolios.

- (4) Most of the contribution to CSM reinsurance arises from the Health Insurance Segment, from medical expenses, critical illness and long-term care portfolios.

In accordance with IFRS 17, reinsurers' deposits are included in the estimated future cash flows in respect of the reinsurance contracts and therefore are included in the reinsurance assets line item.

- (5) In accordance with IFRS 17, deferred acquisition costs attributable to life and health insurance contracts were derecognized on transition date against capital reduction. As from 2024, deferred acquisition costs are included in the measurement of insurance contracts and reduce CSM.

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### D. First-time application of IFRS 17, Insurance Contracts, and IFRS 9, Financial Instruments (cont.)

##### (3) Effect of first-time application on the line items of the Statements of Financial Position (cont.)

Following is the effect of the first-time application on Statement of Financial Position line items as of December 31, 2024: (cont.)

- (6) This line item also includes liabilities in respect of contracts for the management of guaranteed return provident funds.
- (7) Capital reserve for available-for-sale financial assets were classified to retained earnings at the transition date.

##### (4) Effect of first-time application on the Statement of Comprehensive Income line items:

	For 6 months	For 3 months	For the year ended December
	Ended June 30, 2024		31, 2024
	Unaudited		
	NIS thousand		
Comprehensive income as previously reported	508,803	268,910	1,276,971
Adjustments to comprehensive income under the transition to IFRS:			
Insurance contracts	266,367	155,926	741,440
Financial instruments	(200,130)	(269,278)	(15,114)
Tax effect of the above	(20,746)	39,221	(249,976)
Comprehensive income according to IFRS	554,294	194,779	1,753,321

Most of the adjustments to income under the transition to IFRS 17 arise from:

#### Insurance contracts

- Under IFRS 17, the long-term life and health insurance revenues recognized in the period are measured in accordance with the amount of decrease in the LRC arising from the service provided during the period instead of revenue recognition based on the premium and management fees effectively charged during the period.
- Under IFRS 17, the effect of studies and model revisions adjusts the contractual service margin (CSM) and their effect is recognized in the profit or loss under the release of CSM. Similarly, the effects of the change in rates of return, which affect the amount of management fees, adjust the CSM. In addition, investment components/premium repayments in the savings policies, which are not recognized in insurance service expenses, changes in insurance reserves such as LAT reserve and reserve for fixed premium, which are no longer required under IFRS 17, financial effects on insurance liabilities, which are recognized in the insurance contract finance expenses line item in accordance with IFRS 17, presentation of expenses, which are not directly attributable to insurance contracts and expenses relating to non-insurance activities in the other operating expenses line item, and differences in the recognition insurance acquisition cash flows as an expense during the period.

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### D. First-time application of IFRS 17, *Insurance Contracts*, and IFRS 9, *Financial Instruments* (cont.)

##### (4) Effect of first-time application on the Statement of Comprehensive Income line items: (cont.)

###### Insurance contracts (cont.)

- Under IFRS 17 the long-term life and health reinsurance expenses recognized during the period are measured in accordance with the amount of the decrease in the ARC arising from the service provided during the period instead of recognition of the expense based on the premium charged during the period and due to reinsurance commissions, whose amount is not derived from the claims for the underlying contracts, and which are presented as a decrease in expenses for reinsurance.

###### Financial instruments

- Most of the adjustments to income from financial instruments in the transition to IFRS 17 arises from revaluation of designated bonds and other illiquid debt assets to fair value through profit or loss instead of measurement at amortized cost.

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### D. First-time application of IFRS 17, Insurance Contracts, and IFRS 9, Financial Instruments (cont.)

##### (5) Effect of first-time application on the financial investments line items

As of January 1, 2024

	Measurement in accordance with IAS 39		Remeasurement		Measurement in accordance with IFRS 9	
	Category	Amount	Current expected credit losses	Other	Amount	Category
Audited						
NIS thousand						
Financial investments held against yield-dependent contracts	Fair value through profit or loss	30,767,646	-	-	30,767,646	Fair value through profit or loss
Financial investments held against yield-dependent contracts	Loans and receivables	309,642	-	-	309,642	Amortized cost
Other financial investments:						
Illiquid debt instruments, excluding designated bonds	Loans and receivables	4,413,958	(20,670)	-	4,393,288	Amortized cost
Treasury deposits	Loans and receivables	3,260,331	-	(114,633)	3,145,698	Fair value through profit or loss
Designated bonds	Loans and receivables	4,441,083	-	-	4,441,083	Amortized cost
	Loans and receivables	2,574,482	-	598,000	3,172,482	Fair value through profit or loss
	Fair value through profit or loss	797,834	-	-	797,834	Fair value through profit or loss
Liquid debt instruments	Available-for-sale	4,039,164	-	-	4,039,164	Fair value through profit or loss
	Fair value through profit or loss	36,670	-	-	36,670	Fair value through profit or loss
Equity instruments	Available-for-sale	1,079,268	-	-	1,079,268	Fair value through profit or loss
	Fair value through profit or loss	172,285	-	-	172,285	Fair value through profit or loss
Other investments	Available-for-sale	3,054,583	-	-	3,054,583	Fair value through profit or loss
Total		54,946,946	(20,670)	483,367	55,409,643	

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### D. First-time application of IFRS 17, Insurance Contracts, and IFRS 9, Financial Instruments (cont.)

##### (5) Effect of first-time application on the financial investments line items (cont.)

As of December 31, 2024

	Measurement in accordance with IAS 39		Remeasurement		Measurement in accordance with IFRS 9	
	Category	Amount	Current expected credit losses	Other	Amount	Category
			Unaudited			
NIS thousand						
Financial investments held against yield-dependent contracts	Fair value through profit or loss	32,982,930	-	-	32,982,930	Fair value through profit or loss
Financial investments held against yield-dependent contracts	Loans and receivables	118,292	-	-	118,292	Amortized cost
Other financial investments:						
Illiquid debt instruments, excluding designated bonds	Loans and receivables	4,747,464	(29,462)	-	4,718,002	Amortized cost
	Loans and receivables	3,358,478	-	(47,660)	3,310,818	Fair value through profit or loss
Treasury deposits	Loans and receivables	4,538,023	-	-	4,538,023	Amortized cost
Designated bonds	Loans and receivables	2,619,814	-	524,117	3,143,931	Fair value through profit or loss
Liquid debt instruments	Fair value through profit or loss	791,021	-	-	791,021	Fair value through profit or loss
	Available-for-sale	3,733,163	-	-	3,733,163	Fair value through profit or loss
Equity instruments	Fair value through profit or loss	42,751	-	-	42,751	Fair value through profit or loss
	Available-for-sale	1,116,299	-	-	1,116,299	Fair value through profit or loss
Other investments	Fair value through profit or loss	255,347	-	-	255,347	Fair value through profit or loss
	Available-for-sale	3,502,217	-	-	3,502,217	Fair value through profit or loss
Total		57,805,799	(29,462)	476,457	58,252,794	

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### E. Significant estimates and judgments

##### 1. Insurance contracts

##### Fulfillment cash flows

Fulfillment cash flows include:

- Estimated future cash flows;
- An adjustment to reflect the time value of money and the financial risks related to the future cash flows, as applicable; and
- Risk adjustment for non-financial risk

Menora Insurance aims to determine a best estimate of the Company's future insurance liabilities including risk margin. The calculation method is based on a deterministic cash flow approach, which takes into account both revenues and expenses over the life of the policy. In addition, the model takes into account a range of financial and actuarial components such as: premiums, claims, fees and commissions, reinsurance cost and investment components, etc.

##### **Estimated future cash flows**

In estimating future cash flows Menora Insurance makes unbiased use of all reasonable and supportable information available at the reporting date without undue cost or effort. This information includes internal and external historical data regarding claims and other experience, revised to reflect current expectations regarding future events.

The estimated future cash flows reflect Menora Insurance's perspective regarding current conditions as of the reporting date, provided that the estimates of relevant market variables are consistent with observable market prices.

When estimating the future cash flows, Menora Insurance takes into account current expectations of future events, which may affect those cash flows. However, the Company shall not take into account current expectations of future changes in legislation, which would change or discharge the present obligation or create new obligations under existing insurance contracts until the change in legislation is virtually certain.

Cash flows within the boundary of an insurance contract are those that relate directly to the fulfilment of the contract. These cash flows include payments to (or on behalf of) a policyholder, insurance acquisition cash flows and other costs incurred in the fulfillment of the contract.

Insurance acquisition cash flows arise from selling, underwriting and starting a group of insurance contracts, which are directly attributable to the portfolio of insurance contracts to which the group belongs. Other costs incurred in the fulfillment of the contracts include:

- Claims handling costs, policy management and maintenance costs;
- Current commissions to agents received on the basis of premium collection (recurring commissions);
- Costs incurred by Menora Insurance for the provision of investment management services;

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### E. Significant estimates and judgments (cont.)

##### 1. Insurance contracts (cont.)

##### **Estimated future cash flows (cont.)**

- Costs, which Menora Insurance will incur in performing investing activities to the extent that it performs them to enhance benefits from insurance coverage for policyholders. Investment activities enhance benefits from insurance coverage if the entity performs those activities expecting to generate an investment return from which policyholders will benefit if an insured event occurs;
- And insurance acquisition cash flows and other costs incurred in the fulfillment of the contract include direct costs and an allocation of fixed and variable overheads.

##### **Contract boundary**

The assessment of the contract boundary, which defines which cash flows are included in the measurement of a contract, requires the exercising of judgment and taking into consideration the Company's substantive rights and obligations under the contract. Following are the contract boundary of material policies identified by Menora Insurance:

##### 1. Individual health insurance policies issued from 2016 and thereafter

As part of the reform, which came into effect on February 1, 2016 it was stipulated that the insurance period in individual health insurance policies will be two years, and the policy will be renewed every two years on a fixed renewal date, without the need to undergo a medical assessment or a further qualification period. Changes to the policy's tariffs and/or terms and conditions shall be made subject to the approval of The Commissioner. By virtue of Insurance Circular 2022-1-13 regarding "Tariff Updating in Renewable Health Insurance Policies", which was published on September 20, 2022, the insurance companies may - subject to compliance with certain conditions - revise the premium in renewable health insurance policies without being required to receive the Commissioner's approval. Through the publication date of the circular, the Commissioner did not grant approvals for changes in tariffs for existing coverages. In addition, the circular caps the rate of premium revision at the rate of the loss ratio (LR), which ranges between 75% to 85%, depending on the calculation method and the size of the Company. Therefore, it is impossible to say that there is a practical ability to reassess the portfolio's risks and accordingly to set a new price, which fully reflects those risks. Accordingly, the periods subsequent to fixed renewal date are included in the contract's boundary.

##### 2. Life insurance policies, which include a savings component without a guaranteed annuity conversion factor on the policy issuance date

Life insurance policies, which include a savings component to the retirement age and permanent health insurance and/or life insurance coverage are insurance contracts, which often also provide an additional pension insurability (hereinafter - the "**annuity option**"). The Annuity Option is not included in the contract boundary, since the Company has the practical ability to reassess the contract's risks and to set an annuity conversion factor, which reflects those risks. Subsequent to its exercise, the Annuity Option shall be recognized as a new insurance contract in accordance with IFRS 17's recognition rules.

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### E. Significant estimates and judgments (cont.)

##### 1. Insurance contracts (cont.)

*Following are details of the key assumptions used in the Life and Health Segment:*

##### 1. Mortality and morbidity rates

- a) Active mortality - based on data from reinsurers, adjusted according to the Menora Insurance's claims history based on mortality studies for the relevant products that are carried out periodically.
- b) Mortality of pensioners - in accordance with the appendixes and the life expectancy increase assumption as published by the Commissioner in the Consolidated Circular Section 5, Part 2, Chapter 1 - Measurement Appendix C - Measurement of Liabilities, including the Amendment to the Consolidated Circular on Measurement of Liabilities - Updating the Demographic Assumptions in Life Insurance and Updating the Mortality Improvements Model for Insurance Companies and Pension Funds of July 27, 2024. An increase in the mortality rate assumption, due to an increase in actual mortality rates to a level, which is higher than the current level, will result in an increase in the estimated future cash flows in respect of the policyholders' death before they reach retirement age and a decrease in the estimated future cash flows in respect of lifetime annuities. It should be noted that in recent decades, there has been a reversal of the trajectory – of increasing life expectancy and lower mortality rates. The mortality assumption used to calculate the estimated future cash flows takes into account an assumption in respect of a future increase in life expectancy.
- c) Morbidity rates refer to the prevalence of claims for morbidity from critical illnesses, PHI, long-term care, medical expenses products, accidental disability, etc. These rates are determined based on Menora Insurance's experience and/or in combination of studies by reinsurers. In the long-term care and PHI Subsegments, the annuity payment period is based on Menora Insurance's experience and/or studies of reinsurers.  
The higher the assumption regarding the morbidity rate, the higher the estimated future cash flows due to morbidity from critical illnesses, permanent health insurance, long-term care, medical expenses, accidental disability insurance, etc.

##### 2. Annuity take-up rate

In respect of funds deposited through 2008, life insurance contracts, which include a savings component, were managed under two tracks: equity or annuity - with a guaranteed annuity conversion factor. Regarding premiums which were contributed through May 2000, the policyholder may select, on retirement date, his/her preferred track. Since the insurance liability amount differs in each of these two tracks, the Company is required to estimate the rate of policies in which the policyholders will select the annuity track due to the effect on the reserve required in respect of such liabilities. This rate was set based on the Company's past experience in accordance with the Commissioner's Directives, in view of the reliability of the Company's past experience. It is noted that as from 2008, most provident funds plans and contributions towards the old plans are designated to annuity. Furthermore, Menora Insurance updates - according to past experience - the mix of the annuity tracks to be selected by the policyholders. The pension uptake rate is calculated separately for yield-dependent policies and non-yield-dependent policies.

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### E. Significant estimates and judgments (cont.)

##### 1. Insurance contracts (cont.)

*Following are details of the key assumptions used in the Life and Health Segment: (cont.)*

##### 3. Cancellation rates

The cancellation rate discount reflects the discontinuation of premium payment, settlement of policies, payment of redemption value - in accordance with Menora Insurance's experience with the various products as observed in periodic cancellation studies, while making adjustments in accordance with Menora Insurance's estimates in cases where past experience does not faithfully represent Menora Insurance's expectations as to future changes.

##### ***Estimated future cash flows for P&C claims***

The ultimate cost of claims is estimated using a range of actuarial claim prediction techniques, such as the Chain-Ladder and Bornhuetter-Ferguson methods.

The key underlying assumption of these techniques is that past development of the Companies' claims can be used to predict the development of future claims and consequently the ultimate cost of claims.

The choice of the appropriate actuarial method for each insurance subsegment and for each event or underwriting year is determined by exercising judgment on the degree of the method's suitability to the subsegment, and sometimes the various methods are combined. The assessments are mainly based on past experience in the development of claim payouts and/or development of the amount of specific payments and estimates. The assessments include assumptions about the average claim cost, claims handling costs, and prevalence of claims. Additional assumptions may take into account changes in interest rates, foreign exchange rates and timing of payments. Claim payments include direct and indirect expenses to settle claims, less subrogation and deductibles.

The use of actuarial methods based on the development of claims is particularly appropriate when there is concrete and satisfactory information on claim payouts and/or individual assessments to estimate the total expected cost of claims. When the information available in the actual claims history is insufficient, the actuary, at times, uses a calculation which weights a known estimate (in the Company and/or industry) such as LR and the claims' actual development. Greater weight can be estimated based on experience as time goes on and further information about the claims accumulates.

In addition, qualitative assessments and judgment are included regarding the extent to which past trends will not continue in the future. For example, due to a one-time event, internal changes such as a change in the portfolio mix, underwriting policies and claims handling procedures, as well as the effect of external factors such as court rulings, legislation, etc. When such changes were not fully reflected in past experience, the actuary updates the models and/or makes specific provisions based on statistical and/or legal assessments, as applicable.

The actuarial assessment is based on statistical estimates that include a component of uncertainty. The statistical estimate is based on various assumptions, which will not necessarily materialize, such that the actual cost of claims may be higher or lower than the statistical estimate.

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### E. Significant estimates and judgments (cont.)

##### 1. Insurance contracts (cont.)

##### *Estimated future cash flows for P&C claims (cont.)*

In large claims, which are not based on statistical estimates, and in segments, which do not have an appropriate statistical model, the assumptions are based on the opinion of the Companies experts and the recommendations of their legal counsel.

The estimate of the contingent claims in the Compulsory Motor Subsegment for the Companies share in the Pool is based on a calculation carried out by the Pool's actuary with the necessary adjustments.

The share of reinsurers in the contingent claims is estimated by taking into account the type of agreement (proportional or non-proportional) and the actual claims data and premium transferred to the reinsurer.

##### **Discount rates**

The Companies determine the interest rate curves for all groups of insurance contracts using the bottom-up approach. In this approach, the discount rate is obtained by adding the illiquidity premium (which reflects the liability's illiquidity) to the risk-free interest rate curve. The risk-free interest rate curve is based on yields to maturity of liquid bonds of the Israeli government. The last liquid point is the 25th year. Beyond this point, the Companies set the risk-free interest rate curves by way of extrapolation - in accordance with the Smith-Wilson method - up to the ultimate forward rate, which will be set at 60 years.

The full illiquidity premium is set based on the average spread of the bonds included in the Tel-Bond 60 Index. This premium is added in full or in part to the risk-free interest rate curve in accordance with the illiquidity characteristics of the relevant cash flows.

Following are the discount rates (real spot interest including illiquidity premium) used by the Company:

	As of June 30, 2025								
	Portfolio's duration								
	One year	3 years	5 years	10 years	15 years	25 years	35 years	45 years	60 years
	Unaudited								
Policies with a non-yield-dependent savings component and annuity policies	2.4%	2.3%	2.2%	2.2%	2.2%	2.3%	2.4%	2.5%	2.6%
Policies that include a yield-dependent savings component and include variable management fees, individual long-term care and compulsory motor	2.4%	2.2%	2.2%	2.1%	2.1%	2.3%	2.4%	2.5%	2.5%
Policies that include a yield-dependent savings component and include fixed management fees	2.3%	2.2%	2.1%	2.1%	2.1%	2.2%	2.3%	2.4%	2.5%
Remaining portfolios	2.3%	2.2%	2.1%	2.1%	2.1%	2.2%	2.3%	2.4%	2.5%

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### E. Significant estimates and judgments (cont.)

##### 1. Insurance contracts (cont.)

##### Discount rates (cont.)

Following are the discount rates (real spot interest including illiquidity premium) used by the Company: (cont.)

	As of June 30, 2024								
	Portfolio's duration								
	One	3	5	10	15	25	35	45	60
	year	years	years	years	years	years	years	years	years
	Unaudited								
Policies with a non-yield-dependent savings component and annuity policies	1.9%	2.3%	2.6%	2.9%	3.0%	3.0%	3.1%	3.1%	3.1%
Policies that include a yield-dependent savings component and include variable management fees, individual long-term care and compulsory motor	1.8%	2.2%	2.5%	2.8%	2.8%	2.9%	3.0%	3.0%	3.0%
Policies that include a yield-dependent savings component and include fixed management fees	1.7%	2.1%	2.4%	2.7%	2.7%	2.8%	2.8%	2.9%	2.9%
Remaining portfolios	1.6%	2.1%	2.3%	2.6%	2.7%	2.7%	2.8%	2.8%	2.8%

	As of December 31, 2024								
	Portfolio's duration								
	One	3	5	10	15	25	35	45	60
	year	years	years	years	years	years	years	years	years
	Unaudited								
Policies with a non-yield-dependent savings component and annuity policies	2.1%	2.2%	2.2%	2.4%	2.4%	2.5%	2.6%	2.6%	2.7%
Policies that include a yield-dependent savings component and include variable management fees, individual long-term care and compulsory motor	2.0%	2.1%	2.2%	2.3%	2.3%	2.4%	2.5%	2.6%	2.7%
Policies that include a yield-dependent savings component and include fixed management fees	2.0%	2.0%	2.1%	2.2%	2.3%	2.3%	2.4%	2.5%	2.6%
Remaining portfolios	1.9%	2.0%	2.0%	2.2%	2.2%	2.3%	2.3%	2.4%	2.5%

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### E. Significant estimates and judgments (cont.)

##### 1. Insurance contracts (cont.)

##### **Risk adjustment for non-financial risk**

The RA represents the compensation, which Menora Insurance demands 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 reflects the amount that the insurer will rationally pay to be relieved of the uncertainty that future cash flows will exceed the present value of the estimated future cash flows.

In life and health insurance, the risk adjustment is determined according to the value at risk (VaR) technique, which reflects the expected loss due to the materialization of negative scenarios relevant to the risk characteristics of the various coverages. Similarly to the solvency principles, the scenarios reflect events, which may occur in the forthcoming year (one-year time horizon), and may affect the cash flow both during and after the year. The confidence interval determined for the purpose of calculating the VaR at the level of the Life and Health Insurance Segments is 75% except for a long-term care insurance portfolio for which a 90% confidence interval was determined in accordance with the Commissioner's Directives and in order to reflect its inherent risk characteristics. For Property and Casualty Insurance, the Companies implement principles of the "best practice" approach, which is an approach based on the VaR technique with a long horizon. The confidence interval determined for the calculation of the VaR at the level of Property and Casualty Insurance Subsegments is 75%.

In determining the non-financial risk adjustment at the portfolio level, Menora Insurance takes into account the diversification benefit between the various portfolios and segments. For reinsurance contracts held, the Companies calculate the non-financial risk adjustment in the manner detailed above, on a gross (without the effect of reinsurance) and retention (after the effect of reinsurance) basis, and sets the non-financial risk adjustment transferred to the reinsurer as the amount of the difference between gross and retention as detailed above.

##### **The contractual service margin (CSM) and setting the coverage units**

The CSM is a component of the asset or liability in respect of a group of insurance contracts representing the unrealized gain, which Menora Insurance will recognize when it will provide services in the future. A proportionate share of the CSM amount in respect of a group of insurance contracts is recognized in profit or loss as revenues from insurance services in each period to reflect the insurance services provided within the group of insurance contracts during that period. This amount is determined as follows:

- Identification of the coverage units in a group
- The Company allocates the CSM at the end of the period equally to any coverage unit provided in the current period and those expected to be provided in the future (before any amount is recognized in profit or loss to reflect the insurance services provided during the period)
- The Company recognizes in profit or loss the amount allocated to the coverage units provided during the period

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. The total amount of the coverage units of each group of insurance contracts is revalued at the end of each reporting period.

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### E. Significant estimates and judgments (cont.)

##### 1. Insurance contracts (cont.)

##### **The contractual service margin (CSM) and setting the coverage units (cont.)**

The insurance contract services include:

- A. Coverage for an insured event (insurance coverage);
- B. Management of the underlying items on behalf of the policyholder in contracts with direct participation features (hereinafter - "**investment-related service**"); and
- C. Generation of an investment return for the policyholder in contracts without direct participation features (hereinafter - "**investment return service**").

Insurance contracts without direct participation features may provide an investment-return service if, and only if:

- A. An investment component exists, or the policyholder has a right to withdraw an amount;
- B. The entity expects the investment component or amount the policyholder has a right to withdraw to include an investment return (an investment return could be below zero, for example, in a negative interest rate environment); and
- C. The entity expects to perform investing activities to generate an investment return.

Menora Insurance has identified an investment-return service in policies, which include a non-yield-dependent savings component.

IFRS 17 does not determine whether the time value of money should be taken into consideration when allocating the contractual service margin to the coverage units, such that the allocation will reflect the expected timing of the coverage units, which will be provided.

For the purpose of allocating the contractual service margin to the coverage units, Menora Insurance discounts the coverage units.

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

The coverage units of reinsurance contracts held are consistent with the coverage units of the underlying contracts with adjustments in respect of the differences in the services provided.

In insurance products without a savings component, the coverage units are usually insurance amounts, the number of coverages and/or monthly compensation amounts if the products in question are products with periodic payments.

For insurance products, which include a savings component - during the accrual period, the coverage units are accrual amounts or amounts at risk. During the annuity period, if the products in question are products with direct participation features (yield-dependent), the coverage units are investment revenues for the entire annuity period (guaranteed and non-guaranteed) plus the amounts of the annuity during the non-guaranteed period. In products without direct participation features (non-yield-dependent), the coverage units are investment revenues for the guaranteed period plus the amount of the annuity during the non-guaranteed period.

## Notes to the Consolidated Interim Financial Statements

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### E. Significant estimates and judgments (cont.)

##### 1. Insurance contracts (cont.)

##### **The contractual service margin (CSM) and setting the coverage units (cont.)**

##### Investment component

Menora Insurance identifies an investment component of a contract by determining the amount to be paid to the policyholder in all scenarios that have a commercial substance. These scenarios include situations where the insured event has occurred or the contract expires or terminated without the occurrence of an insured event. Investment components are not included in insurance revenues and insurance service expenses.

Policies with a savings component without an annuity conversion factor include an investment component. These policies have explicit redemption values from retirees. The investment component, which is not included in investment revenues and insurance service expenses, is set as the policy's cash surrender value.

Policies, which include a savings component with a guaranteed annuity conversion factor, do not include an investment component, since Menora Insurance is not committed to pay any amount if the policyholder does not redeem the contract until the first annuity payment date. However, all reimbursements of the cash surrender value (including in case of death) are treated as reimbursements of premiums for unutilized coverage and will not be recognized in insurance revenues and insurance service expenses. In addition, if at the beginning of the pension period the policyholder opted for a pension track, which includes a guaranteed period of payments, these amounts will also be treated as reimbursement of premium for unutilized coverage and will not be recognized in insurance revenues and insurance service expenses.

##### 2. Financial assets

##### **Impairment of financial assets**

At each reporting date, the Companies assess whether the credit risk of a financial instrument has increased substantially since the initial recognition date. The Companies measure the provision for credit losses in accordance with forecasts. The possible implications for the financial statements are an increase or decrease in the amount of the provision for impairment, which will be recognized in profit or loss.

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

	<b>Consumer Price Index</b>		<b>USD</b>
	<b>In lieu CPI</b>	<b>Known CPI</b>	<b>representative</b>
	<b>%</b>	<b>%</b>	<b>exchange rate</b>
For the six months ended:			
June 30, 2025	2.1	1.6	(7.5)
June 30, 2024	2.1	1.9	3.6
For the three months ended:			
June 30, 2025	1.1	1.3	(9.3)
June 30, 2024	1.1	1.6	2.1
For the year ended December 31, 2024	3.2	3.4	0.6

## Notes to the Consolidated Interim Financial Statements

### NOTE 3 - OPERATING SEGMENTS

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

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

The accounting principles applied in segment reporting correspond to the generally accepted accounting principles applied in the preparation and presentation of the Group's consolidated financial statements.

Inter-company movements take place between the segments, which include, among other things, 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, pension and provident funds subsegments and focuses mainly on long-term savings (in the framework of various types of insurance policies and investment contracts, pension and provident funds including advanced education funds), as well as insurance coverage for various risks such as: death, disability, permanent health insurance, etc.

In accordance with the directives of the Insurance Commissioner, the Life Insurance and Long-Term Savings Segment is broken down into life insurance, pension funds and provident funds.

#### 2. Health Insurance Segment

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

#### 3. Property and Casualty Insurance Segment

The Property and Casualty Insurance Segment includes the liability and property subsegments.

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

#### Seasonality

Expenses components, such as claims, and other revenue components, such as investment revenues, 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.

## Notes to the Consolidated Interim Financial Statements

### NOTE 3 - OPERATING SEGMENTS (cont.)

	For the 6 months ended June 30, 2025					
	Life Insurance and Long-Term Savings	Health Insurance	Property and Casualty Insurance	Not attributed to operating segments	Adjustments and offsets	Total
	Unaudited					
	NIS thousand					
Revenues from insurance services	816,030	1,032,958	2,284,872	-	-	4,133,860
Expenses from insurance services	(685,989)	(738,516)	(1,839,659)	-	12,257	(3,251,907)
Income from insurance services before reinsurance policies held	130,041	294,442	445,213	-	12,257	881,953
Reinsurance expenses	(63,519)	(156,977)	(493,506)	-	-	(714,002)
Reinsurance revenues	47,278	117,266	422,447	-	-	586,991
Net expenses from reinsurance contracts held	(16,241)	(39,711)	(71,059)	-	-	(127,011)
Income from insurance services	113,800	254,731	374,154	-	12,257	754,942
Investment gains, net from assets held against insurance contracts and yield-dependent investment contracts	2,084,716	86,964	-	-	-	2,171,680
Other investment gains (losses), net:						
Interest revenues calculated using the effective interest method	119,992	-	16,876	223,239	-	360,107
Decrease in net losses (losses) from impairment of financial assets	(423)	-	3,751	(43,431)	-	(40,103)
Other investment gains, net	393,164	116,121	161,110	331,163	2,406	1,003,964
Share in earnings (losses) of equity-accounted subsidiaries closely related to the investing activity	(325)	(245)	(1,940)	153	-	(2,357)
Total income from other investments, net	512,408	115,876	179,797	511,124	2,406	1,321,611
Total investment income, net	2,597,124	202,840	179,797	511,124	2,406	3,493,291
Finance expenses, net arising from insurance contracts	(1,958,934)	(111,799)	(138,947)	-	-	(2,209,680)
Finance income (expenses), net arising from reinsurance contracts	(1,026)	41,421	49,653	-	-	90,048
Increase in liabilities for investment contracts due to the yield component	(528,547)	-	-	-	-	(528,547)
Net investment and finance income	108,617	132,462	90,503	511,124	2,406	845,112
Income, net from insurance and investment	222,417	387,193	464,657	511,124	14,663	1,600,054
Revenues from management fees	542,013	31,989	-	5,279	(4,563)	574,718
Revenue from fees and commissions	-	-	-	108,191	(32,952)	75,239
Other operating expenses	(371,866)	(27,035)	(30,454)	(134,545)	29,699	(534,201)
Other revenues (expenses), net	(812)	-	-	77,511	(1,132)	75,567
Other finance income (expenses)	(523)	-	290	(109,902)	2,775	(107,360)
Share in profits of equity-accounted subsidiaries which are not closely related to the investing activity	-	-	-	24,575	-	24,575
Income before income tax	391,229	392,147	434,493	482,233	8,490	1,708,592
Other comprehensive loss before taxes on income:						
Other	(2,689)	(1,530)	(723)	(7,739)	(8,180)	(20,861)
Total comprehensive income before income tax	388,540	390,617	433,770	474,494	310	1,687,731
As of June 30, 2025						
Unaudited						
NIS thousand						
Total segment assets	50,005,646	7,715,217	8,170,872	13,319,570	(2,619,100)	76,592,205
Total segment assets for yield-dependent contracts	35,563,805	1,471,952	-	-	-	37,035,757
Total segment liabilities	48,014,610	7,407,470	7,683,162	7,471,816	(2,625,278)	67,951,780

## Notes to the Consolidated Interim Financial Statements

### NOTE 3 - OPERATING SEGMENTS (cont.)

	For the 6 months ended 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					
Revenues from insurance services	815,111	1,016,317	2,134,131	-	-	3,965,559
Expenses from insurance services	(627,007)	(775,260)	(1,646,674)	-	8,255	(3,040,686)
Income from insurance services before reinsurance policies held	188,104	241,057	487,457	-	8,255	924,873
Reinsurance expenses	(67,006)	(180,660)	(507,965)	-	-	(755,631)
Reinsurance revenues	39,236	162,146	395,439	-	-	596,821
Net expenses from reinsurance contracts held	(27,770)	(18,514)	(112,526)	-	-	(158,810)
Income from insurance services	160,334	222,543	374,931	-	8,255	766,063
Investment gains, net from assets held against insurance contracts and yield-dependent vestment contracts	1,490,547	76,906	-	-	-	1,567,453
Other investment gains (losses), net:						
Interest revenues calculated using the effective interest method	118,174	-	17,969	203,279	-	339,422
Net losses from impairment of financial assets	-	-	(724)	(42,857)	-	(43,581)
Other investment gains, net	22,346	9,128	77,923	68,236	(9,874)	167,759
Share in earnings (losses) of equity-accounted subsidiaries closely related to the investing activity	(679)	(86)	1,299	(224)	-	310
Total income from other investments, net	139,841	9,042	96,467	228,434	(9,874)	463,910
Total investment income, net	1,630,388	85,948	96,467	228,434	(9,874)	2,031,363
Finance expenses, net arising from insurance contracts	(1,233,417)	(231,365)	(94,303)	-	-	(1,559,085)
Finance income, net arising from reinsurance contracts	122	(17,514)	30,380	-	-	12,988
Increase in liabilities for investment contracts due to the yield component	(458,624)	-	-	-	-	(458,624)
Income (loss) from investments and financing, net	(61,531)	(162,931)	32,544	228,434	(9,874)	26,642
Income, net from insurance and investment	98,803	59,612	407,475	228,434	(1,619)	792,705
Revenues from management fees	482,179	13,924	-	5,408	(4,693)	496,818
Revenue from fees and commissions	-	-	-	94,759	(25,030)	69,729
Other operating expenses	(336,573)	(15,373)	(16,989)	(106,084)	27,127	(447,892)
Other expenses, net	(5,830)	-	-	(4,841)	(1,085)	(11,756)
Other finance income (expenses)	(5,293)	-	4,536	(100,680)	2,948	(98,489)
Share in profits of equity-accounted subsidiaries which are not closely related to the investing activity	-	-	-	17,657	-	17,657
Income before income tax	233,286	58,163	395,022	134,653	(2,352)	818,772
Other comprehensive income before income tax:						
Other	853	373	143	1,286	-	2,655
Total comprehensive income before income tax	234,139	58,536	395,165	135,939	(2,352)	821,427
As of June 30, 2024						
Unaudited						
NIS thousand						
Total segment assets	47,531,700	5,267,213	7,489,156	10,354,416	(1,338,505)	69,303,980
Total segment assets for yield-dependent contracts	32,508,505	1,670,291	-	-	-	34,178,796
Total segment liabilities	45,286,158	5,703,508	6,932,230	5,998,453	(1,344,197)	62,576,152

## Notes to the Consolidated Interim Financial Statements

### NOTE 3 - OPERATING SEGMENTS (cont.)

	For the 3 months ended June 30, 2025					
	Life Insurance and Long-Term Savings	Health Insurance	Property and Casualty Insurance	Not attributed to operating segments	Adjustments and offsets	Total
	Unaudited					
	NIS thousand					
Revenues from insurance services	412,223	524,989	1,158,774	-	-	2,095,986
Expenses from insurance services	(337,004)	(352,957)	(870,336)	-	6,133	(1,554,164)
Income from insurance services before reinsurance policies held	75,219	172,032	288,438	-	6,133	541,822
Reinsurance expenses	(32,488)	(77,569)	(217,998)	-	-	(328,055)
Reinsurance revenues	15,146	51,379	137,532	-	-	204,057
Net expenses from reinsurance contracts held	(17,342)	(26,190)	(80,466)	-	-	(123,998)
Income from insurance services	57,877	145,842	207,972	-	6,133	417,824
Investment gains, net from assets held against insurance contracts and yield-dependent investment contracts	2,090,410	79,969	-	-	-	2,170,379
Other investment gains (losses), net:						
Interest revenues calculated using the effective interest method	60,845	-	8,758	114,740	-	184,343
Net gains (losses) from impairment of financial assets	16	-	2,291	(15,178)	-	(12,871)
Other investment gains, net	363,363	95,269	118,673	269,651	5,912	852,868
Share in losses of equity-accounted subsidiaries closely related to the investing activity	(369)	(264)	(2,272)	(61)	-	(2,966)
Total income from other investments, net	423,855	95,005	127,450	369,152	5,912	1,021,374
Total investment income, net	2,514,265	174,974	127,450	369,152	5,912	3,191,753
Finance expenses, net arising from insurance contracts	(1,951,040)	(49,705)	(119,283)	-	-	(2,120,028)
Finance income (expenses), net arising from reinsurance contracts	(1,717)	50,098	43,721	-	-	92,102
Increase in liabilities for investment contracts due to the yield component	(463,168)	-	-	-	-	(463,168)
Net investment and finance income	98,340	175,367	51,888	369,152	5,912	700,659
Income, net from insurance and investment	156,217	321,209	259,860	369,152	12,045	1,118,483
Revenues from management fees	275,985	16,859	-	2,539	(2,180)	293,203
Revenue from fees and commissions	-	-	-	51,609	(15,807)	35,802
Other operating expenses	(190,666)	(13,475)	(21,118)	(67,236)	14,601	(277,894)
Other revenues (expenses), net	(356)	-	-	19,145	(556)	18,233
Other finance income (expenses)	426	-	(24)	(70,416)	1,380	(68,634)
Share in profits of equity-accounted subsidiaries which are not closely related to the investing activity	-	-	-	14,522	-	14,522
Income before income tax	241,606	324,593	238,718	319,315	9,483	1,133,715
Other comprehensive loss before taxes on income:						
Other	(3,680)	(2,159)	(1,023)	(13,941)	(8,180)	(28,983)
Total comprehensive income before income tax	237,926	322,434	237,695	305,374	1,303	1,104,732

## Notes to the Consolidated Interim Financial Statements

### NOTE 3 - OPERATING SEGMENTS (cont.)

	For the 3 months ended 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					
Revenues from insurance services	408,510	507,332	1,114,326	-	-	2,030,168
Expenses from insurance services	(326,094)	(379,377)	(874,360)	-	3,549	(1,576,282)
Income from insurance services before reinsurance policies held	82,416	127,955	239,966	-	3,549	453,886
Reinsurance expenses	(36,081)	(84,320)	(268,712)	-	-	(389,113)
Reinsurance revenues	8,838	80,584	253,721	-	-	343,143
Net expenses from reinsurance contracts held	(27,243)	(3,736)	(14,991)	-	-	(45,970)
Income from insurance services	55,173	124,219	224,975	-	3,549	407,916
Investment gains, net from assets held against insurance contracts and yield-dependent investment contracts	150,508	4,230	-	-	-	154,738
Other investment gains (losses), net:						
Interest revenues calculated using the effective interest method	60,816	-	8,385	105,710	-	174,911
Net losses from impairment of financial assets	-	-	(1,380)	(22,546)	-	(23,926)
Other investment gains (losses), net	(97,969)	(12,624)	591	(13,909)	(4,286)	(128,197)
Share in earnings (losses) of equity-accounted subsidiaries closely related to the investing activity	(541)	(81)	515	(220)	-	(327)
Total gains (losses) from other investments, net	(37,694)	(12,705)	8,111	69,035	(4,286)	22,461
Total investment gains (losses), net	112,814	(8,475)	8,111	69,035	(4,286)	177,199
Finance expenses, net arising from insurance contracts	(933)	(84,612)	(41,507)	-	-	(127,052)
Finance income (expenses), net arising from reinsurance contracts	(1,180)	(31,466)	11,698	-	-	(20,948)
Increase in liabilities for investment contracts due to the yield component	(172,688)	-	-	-	-	(172,688)
Income (loss) from investments and financing, net	(61,987)	(124,553)	(21,698)	69,035	(4,286)	(143,489)
Income (loss), net from insurance and investment	(6,814)	(334)	203,277	69,035	(737)	264,427
Revenues from management fees	245,275	5,024	-	2,531	(2,173)	250,657
Revenue from fees and commissions	-	-	-	45,302	(10,405)	34,897
Other operating expenses	(168,223)	(5,845)	(8,581)	(55,086)	11,236	(226,499)
Other revenues (expenses), net	(2,915)	23	-	(1,199)	(560)	(4,651)
Other finance income (expenses)	(2,664)	-	4,777	(52,829)	1,467	(49,249)
Share in profits of equity-accounted subsidiaries which are not closely related to the investing activity	-	-	-	10,169	-	10,169
Income (loss) before taxes on income	64,659	(1,132)	199,473	17,923	(1,172)	279,751
Other comprehensive income (loss) before income tax:						
Other	129	339	(91)	3,275	-	3,652
Total comprehensive income (loss) before income tax	64,788	(793)	199,382	21,198	(1,172)	283,403

## Notes to the Consolidated Interim Financial Statements

### NOTE 3 - OPERATING SEGMENTS (cont.)

	For the year ended December 31, 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					
Revenues from insurance services	1,618,377	2,051,324	4,389,472	-	-	8,059,173
Expenses from insurance services	(1,267,758)	(1,546,113)	(3,308,722)	-	19,456	(6,103,137)
Income from insurance services before reinsurance policies held	350,619	505,211	1,080,750	-	19,456	1,956,036
Reinsurance expenses	(130,856)	(348,866)	(1,006,261)	-	-	(1,485,983)
Reinsurance revenues	96,788	306,282	656,775	-	-	1,059,845
Net expenses from reinsurance contracts held	(34,068)	(42,584)	(349,486)	-	-	(426,138)
Income from insurance services	316,551	462,627	731,264	-	19,456	1,529,898
Investment gains, net from assets held against insurance contracts and yield-dependent investment contracts	3,589,802	190,883	-	-	-	3,780,685
Other investment gains (losses), net:						
Interest revenues calculated using the effective interest method	243,057	-	48,155	477,612	-	768,824
Net losses from impairment of financial assets	-	-	(3,133)	(112,388)	-	(115,521)
Other investment gains, net	553,415	151,173	286,420	307,160	(28,197)	1,269,971
Share in earnings (losses) of equity-accounted subsidiaries closely related to the investing activity	(474)	(160)	(6,120)	680	-	(6,074)
Total income from other investments, net	795,998	151,013	325,322	673,064	(28,197)	1,917,200
Total investment income, net	4,385,800	341,896	325,322	673,064	(28,197)	5,697,885
Finance expenses, net arising from insurance contracts	(3,285,431)	(337,109)	(253,669)	-	-	(3,876,209)
Finance income (expenses), net arising from reinsurance contracts	(361)	77,636	79,094	-	-	156,369
Increase in liabilities for investment contracts due to the yield component	(977,992)	-	-	-	-	(977,992)
Net investment and finance income	122,016	82,423	150,747	673,064	(28,197)	1,000,053
Income, net from insurance and investment	438,567	545,050	882,011	673,064	(8,741)	2,529,951
Revenues from management fees	1,009,045	32,813	-	10,470	(9,041)	1,043,287
Revenue from fees and commissions	-	-	-	198,695	(54,423)	144,272
Other operating expenses	(699,694)	(36,424)	(36,046)	(230,427)	55,275	(947,316)
Other revenues (expenses), net	(10,956)	(118)	-	(5,761)	(2,260)	(19,095)
Other finance income (expenses)	(10,260)	-	4,469	(207,400)	5,819	(207,372)
Share in profits of equity-accounted subsidiaries which are not closely related to the investing activity	-	-	-	31,119	-	31,119
Income before income tax	726,702	541,321	850,434	469,760	(13,371)	2,574,846
Other comprehensive income (loss) before income tax:						
Other	(120)	33	114	31,163	14,223	45,413
Total comprehensive income before income tax	726,582	541,354	850,548	500,923	852	2,620,259
As of December 31, 2024						
Unaudited						
NIS thousand						
Total segment assets	49,994,944	6,062,873	8,179,760	10,632,070	(2,357,432)	72,512,215
Total segment assets for yield-dependent contracts	34,222,111	1,764,785	-	-	-	35,986,896
Total segment liabilities	47,614,982	5,910,777	6,976,913	6,742,228	(2,363,406)	64,881,494

## Notes to the Consolidated Interim Financial Statements

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

#### A. Life Insurance and Long-Term Savings Segment

	For the 6 months ended June 30, 2025				
	Provident	Pension	Investment contracts (*)	Life Insurance	Total
	Unaudited				
	NIS thousand				
Revenues from insurance services	-	-	-	816,030	816,030
Expenses from insurance services	-	-	-	(685,989)	(685,989)
Income from insurance services before reinsurance policies held	-	-	-	130,041	130,041
Reinsurance expenses	-	-	-	(63,519)	(63,519)
Reinsurance revenues	-	-	-	47,278	47,278
Net expenses from reinsurance contracts held	-	-	-	(16,241)	(16,241)
Income from insurance services	-	-	-	113,800	113,800
Investment gains, net from assets held against insurance contracts and yield-dependent investment contracts	-	-	329,157	1,755,559	2,084,716
Other investment gains (losses), net:					
Interest revenues calculated using the effective interest method	119,992	-	-	-	119,992
Net losses from impairment of financial assets	(423)	-	-	-	(423)
Other investment gains, net	84,750	12,986	-	295,428	393,164
Share in losses of equity-accounted subsidiaries closely related to the investing activity	-	-	-	(325)	(325)
Total income from other investments, net	204,319	12,986	-	295,103	512,408
Total investment income, net	204,319	12,986	329,157	2,050,662	2,597,124
Finance expenses, net arising from insurance contracts	-	-	-	(1,958,934)	(1,958,934)
Finance expenses, net arising from reinsurance contracts	-	-	-	(1,026)	(1,026)
Increase in liabilities for investment contracts due to the yield component	(199,390)	-	(329,157)	-	(528,547)
Net investment and finance income	4,929	12,986	-	90,702	108,617
Income, net from insurance and investment	4,929	12,986	-	204,502	222,417
Revenues from management fees	112,943	406,386	22,684	-	542,013
Other operating expenses	(81,818)	(254,356)	(20,317)	(15,375)	(371,866)
Other revenues (expenses), net	(912)	100	-	-	(812)
Other finance expenses	(19)	(504)	-	-	(523)
Income before income tax	35,123	164,612	2,367	189,127	391,229
Other comprehensive loss before taxes on income:					
Other	-	(17)	-	(2,672)	(2,689)
Total comprehensive income before income tax	35,123	164,595	2,367	186,455	388,540
<u>Additional information regarding investment contracts (*)</u>					
Proceeds from investment contracts			589,043	-	589,043
One-off proceeds for investment contracts			529,480	-	529,480

## Notes to the Consolidated Interim Financial Statements

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

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

	For the 6 months ended June 30, 2025			
	Policies with a non-yield-dependent savings component	Policies with a yield-dependent savings component	Policies without a savings component	Total
	Unaudited			
	NIS thousand			
<b>(1) Details of the results by main portfolio groups</b>				
Amounts recognized in profit or loss:				
Revenues from insurance services	43,930	264,219	507,881	816,030
Expenses from insurance services (*)	(35,869)	(207,282)	(442,838)	(685,989)
Income from insurance services before reinsurance policies held	8,061	56,937	65,043	130,041
Reinsurance expenses	(210)	-	(63,309)	(63,519)
Reinsurance revenues	(3,617)	-	50,895	47,278
Net expenses from reinsurance contracts held	(3,827)	-	(12,414)	(16,241)
Income from insurance services	4,234	56,937	52,629	113,800
Total investment income, net	285,526	1,752,989	12,147	2,050,662
Finance income (expenses), net arising from insurance contracts	(262,963)	(1,737,268)	41,297	(1,958,934)
Finance income (expenses), net arising from reinsurance contracts	513	-	(1,539)	(1,026)
Income (loss) from investments and financing, net	23,076	15,721	51,905	90,702
Income, net from insurance and investment	27,310	72,658	104,534	204,502
(*) Of which:				
Claims and other insurance service expenses incurred	(36,994)	(229,699)	(388,182)	(654,875)
Changes relating to past service - adjustment for liabilities for incurred claims	1,113	28,629	473	30,215
<b>(2) Details of assets and by main portfolio groups</b>				
<u>Gross and reinsurance data, as of June 30, 2025</u>				
Liabilities, net for insurance contracts	6,955,419	28,429,651	(375,777)	35,009,293
Balance of accounts receivable, net				(62,589)
Total liabilities, net for insurance contracts (**)				34,946,704
(**) Of which: Insurance contract assets	-	-	586,542	586,542
Liabilities (assets), net for reinsurance contracts	10,389	-	(127,159)	(116,770)
Balance of accounts payable, net				176,792
Total liabilities, net for reinsurance contracts				60,022
<b>(3) Gross data</b>				
Gross premiums for insurance contracts net of reimbursement of premiums (***)	57,578	613,934	454,452	1,125,964
(***) Of which: Savings component	55,612	515,864	-	571,476
Variable management fees	-	57,899	-	57,899
Fixed management fees	-	100,043	-	100,043
One-off premium for insurance contracts	41,766	121,201	-	162,966

## Notes to the Consolidated Interim Financial Statements

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

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

	For the 6 months ended June 30, 2024				
	Provident	Pension	Investment contracts (*)	Life Insurance	Total
	Unaudited				
	NIS thousand				
Revenues from insurance services	-	-	-	815,111	815,111
Expenses from insurance services	-	-	-	(627,007)	(627,007)
Income from insurance services before reinsurance policies held	-	-	-	188,104	188,104
Reinsurance expenses	-	-	-	(67,006)	(67,006)
Reinsurance revenues	-	-	-	39,236	39,236
Net expenses from reinsurance contracts held	-	-	-	(27,770)	(27,770)
Income from insurance services	-	-	-	160,334	160,334
Investment gains, net from assets held against insurance contracts and yield-dependent investment contracts	-	-	246,254	1,244,293	1,490,547
Other investment gains (losses), net:					
Interest revenues calculated using the effective interest method	118,174	-	-	-	118,174
Other investment gains (losses), net	90,032	4,470	-	(72,156)	22,346
Share in losses of equity-accounted subsidiaries closely related to the investing activity	-	-	-	(679)	(679)
Total gains (losses) from other investments, net	208,206	4,470	-	(72,835)	139,841
Total investment income, net	208,206	4,470	246,254	1,171,458	1,630,388
Finance expenses, net arising from insurance contracts	-	-	-	(1,233,417)	(1,233,417)
Finance income, net arising from reinsurance contracts	-	-	-	122	122
Increase in liabilities for investment contracts due to the yield component	(212,370)	-	(246,254)	-	(458,624)
Income (loss) from investments and financing, net	(4,164)	4,470	-	(61,837)	(61,531)
Income (loss), net from insurance and investment	(4,164)	4,470	-	98,497	98,803
Revenues from management fees	97,810	365,261	19,108	-	482,179
Other operating expenses	(77,062)	(230,877)	(20,215)	(8,419)	(336,573)
Other expenses, net	(930)	(4,900)	-	-	(5,830)
Other finance expenses	(242)	(5,051)	-	-	(5,293)
Income (loss) before taxes on income	15,412	128,903	(1,107)	90,078	233,286
Other comprehensive income before income tax:					
Other	14	33	-	806	853
Total comprehensive income (loss) before income tax	15,426	128,936	(1,107)	90,884	234,139
<u>Additional information regarding investment contracts (*)</u>					
Proceeds from investment contracts			487,138	-	487,138
One-off proceeds for investment contracts			401,994	-	401,994

## Notes to the Consolidated Interim Financial Statements

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

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

	For the 6 months ended June 30, 2024			
	Policies with a non-yield- dependent savings component	Policies with a yield- dependent savings component	Policies without a savings component	Total
	Unaudited			
	NIS thousand			
<b>(1) Details of the results by main portfolio groups</b>				
Amounts recognized in profit or loss:				
Revenues from insurance services	39,320	253,298	522,493	815,111
Expenses from insurance services (*)	(28,523)	(211,525)	(386,959)	(627,007)
Income from insurance services before reinsurance policies held	10,797	41,773	135,534	188,104
Reinsurance expenses	(3,246)	-	(63,760)	(67,006)
Reinsurance revenues	(6,746)	-	45,982	39,236
Net expenses from reinsurance contracts held	(9,992)	-	(17,778)	(27,770)
Income from insurance services	805	41,773	117,756	160,334
Total investment gains (losses), net	(68,211)	1,238,478	1,191	1,171,458
Finance income (expenses), net arising from insurance contracts	56,628	(1,228,133)	(61,912)	(1,233,417)
Finance income (expenses), net arising from reinsurance contracts	(4,575)	-	4,697	122
Income (loss) from investments and financing, net	(16,158)	10,345	(56,024)	(61,837)
Income (loss), net from insurance and investment	(15,353)	52,118	61,732	98,497
(*) Of which:				
Claims and other insurance service expenses incurred	(26,630)	(227,332)	(357,925)	(611,887)
Changes relating to past service - adjustment for liabilities for incurred claims	(1,052)	20,956	23,040	42,944
<b>(2) Details of assets and by main portfolio groups</b>				
<u>Gross and reinsurance data, as of June 30, 2024</u>				
Liabilities, net for insurance contracts	6,431,703	26,760,929	(75,541)	33,117,091
Balance of accounts receivable, net				(132,958)
Total liabilities, net for insurance contracts (**)				32,984,133
(**) Of which: Insurance contract assets	-	-	309,046	309,046
Liabilities (assets), net for reinsurance contracts	11,330	-	(137,396)	(126,066)
Balance of accounts payable, net				169,053
Total liabilities, net for reinsurance contracts				42,987
<b>(3) Gross data</b>				
Gross premiums for insurance contracts net of reimbursement of premiums (***)	57,341	643,278	428,023	1,128,642
(***) Of which: Savings component	54,987	536,583	-	591,570
Variable management fees	-	-	-	-
Fixed management fees	-	97,155	-	97,155
One-off premium for insurance contracts	41,596	90,287	-	131,883

## Notes to the Consolidated Interim Financial Statements

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

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

	For the 3 months ended June 30, 2025				
	Provident	Pension	Investment contracts (*)	Life Insurance	Total
	Unaudited				
	NIS thousand				
Revenues from insurance services	-	-	-	412,223	412,223
Expenses from insurance services	-	-	-	(337,004)	(337,004)
Income from insurance services before reinsurance policies held	-	-	-	75,219	75,219
Reinsurance expenses	-	-	-	(32,488)	(32,488)
Reinsurance revenues	-	-	-	15,146	15,146
Net expenses from reinsurance contracts held	-	-	-	(17,342)	(17,342)
Income from insurance services	-	-	-	57,877	57,877
Investment gains, net from assets held against insurance contracts and yield-dependent investment contracts	-	-	337,176	1,753,234	2,090,410
Other investment gains (losses), net:					
Interest revenues calculated using the effective interest method	60,845	-	-	-	60,845
Net losses from impairment of financial assets	16	-	-	-	16
Other investment gains, net	70,570	11,276	-	281,517	363,363
Share in losses of equity-accounted subsidiaries closely related to the investing activity	-	-	-	(369)	(369)
Total income from other investments, net	131,431	11,276	-	281,148	423,855
Total investment income, net	131,431	11,276	337,176	2,034,382	2,514,265
Finance expenses, net arising from insurance contracts	-	-	-	(1,951,040)	(1,951,040)
Finance expenses, net arising from reinsurance contracts	-	-	-	(1,717)	(1,717)
Increase in liabilities for investment contracts due to the yield component	(125,992)	-	(337,176)	-	(463,168)
Net investment and finance income	5,439	11,276	-	81,625	98,340
Income, net from insurance and investment	5,439	11,276	-	139,502	156,217
Revenues from management fees	57,373	206,849	11,763	-	275,985
Other operating expenses	(41,452)	(128,599)	(10,177)	(10,438)	(190,666)
Other expenses, net	(456)	100	-	-	(356)
Other finance expenses	(15)	441	-	-	426
Income before income tax	20,889	90,067	1,586	129,064	241,606
Other comprehensive loss before taxes on income:					
Other	-	(22)	-	(3,658)	(3,680)
Total comprehensive income before income tax	20,889	90,045	1,586	125,406	237,926
<u>Additional information regarding investment contracts (*)</u>					
Proceeds from investment contracts			246,138	-	246,138
One-off proceeds for investment contracts			227,743	-	227,743

## Notes to the Consolidated Interim Financial Statements

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

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

	For the 3 months ended June 30, 2025			
	Policies with a non-yield-dependent savings component	Policies with a yield-dependent savings component	Policies without a savings component	Total
	Unaudited			
	NIS thousand			
<b>(1) Details of the results by main portfolio groups</b>				
Amounts recognized in profit or loss:				
Revenues from insurance services	22,254	137,386	252,583	412,223
Expenses from insurance services (*)	(19,961)	(98,016)	(219,027)	(337,004)
Income from insurance services before reinsurance policies held	2,293	39,370	33,556	75,219
Reinsurance expenses	319	-	(32,807)	(32,488)
Reinsurance revenues	(3,563)	-	18,709	15,146
Net expenses from reinsurance contracts held	(3,244)	-	(14,098)	(17,342)
Income (loss) from insurance services	(951)	39,370	19,458	57,877
Total investment income, net	273,573	1,750,414	10,395	2,034,382
Finance income (expenses), net arising from insurance contracts	(294,288)	(1,727,002)	70,250	(1,951,040)
Finance income (expenses), net arising from reinsurance contracts	1,541	-	(3,258)	(1,717)
Income (loss) from investments and financing, net	(19,174)	23,412	77,387	81,625
Income (loss), net from insurance and investment	(20,125)	62,782	96,845	139,502
(*) Of which:				
Claims and other insurance service expenses incurred	(20,887)	(115,021)	(185,325)	(321,233)
Changes relating to past service - adjustment for liabilities for incurred claims	907	22,171	(1,152)	21,926
<b>(2) Details of assets and by main portfolio groups</b>				
<b>(2) Gross data</b>				
Gross premiums for insurance contracts net of reimbursement of premiums (***)	41,991	302,273	229,551	573,815
(***) Of which: Savings component	41,001	253,370	-	294,371
Variable management fees	-	57,899	-	57,899
Fixed management fees	-	48,714	-	48,714
One-off premium for insurance contracts	34,954	59,279	-	94,233

## Notes to the Consolidated Interim Financial Statements

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

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

	For the 3 months ended June 30, 2024				
	Provident	Pension	Investment contracts (*)	Life Insurance	Total
	Unaudited				
	NIS thousand				
Revenues from insurance services	-	-	-	408,510	408,510
Expenses from insurance services	-	-	-	(326,094)	(326,094)
Income from insurance services before reinsurance policies held	-	-	-	82,416	82,416
Reinsurance expenses	-	-	-	(36,081)	(36,081)
Reinsurance revenues	-	-	-	8,838	8,838
Net expenses from reinsurance contracts held	-	-	-	(27,243)	(27,243)
Income from insurance services	-	-	-	55,173	55,173
Investment gains, net from assets held against insurance contracts and yield-dependent investment contracts	-	-	32,569	117,939	150,508
Other investment gains (losses), net:					
Interest revenues calculated using the effective interest method	60,816	-	-	-	60,816
Other investment gains (losses), net	69,834	473	-	(168,276)	(97,969)
Share in losses of equity-accounted subsidiaries closely related to the investing activity	-	-	-	(541)	(541)
Total gains (losses) from other investments, net	130,650	473	-	(168,817)	(37,694)
Total investment gains (losses), net	130,650	473	32,569	(50,878)	112,814
Finance expenses, net arising from insurance contracts	-	-	-	(933)	(933)
Finance expenses, net arising from reinsurance contracts	-	-	-	(1,180)	(1,180)
Increase in liabilities for investment contracts due to the yield component	(140,119)	-	(32,569)	-	(172,688)
Income (loss) from investments and financing, net	(9,469)	473	-	(52,991)	(61,987)
Income (loss), net from insurance and investment	(9,469)	473	-	2,182	(6,814)
Revenues from management fees	49,726	187,207	8,342	-	245,275
Other operating expenses	(38,674)	(115,219)	(10,073)	(4,257)	(168,223)
Other expenses, net	(465)	(2,450)	-	-	(2,915)
Other finance expenses	(122)	(2,542)	-	-	(2,664)
Income (loss) before taxes on income	996	67,469	(1,731)	(2,075)	64,659
Other comprehensive income before income tax:					
Other	12	29	-	88	129
Total comprehensive income (loss) before income tax	1,008	67,498	(1,731)	(1,987)	64,788
<u>Additional information regarding investment contracts (*)</u>					
Proceeds from investment contracts			250,468	-	250,468
One-off proceeds for investment contracts			209,805	-	209,805

## Notes to the Consolidated Interim Financial Statements

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

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

	For the 3 months ended June 30, 2024			
	Policies with a non-yield-dependent savings component	Policies with a yield-dependent savings component	Policies without a savings component	Total
	Unaudited			
	NIS thousand			
<b>(1) Details of the results by main portfolio groups</b>				
Amounts recognized in profit or loss:				
Revenues from insurance services	21,606	121,908	264,996	408,510
Expenses from insurance services (*)	(14,333)	(98,973)	(212,788)	(326,094)
Income from insurance services before reinsurance policies held	7,273	22,935	52,208	82,416
Reinsurance expenses	(1,647)	-	(34,434)	(36,081)
Reinsurance revenues	(11,646)	-	20,484	8,838
Net expenses from reinsurance contracts held	(13,293)	-	(13,950)	(27,243)
Income (loss) from insurance services	(6,020)	22,935	38,258	55,173
Total investment gains (losses), net	(164,701)	115,100	(1,277)	(50,878)
Finance income (expenses), net arising from insurance contracts	181,585	(120,304)	(62,214)	(933)
Finance income (expenses), net arising from reinsurance contracts	(5,588)	-	4,408	(1,180)
Income (loss) from investments and financing, net	11,296	(5,204)	(59,083)	(52,991)
Income (loss), net from insurance and investment	5,276	17,731	(20,825)	2,182
(*) Of which:				
Claims and other insurance service expenses incurred	(13,247)	(105,073)	(185,655)	(303,975)
Changes relating to past service - adjustment for liabilities for incurred claims	(245)	8,488	5,472	13,715
<b>(2) Gross data</b>				
Gross premiums for insurance contracts net of reimbursement of premiums (***)	40,659	312,901	216,011	569,571
(***) Of which: Savings component	39,528	261,656	-	301,184
Variable management fees	-	-	-	-
Fixed management fees	-	50,106	-	50,106
One-off premium for insurance contracts	32,655	45,092	-	77,747

## Notes to the Consolidated Interim Financial Statements

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

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

	For the year ended December 31, 2024				
	Provident	Pension	Investment contracts (*)	Life Insurance	Total
	Unaudited				
	NIS thousand				
Revenues from insurance services	-	-	-	1,618,377	1,618,377
Expenses from insurance services	-	-	-	(1,267,758)	(1,267,758)
Income from insurance services before reinsurance policies held	-	-	-	350,619	350,619
Reinsurance expenses	-	-	-	(130,856)	(130,856)
Reinsurance revenues	-	-	-	96,788	96,788
Net expenses from reinsurance contracts held	-	-	-	(34,068)	(34,068)
Income from insurance services	-	-	-	316,551	316,551
Investment gains, net from assets held against insurance contracts and yield-dependent investment contracts	-	-	570,719	3,019,083	3,589,802
Other investment gains (losses), net:					
Interest revenues calculated using the effective interest method	243,057	-	-	-	243,057
Other investment gains, net	172,062	16,810	-	364,543	553,415
Share in losses of equity-accounted subsidiaries closely related to the investing activity	-	-	-	(474)	(474)
Total income from other investments, net	415,119	16,810	-	364,069	795,998
Total investment income, net	415,119	16,810	570,719	3,383,152	4,385,800
Finance expenses, net arising from insurance contracts	-	-	-	(3,285,431)	(3,285,431)
Finance expenses, net arising from reinsurance contracts	-	-	-	(361)	(361)
Increase in liabilities for investment contracts due to the yield component	(407,273)	-	(570,719)	-	(977,992)
Net investment and finance income	7,846	16,810	-	97,360	122,016
Income, net from insurance and investment	7,846	16,810	-	413,911	438,567
Revenues from management fees	203,565	762,127	43,353	-	1,009,045
Other operating expenses	(156,454)	(484,451)	(41,268)	(17,521)	(699,694)
Other expenses, net	(2,143)	(8,813)	-	-	(10,956)
Other finance expenses	(523)	(9,737)	-	-	(10,260)
Income before income tax	52,291	275,936	2,085	396,390	726,702
Other comprehensive income (loss) before income tax:					
Other	(14)	(379)	-	273	(120)
Total comprehensive income before income tax	52,277	275,557	2,085	396,663	726,582
<u>Additional information regarding investment contracts (*)</u>					
Proceeds from investment contracts			1,092,658	-	1,092,658
One-off proceeds for investment contracts			992,396	-	992,396

## Notes to the Consolidated Interim Financial Statements

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

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

	For the year ended December 31, 2024			
		Policies with a yield- dependent savings component	Policies without a savings component	
	Return			Total
		Unaudited		
		NIS thousand		
<b>(1) Details of the results by main portfolio groups</b>				
Amounts recognized in profit or loss:				
Revenues from insurance services	81,481	491,841	1,045,055	1,618,377
Expenses from insurance services (*)	(59,681)	(443,486)	(764,591)	(1,267,758)
Income from insurance services before reinsurance policies held	21,800	48,355	280,464	350,619
Reinsurance expenses	(6,062)	-	(124,794)	(130,856)
Reinsurance revenues	(6,228)	-	103,016	96,788
Net expenses from reinsurance contracts held	(12,290)	-	(21,778)	(34,068)
Income from insurance services	9,510	48,355	258,686	316,551
Total investment income, net	357,214	3,009,626	16,312	3,383,152
Finance income (expenses), net arising from insurance contracts	(376,134)	(3,004,230)	94,933	(3,285,431)
Finance income (expenses), net arising from reinsurance contracts	(1,263)	-	902	(361)
Income (loss) from investments and financing, net	(20,183)	5,396	112,147	97,360
Income (loss), net from insurance and investment	(10,673)	53,751	370,833	413,911
(*) Of which:				
Claims and other insurance service expenses incurred	(56,836)	(440,262)	(670,704)	(1,167,802)
Changes relating to past service - adjustment for liabilities for incurred claims	(2,552)	(902)	11,863	8,409
<b>(2) Details of assets and by main portfolio groups</b>				
<u>Gross and reinsurance data, as of December 31, 2024</u>				
Liabilities, net for insurance contracts	6,589,215	28,049,521	(329,437)	34,309,299
Balance of accounts payable (receivable), net				(128,618)
Total liabilities, net for insurance contracts (**)				34,180,681
(**) Of which: Insurance contract assets	-	-	547,535	547,535
Liabilities (assets), net for reinsurance contracts	10,704	-	(127,821)	(117,117)
Balance of accounts payable, net				166,028
Total liabilities, net for reinsurance contracts				48,911
<b>(3) Gross data</b>				
Gross premiums for insurance contracts net of reimbursement of premiums (***)	102,145	1,625,023	873,743	2,600,911
(***) Of which: Savings component	97,664	1,414,689	-	1,512,353
Variable management fees	-	-	-	-
Fixed management fees	-	236,698	-	236,698
One-off premium for insurance contracts	71,228	549,264	-	620,492

## Notes to the Consolidated Interim Financial Statements

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

#### B. Health Insurance Segment

	For the 6 months ended June 30, 2025				
	LTC		Health Insurance - other		
	Individual	Collective	Medical expenses and disabilities -		
			individual	Other	Total
Unaudited					
NIS thousand					
<b>(1) Details of the results by main portfolio groups</b>					
Amounts recognized in profit or loss:					
Revenues from insurance services	87,784	15,510	500,749	428,915	1,032,958
Expenses from insurance services (*)	(55,341)	(9,593)	(383,791)	(289,791)	(738,516)
Income from insurance services before reinsurance policies held	32,443	5,917	116,958	139,124	294,442
Reinsurance expenses	(39,030)	(1,138)	(70,223)	(46,586)	(156,977)
Reinsurance revenues	26,971	(3,130)	57,528	35,897	117,266
Net expenses from reinsurance contracts held	(12,059)	(4,268)	(12,695)	(10,689)	(39,711)
Income from insurance services	20,384	1,649	104,263	128,435	254,731
Total investment income, net	107,849	79,660	13,598	1,733	202,840
Finance income (expenses), net arising from insurance contracts	(126,241)	(81,559)	3,424	92,577	(111,799)
Finance income, net arising from reinsurance contracts	15,863	265	24,977	316	41,421
Income (loss) from investments and financing, net	(2,529)	(1,634)	41,999	94,626	132,462
Income, net from insurance and investment	17,855	15	146,262	223,061	387,193
(*) Of which:					
Claims and other insurance service expenses incurred	(64,163)	(13,397)	(400,917)	(245,848)	(724,325)
Changes relating to past service - adjustment for liabilities for incurred claims	8,829	3,804	26,272	-	38,905
<b>(2) Details of assets and by main portfolio groups</b>					
<u>Gross and reinsurance data, as of June 30, 2025</u>					
Liabilities, net for insurance contracts	2,844,276	1,421,924	973,994	(728,098)	4,512,096
Balance of accounts receivable, net					(115,723)
Total liabilities, net for insurance contracts (**)					4,396,373
(**) Of which: Insurance contract assets	-	-	-	817,052	817,052
Assets, net for reinsurance contracts	700,207	125,024	771,909	78,950	1,676,090
Balance of accounts payable, net					(324,319)
Total assets, net for reinsurance contracts					1,351,771
<b>(3) Gross data</b>					
Gross premiums net of reimbursement of premiums	62,904	64,986	461,774	384,573	974,237

## Notes to the Consolidated Interim Financial Statements

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

#### B. Health Insurance Segment (cont.)

	For the 6 months ended June 30, 2024				
	LTC		Health Insurance - other		
	Individual	Collective	Medical expenses and disabilities -		
			individual	Other	Total
Unaudited					
NIS thousand					
(1) Details of the results by main portfolio groups					
Amounts recognized in profit or loss:					
Revenues from insurance services	81,545	70,364	436,242	428,166	1,016,317
Expenses from insurance services (*)	(67,898)	(60,505)	(361,861)	(284,996)	(775,260)
Income from insurance services before reinsurance policies held	13,647	9,859	74,381	143,170	241,057
Reinsurance expenses	(34,749)	(30,606)	(66,296)	(49,009)	(180,660)
Reinsurance revenues	35,550	24,686	63,955	37,955	162,146
Revenues (expenses), net from reinsurance contracts held	801	(5,920)	(2,341)	(11,054)	(18,514)
Income from insurance services	14,448	3,939	72,040	132,116	222,543
Total investment income, net	13,366	70,316	1,150	1,116	85,948
Finance income (expenses), net arising from insurance contracts	104,971	(74,922)	(110,673)	(150,741)	(231,365)
Finance income (expenses), net arising from reinsurance contracts	(10,025)	1,904	(18,400)	9,007	(17,514)
Income (loss) from investments and financing, net	108,312	(2,702)	(127,923)	(140,618)	(162,931)
Income (loss), net from insurance and investment	122,760	1,237	(55,883)	(8,502)	59,612
(*) Of which:					
Claims and other insurance service expenses incurred	(75,223)	(61,217)	(362,570)	(246,227)	(745,237)
Changes relating to past service - adjustment for liabilities for incurred claims	7,327	712	5,694	-	13,733
(2) Details of assets and by main portfolio groups					
Gross and reinsurance data, as of June 30, 2024					
Liabilities, net for insurance contracts	2,498,868	1,821,319	1,173,960	(234,125)	5,260,022
Balance of accounts receivable, net					(113,403)
Total liabilities, net for insurance contracts (**)					5,146,619
(**) Of which: Insurance contract assets	-	-	-	316,058	316,058
Assets, net for reinsurance contracts	676,868	174,526	713,419	92,922	1,657,735
Balance of accounts payable, net					(311,381)
Total assets, net for reinsurance contracts					1,346,354
(3) Gross data					
Gross premiums net of reimbursement of premiums	61,115	291,179	411,699	348,053	1,112,046

## Notes to the Consolidated Interim Financial Statements

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

#### B. Health Insurance Segment (cont.)

	For the 3 months ended June 30, 2025				
	LTC		Health Insurance - other		
	Individual	Collective	Medical expenses and disabilities -		
			individual	Other	Total
			Unaudited		
			NIS thousand		
<b>(1) Details of the results by main portfolio groups</b>					
Amounts recognized in profit or loss:					
Revenues from insurance services	44,482	8,185	255,276	217,046	524,989
Expenses from insurance services (*)	(24,140)	(1,437)	(175,894)	(151,486)	(352,957)
Income from insurance services before reinsurance policies held	20,342	6,748	79,382	65,560	172,032
Reinsurance expenses	(19,960)	(616)	(34,097)	(22,896)	(77,569)
Reinsurance revenues	11,374	(2,341)	23,182	19,164	51,379
Net expenses from reinsurance contracts held	(8,586)	(2,957)	(10,915)	(3,732)	(26,190)
Income from insurance services	11,756	3,791	68,467	61,828	145,842
Total investment income, net	91,040	71,651	11,150	1,133	174,974
Finance income (expenses), net arising from insurance contracts	(166,500)	(73,131)	49,920	140,006	(49,705)
Finance income (expenses), net arising from reinsurance contracts	20,106	(1,409)	33,985	(2,584)	50,098
Income (loss) from investments and financing, net	(55,354)	(2,889)	95,055	138,555	175,367
Income (loss), net from insurance and investment	(43,598)	902	163,522	200,383	321,209
(*) Of which:					
Claims and other insurance service expenses incurred	(25,160)	(5,552)	(175,315)	(121,604)	(327,631)
Changes relating to past service - adjustment for liabilities for incurred claims	1,022	4,115	3,894	-	9,031
<b>(2) Gross data</b>					
Gross premiums net of reimbursement of premiums	31,657	33,584	232,540	185,280	483,061

## Notes to the Consolidated Interim Financial Statements

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

#### B. Health Insurance Segment (cont.)

	For the 3 months ended June 30, 2024				
	LTC		Health Insurance - other		
	Individual	Collective	Medical expenses and disabilities -		
			individual	Other	Total
			Unaudited		
			NIS thousand		
<b>(1) Details of the results by main portfolio groups</b>					
Amounts recognized in profit or loss:					
Revenues from insurance services	40,068	26,778	222,079	218,407	507,332
Expenses from insurance services (*)	(41,490)	(17,887)	(173,317)	(146,683)	(379,377)
Income from insurance services before reinsurance policies held	(1,422)	8,891	48,762	71,724	127,955
Reinsurance expenses	(16,686)	(10,860)	(32,627)	(24,147)	(84,320)
Reinsurance revenues	22,587	6,731	31,797	19,469	80,584
Revenues (expenses), net from reinsurance contracts held	5,901	(4,129)	(830)	(4,678)	(3,736)
Income from insurance services	4,479	4,762	47,932	67,046	124,219
Total investment gains (losses), net	(8,229)	2,658	(2,319)	(585)	(8,475)
Finance income (expenses), net arising from insurance contracts	166,845	(6,357)	(93,720)	(151,380)	(84,612)
Finance income (expenses), net arising from reinsurance contracts	(15,724)	621	(24,013)	7,650	(31,466)
Income (loss) from investments and financing, net	142,892	(3,078)	(120,052)	(144,315)	(124,553)
Income (loss), net from insurance and investment	147,371	1,684	(72,120)	(77,269)	(334)
(*) Of which:					
Claims and other insurance service expenses incurred	(42,879)	(19,919)	(170,702)	(120,049)	(353,549)
Changes relating to past service - adjustment for liabilities for incurred claims	1,388	2,032	(1,518)	-	1,902
<b>(2) Gross data</b>					
Gross premiums net of reimbursement of premiums	30,742	121,886	209,065	168,758	530,451

## Notes to the Consolidated Interim Financial Statements

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

#### B. Health Insurance Segment (cont.)

	For the year ended December 31, 2024				
	LTC		Health Insurance - other		
	Individual	Collective	Medical expenses and disabilities - individual		
			Unaudited	Other	Total
NIS thousand					
(1) Details of the results by main portfolio groups					
Amounts recognized in profit or loss:					
Revenues from insurance services	166,816	125,442	905,105	853,961	2,051,324
Expenses from insurance services (*)	(128,825)	(110,749)	(750,545)	(555,994)	(1,546,113)
Income from insurance services before reinsurance policies held	37,991	14,693	154,560	297,967	505,211
Reinsurance expenses	(70,537)	(51,093)	(130,694)	(96,542)	(348,866)
Reinsurance revenues	64,046	34,564	134,377	73,295	306,282
Revenues (expenses), net from reinsurance contracts held	(6,491)	(16,529)	3,683	(23,247)	(42,584)
Income (loss) from insurance services	31,500	(1,836)	158,243	274,720	462,627
Total investment income, net	137,064	177,059	24,950	2,823	341,896
Finance income (expenses), net arising from insurance contracts	(178,534)	(183,578)	(50,588)	75,591	(337,109)
Finance income, net arising from reinsurance contracts	22,277	10,131	40,648	4,580	77,636
Income (loss) from investments and financing, net	(19,193)	3,612	15,010	82,994	82,423
Income, net from insurance and investment	12,307	1,776	173,253	357,714	545,050
(*) Of which:					
Claims and other insurance service expenses incurred	(128,819)	(116,109)	(738,134)	(494,971)	(1,478,033)
Changes relating to past service - adjustment for liabilities for incurred claims	-	5,360	-	-	5,360
(2) Details of assets and by main portfolio groups					
Gross and reinsurance data, as of December 31, 2024					
Liabilities, net for insurance contracts	2,754,134	1,903,445	1,052,298	(567,391)	5,142,486
Balance of accounts receivable, net					(46,876)
Total liabilities, net for insurance contracts (**)					5,095,610
(**) Of which: Insurance contract assets	-	-	-	637,549	637,549
Assets, net for reinsurance contracts	697,713	159,308	764,579	82,155	1,703,755
Balance of accounts payable, net					(305,690)
Total assets, net for reinsurance contracts					1,398,065
(3) Gross data					
Gross premiums net of reimbursement of premiums	123,426	547,784	853,044	694,547	2,218,801

## Notes to the Consolidated Interim Financial Statements

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

#### C. Property and Casualty Insurance Segment

	For the 6 months ended June 30, 2025			
	Compulsory	Motor		
	Motor	Property	Other	Total
	Unaudited			
	NIS thousand			
<b>(1) Details of the results by main portfolio groups</b>				
<u>Amounts recognized in profit or loss:</u>				
Revenues from insurance services	485,379	935,845	863,648	2,284,872
Expenses from insurance services (*)	(439,801)	(731,027)	(668,831)	(1,839,659)
Income from insurance services before reinsurance policies held	45,578	204,818	194,817	445,213
Reinsurance expenses	(13,956)	(1,972)	(477,578)	(493,506)
Reinsurance revenues	24,263	2,011	396,173	422,447
Revenues (expenses), net from reinsurance contracts held	10,307	39	(81,405)	(71,059)
Income from insurance services	55,885	204,857	113,412	374,154
Total investment income, net	104,160	42,943	32,694	179,797
Finance expenses, net arising from insurance contracts	(71,353)	(11,137)	(56,457)	(138,947)
Finance income, net arising from reinsurance contracts	10,862	(2)	38,793	49,653
Net investment and finance income	43,669	31,804	15,030	90,503
Net income from insurance and investment recognized in profit or loss	99,554	236,661	128,442	464,657
<u>(*) Of which:</u>				
Claims and other insurance service expenses incurred	(420,622)	(558,782)	(414,109)	(1,393,513)
Changes relating to past service - adjustment for liabilities for incurred claims	22,997	16,776	(102,857)	(63,084)
<b>(2) Details of assets and by main portfolio groups</b>				
<u>Gross and reinsurance data, as of June 30, 2025</u>				
Liabilities, net for insurance contracts	3,553,475	1,073,478	3,193,445	7,820,398
Balances of accounts receivable and payable, net				(531,496)
Total liabilities, net for insurance contracts (**)				7,288,902
<u>(**) Of which: Insurance contract assets</u>				
Assets, net for reinsurance contracts	275,613	5,845	2,345,047	2,626,505
Balances of accounts receivable and payable, net				(477,656)
Assets, net for reinsurance contracts				2,148,849
<b>(3) Additional information</b>				
<u>Gross data</u>				
Gross premiums for insurance contracts net of reimbursement of premiums	585,877	1,075,874	904,406	2,566,157

## Notes to the Consolidated Interim Financial Statements

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

#### C. Property and Casualty Insurance Segment (cont.)

	For the 6 months ended June 30, 2024			
	Compulsory Motor	Motor Property	Other	Total
	Unaudited			
	NIS thousand			
<b>(1) Details of the results by main portfolio groups</b>				
<u>Amounts recognized in profit or loss:</u>				
Revenues from insurance services	433,138	888,984	812,009	2,134,131
Expenses from insurance services (*)	(385,815)	(675,480)	(585,379)	(1,646,674)
Income from insurance services before reinsurance policies held	47,323	213,504	226,630	487,457
Reinsurance expenses	(19,373)	(3,445)	(485,147)	(507,965)
Reinsurance revenues	19,994	(5,526)	380,971	395,439
Revenues (expenses), net from reinsurance contracts held	621	(8,971)	(104,176)	(112,526)
Income from insurance services	47,944	204,533	122,454	374,931
Total investment income, net	47,556	26,802	22,109	96,467
Finance expenses, net arising from insurance contracts	(46,822)	(12,448)	(35,033)	(94,303)
Finance income, net arising from reinsurance contracts	6,010	578	23,792	30,380
Net investment and finance income	6,744	14,932	10,868	32,544
Net income from insurance and investment recognized in profit or loss	54,688	219,465	133,322	407,475
<u>(*) Of which:</u>				
Claims and other insurance service expenses incurred	(370,996)	(568,363)	(460,851)	(1,400,210)
Changes relating to past service - adjustment for liabilities for incurred claims	20,669	67,844	4,397	92,910
<b>(2) Details of assets and by main portfolio groups</b>				
<u>Gross and reinsurance data, as of June 30, 2024</u>				
Liabilities, net for insurance contracts	3,294,771	1,024,836	2,976,449	7,296,056
Balances of accounts receivable and payable, net				(543,207)
Total liabilities, net for insurance contracts (**)				6,752,849
<u>(**) Of which: Insurance contract assets</u>				
Assets, net for reinsurance contracts	308,940	17,122	2,128,440	2,454,502
Balances of accounts receivable and payable, net				(547,457)
Assets, net for reinsurance contracts				1,907,045
<b>(3) Additional information</b>				
<u>Gross data</u>				
Gross premiums for insurance contracts net of reimbursement of premiums	586,752	1,065,251	909,401	2,561,404

## Notes to the Consolidated Interim Financial Statements

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

#### C. Property and Casualty Insurance Segment (cont.)

	For the 3 months ended June 30, 2025			
	Compulsory Motor	Motor Property	Other	Total
	Unaudited			
	NIS thousand			
<b>(1) Details of the results by main portfolio groups</b>				
Amounts recognized in profit or loss:				
Revenues from insurance services	251,427	476,862	430,485	1,158,774
Expenses from insurance services (*)	(220,457)	(379,909)	(269,970)	(870,336)
Income from insurance services before reinsurance policies held	30,970	96,953	160,515	288,438
Reinsurance expenses	(5,332)	(318)	(212,348)	(217,998)
Reinsurance revenues	10,618	448	126,466	137,532
Net expenses from reinsurance contracts held	5,286	130	(85,882)	(80,466)
Income from insurance services	36,256	97,083	74,633	207,972
Total investment income, net	76,288	29,770	21,392	127,450
Finance expenses, net arising from insurance contracts	(61,446)	(8,268)	(49,569)	(119,283)
Finance income, net arising from reinsurance contracts	9,347	(60)	34,434	43,721
Net investment and finance income	24,189	21,442	6,257	51,888
Net income from insurance and investment recognized in profit or loss	60,445	118,525	80,890	259,860
(*) Of which:				
Claims and other insurance service expenses incurred	(220,456)	(266,932)	(187,817)	(675,205)
Changes relating to past service - adjustment for liabilities for incurred claims	22,765	(13,927)	(793)	8,045
<b>(2) Additional information</b>				
Gross data				
Gross premiums for insurance contracts net of reimbursement of premiums	285,217	426,312	425,779	1,137,308

## Notes to the Consolidated Interim Financial Statements

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

#### C. Property and Casualty Insurance Segment (cont.)

	For the 3 months ended June 30, 2024			
	Compulsory	Motor		
	Motor	Property	Other	Total
	Unaudited			
	NIS thousand			
<b>(1) Details of the results by main portfolio groups</b>				
<u>Amounts recognized in profit or loss:</u>				
Revenues from insurance services	232,656	452,196	429,474	1,114,326
Expenses from insurance services (*)	(201,251)	(327,686)	(345,423)	(874,360)
Income from insurance services before reinsurance policies held	31,405	124,510	84,051	239,966
Reinsurance expenses	(11,009)	(1,827)	(255,876)	(268,712)
Reinsurance revenues	6,115	(100)	247,706	253,721
Net expenses from reinsurance contracts held	(4,894)	(1,927)	(8,170)	(14,991)
Income from insurance services	26,511	122,583	75,881	224,975
Total investment gains (losses), net	(176)	4,965	3,322	8,111
Finance expenses, net arising from insurance contracts	(17,474)	(8,797)	(15,236)	(41,507)
Finance income, net arising from reinsurance contracts	700	378	10,620	11,698
Loss from investments and financing, net	(16,950)	(3,454)	(1,294)	(21,698)
Net income from insurance and investment recognized in profit or loss	9,561	119,129	74,587	203,277
<u>(*) Of which:</u>				
Claims and other insurance service expenses incurred	(195,868)	(257,706)	(262,859)	(716,433)
Changes relating to past service - adjustment for liabilities for incurred claims	15,435	19,628	(9,950)	25,113
<b>(2) Additional information</b>				
<u>Gross data</u>				
Gross premiums for insurance contracts net of reimbursement of premiums	262,979	443,339	459,024	1,165,342

## Notes to the Consolidated Interim Financial Statements

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

#### C. Property and Casualty Insurance Segment (cont.)

	For the year ended December 31, 2024			
	Compulsory	Motor		
	Motor	Property	Other	Total
	Unaudited			
	NIS thousand			
<b>(1) Details of the results by main portfolio groups</b>				
<u>Amounts recognized in profit or loss:</u>				
Revenues from insurance services	896,881	1,826,319	1,666,272	4,389,472
Expenses from insurance services (*)	(812,526)	(1,462,902)	(1,033,294)	(3,308,722)
Income from insurance services before reinsurance policies held	84,355	363,417	632,978	1,080,750
Reinsurance expenses	(36,861)	(8,035)	(961,365)	(1,006,261)
Reinsurance revenues	35,295	(4,661)	626,141	656,775
Net expenses from reinsurance contracts held	(1,566)	(12,696)	(335,224)	(349,486)
Income from insurance services	82,789	350,721	297,754	731,264
Total investment income, net	156,127	98,209	70,986	325,322
Finance expenses, net arising from insurance contracts	(131,325)	(21,085)	(101,259)	(253,669)
Finance income, net arising from reinsurance contracts	14,527	1,040	63,527	79,094
Net investment and finance income	39,329	78,164	33,254	150,747
Net income from insurance and investment recognized in profit or loss	122,118	428,885	331,008	882,011
<b>(*) Of which:</b>				
Claims and other insurance service expenses incurred	(771,661)	(1,161,128)	(904,249)	(2,837,038)
Changes relating to past service - adjustment for liabilities for incurred claims	40,753	69,333	136,229	246,315
<b>(2) Details of assets and by main portfolio groups</b>				
<u>Gross and reinsurance data, as of December 31, 2024</u>				
Liabilities, net for insurance contracts	3,403,479	980,841	2,940,757	7,325,077
Balances of accounts receivable and payable, net				(530,476)
Total liabilities, net for insurance contracts (**)				6,794,601
<b>(**) Of which: Insurance contract assets</b>				
Assets, net for reinsurance contracts	242,805	10,851	2,131,365	2,385,021
Balances of accounts receivable and payable, net				(515,198)
Assets, net for reinsurance contracts				1,869,823
<b>(3) Additional information</b>				
<u>Gross data</u>				
Gross premiums for insurance contracts net of reimbursement of premiums	981,112	1,893,899	1,750,798	4,625,809

## Notes to the Consolidated Interim Financial Statements

### NOTE 5 - BUSINESS COMBINATION

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

Since the loan granted by Fund Management to Yesodot can be converted into shares immediately at a rate that will grant Fund Management control in Yesodot, Fund Management is handling this transaction by way of a business combination and credits 100% of Yesodot's capital to non-controlling interests.

The Company recognized the fair value of the assets acquired and the liabilities assumed as part of the business combination according to a provisional measurement. As of the approval date of the financial statements, a final valuation has not yet been received by an external appraiser with respect to the fair value of the identified assets acquired and the liabilities assumed. A final adjustment of the consideration for the acquisition, as well as the fair value of the assets and liabilities purchased can be carried out up to 12 months from the acquisition date. At the final measurement date, the adjustments are made by way of a restating the comparative figures previously reported according to the provisional measurement.

	<b>Fair value</b>
	<b>NIS thousand</b>
Intangible assets	23,330
Property, plant & equipment	12,556
Receivables and debit balances	8,991
Other financial investments measured at depreciated cost	955,417
Cash and cash equivalents	204,779
	<u>1,205,073</u>
Liabilities for deferred taxes	3,705
Liability for current taxes	4,646
Payables and credit balances	13,400
Loans and credit	1,142,102
	<u>1,163,853</u>
Net identifiable assets	41,220
Goodwill arising from the acquisition *)	3,606
Non-controlling interests **)	(41,220)
Total acquisition cost	<u>3,606</u>

\*) The goodwill arising from the acquisition is attributed to the expected benefits from the synergy arising from combining the activities of the Company and Yesodot

\*\*\*) The Company measured the non-controlling interests in Yesodot according to their share in the net identified assets.

#### Cash arising from the acquisition:

Cash and cash equivalents in Yesodot as of the acquisition date	<u>4,779</u>
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The fair value of the assets and liabilities of Yesodot is determined by an independent external appraiser. In accordance with the valuation, the excess cost was attributed to the acquired assets and the amortization period of the excess cost was determined as detailed below:

## Notes to the Consolidated Interim Financial Statements

### NOTE 5 - BUSINESS COMBINATION (cont.)

	Amortization period	Amortization method
Customer relations	2025-2030	Straight line
Brand	2025-2030	Straight line

### NOTE 6 - FINANCIAL INVESTMENTS AND DERIVATIVE INSTRUMENTS

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

	As of June 30		As of December 31
	2025	2024	2024
	Unaudited		
	NIS thousand		
<b>Debt instruments:</b>			
<u>Illiquid debt instruments:</u>			
Deposits with banks and financial institutions	86,711	296,499	118,353
Illiquid corporate bonds	173,990	185,506	179,097
Loans (including investees)	2,919,457	3,413,076	3,108,759
Other illiquid debt instruments	172,734	157,601	163,102
Total illiquid debt instruments *)	3,352,892	4,052,682	3,569,311
<u>Liquid debt instruments:</u>			
Government Bonds	4,626,736	4,361,931	4,618,330
Liquid corporate bonds	4,657,263	4,863,838	4,774,636
Total liquid debt instruments	9,283,999	9,225,769	9,392,966
Total debt instruments	12,636,891	13,278,451	12,962,277
<b>Equity instruments:</b>			
<u>Illiquid equity instruments:</u>			
Illiquid shares	511,574	507,288	505,592
<u>Liquid equity instruments:</u>			
Liquid shares	9,571,585	8,479,093	9,137,491
Total equity instruments	10,083,159	8,986,381	9,643,083
<b>Other investments:</b>			
Other investments **)	10,539,006	9,166,404	10,464,137
Derivative instruments ***)	537,794	81,602	31,725
Total other financial investments	11,076,800	9,248,006	10,495,862
<b>Total financial investments</b>	<b>33,796,850</b>	<b>31,512,838</b>	<b>33,101,222</b>
<b>Held-for-trading financial liabilities ***)</b>	<b>75,341</b>	<b>316,414</b>	<b>242,449</b>
*) Including assets measured based on amortized cost	109,122	307,938	118,292
Fair value of said debt assets	110,095	302,511	116,257

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

\*\*\*) Derivative instruments mainly include derivatives and options.

## Notes to the Consolidated Interim Financial Statements

### NOTE 6 - FINANCIAL INVESTMENTS AND DERIVATIVE INSTRUMENTS (cont.)

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

	As of June 30, 2025		
	Financial investments measured at fair value through profit or loss	Financial investments measured at amortized cost	Total
	Unaudited		
	NIS thousand		
<b>Debt instruments:</b>			
<u>Illiquid debt instruments:</u>			
Deposits with banks and financial institutions	68,585	179,087	247,672
Treasury deposits	-	4,583,339	4,583,339
Designated bonds	3,186,944	-	3,186,944
Illiquid corporate bonds	270,356	250,711	521,067
Loans (including investees)	2,830,564	5,167,576	7,998,140
Total illiquid debt instruments	6,356,449	10,180,713	16,537,162
<u>Liquid debt instruments:</u>			
Government Bonds	3,325,663	-	3,325,663
Liquid corporate bonds	2,062,057	-	2,062,057
Other liquid debt instruments	22,314	-	22,314
Total liquid debt instruments	5,410,034	-	5,410,034
Total debt instruments	11,766,483	10,180,713	21,947,196
Balance of credit loss provision	-	192,970	192,970
<b>Equity instruments:</b>			
<u>Illiquid equity instruments:</u>			
Illiquid shares	326,793	-	326,793
<u>Liquid equity instruments:</u>			
Liquid shares	1,018,047	-	1,018,047
Total equity instruments	1,344,840	-	1,344,840
<b>Other investments:</b>			
Other investments *)	3,869,699	-	3,869,699
Derivative instruments **)	166,828	-	166,828
Total other financial investments	4,036,527	-	4,036,527
<b>Total financial investments</b>	<b>17,147,850</b>	<b>10,180,713</b>	<b>27,328,563</b>
<b>Held-for-trading financial liabilities **)</b>	<b>55,220</b>		

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

\*\*) Derivative instruments mainly include derivatives and options.

## Notes to the Consolidated Interim Financial Statements

### NOTE 6 - FINANCIAL INVESTMENTS AND DERIVATIVE INSTRUMENTS (cont.)

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

	As of June 30, 2024		
	Financial investments measured at fair value through profit or loss	Financial investments measured at amortized cost	Total
	Unaudited		
	NIS thousand		
<b>Debt instruments:</b>			
<u>Illiquid debt instruments:</u>			
Deposits with banks and financial institutions	124,784	330,012	454,796
Treasury deposits	-	4,495,909	4,495,909
Designated bonds	3,023,356	-	3,023,356
Illiquid corporate bonds	279,442	241,336	520,778
Loans (including investees)	2,940,494	4,098,180	7,038,674
Total illiquid debt instruments	6,368,076	9,165,437	15,533,513
<u>Liquid debt instruments:</u>			
Government Bonds	2,026,963	-	2,026,963
Liquid corporate bonds	2,228,613	-	2,228,613
Other liquid debt instruments	17,870	-	17,870
Total liquid debt instruments	4,273,446	-	4,273,446
Total debt instruments	10,641,522	9,165,437	19,806,959
Balance of credit loss provision	-	228,458	228,458
<b>Equity instruments:</b>			
<u>Illiquid equity instruments:</u>			
Illiquid shares	328,354	-	328,354
<u>Liquid equity instruments:</u>			
Liquid shares	813,211	-	813,211
Total equity instruments	1,141,565	-	1,141,565
<b>Other investments:</b>			
Other investments *)	3,399,715	-	3,399,715
Derivative instruments **)	21,182	-	21,182
Total other financial investments	3,420,897	-	3,420,897
<b>Total financial investments</b>	<b>15,203,984</b>	<b>9,165,437</b>	<b>24,369,421</b>
<b>Held-for-trading financial liabilities **)</b>	<b>107,472</b>		

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

\*\*) Derivative instruments mainly include derivatives and options.

## Notes to the Consolidated Interim Financial Statements

### NOTE 6 - FINANCIAL INVESTMENTS AND DERIVATIVE INSTRUMENTS (cont.)

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

	As of December 31, 2024		
	Financial investments measured at fair value through profit or loss	Financial investments measured at amortized cost	Total
	Unaudited		
	NIS thousand		
<b>Debt instruments:</b>			
<u>Illiquid debt instruments:</u>			
Deposits with banks and financial institutions	128,008	181,494	309,502
Treasury deposits	-	4,538,024	4,538,024
Designated bonds	3,143,931	-	3,143,931
Illiquid corporate bonds	275,058	253,516	528,574
Loans (including investees)	2,907,752	4,282,991	7,190,743
Total illiquid debt instruments	6,454,749	9,256,025	15,710,774
<u>Liquid debt instruments:</u>			
Government Bonds	2,390,994	-	2,390,994
Liquid corporate bonds	2,117,341	-	2,117,341
Other liquid debt instruments	15,849	-	15,849
Total liquid debt instruments	4,524,184	-	4,524,184
Total debt instruments	10,978,933	9,256,025	20,234,958
Balance of credit loss provision	-	217,707	217,707
<b>Equity instruments:</b>			
<u>Illiquid equity instruments:</u>			
Illiquid shares	317,036	-	317,036
<u>Liquid equity instruments:</u>			
Liquid shares	842,014	-	842,014
Total equity instruments	1,159,050	-	1,159,050
<b>Other investments:</b>			
Other investments *)	3,709,949	-	3,709,949
Derivative instruments **)	47,615	-	47,615
Total other financial investments	3,757,564	-	3,757,564
<b>Total financial investments</b>	<b>15,895,547</b>	<b>9,256,025</b>	<b>25,151,572</b>
<b>Held-for-trading financial liabilities **)</b>	<b>52,268</b>		

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

\*\*) Derivative instruments mainly include derivatives and options.

## Notes to the Consolidated Interim Financial Statements

### NOTE 6 - FINANCIAL INVESTMENTS AND DERIVATIVE INSTRUMENTS (cont.)

- C. Current expected credit losses - 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			
<u>Balance as of January 1, 2025</u>	40,776	20,476	156,455	217,707
Provision during the year	3,928	1,764	15,087	20,779
Transfers between measurement groups of credit losses	(1,303)	3,551	10,567	12,815
Credit losses recognized at purchase date of the financial asset	10,224	-	11,137	21,361
Cancellation in respect of collected debts	(19,113)	(2,568)	(6,601)	(28,282)
Derecognized financial assets	-	-	(51,410)	(51,410)
<u>Balance as of June 30, 2025</u>	<u>34,512</u>	<u>23,223</u>	<u>135,235</u>	<u>192,970</u>
Balance of investments in debt instruments before provision for impairment	<u>9,558,860</u>	<u>358,965</u>	<u>455,858</u>	<u>10,373,683</u>

	Credit losses for 12 months	Credit losses - remaining life	Credit-impaired financial assets	Total
	Unaudited			
	NIS thousand			
<u>Balance as of January 1, 2024 (audited)</u>	27,919	16,203	151,802	195,924
Provision during the year	4,320	4,184	9,438	17,942
Transfers between measurement groups of credit losses	(438)	2,574	18,683	20,819
Credit losses recognized at purchase date of the financial asset	9,497	-	14,251	23,748
Cancellation in respect of collected debts	(12,982)	(3,882)	-	(16,864)
Derecognized financial assets	-	-	(13,111)	(13,111)
<u>Balance as of June 30, 2024</u>	<u>28,316</u>	<u>19,079</u>	<u>181,063</u>	<u>228,458</u>
Balance of investments in debt instruments before provision for impairment	<u>8,541,799</u>	<u>335,671</u>	<u>516,425</u>	<u>9,393,895</u>

## Notes to the Consolidated Interim Financial Statements

### NOTE 6 - FINANCIAL INVESTMENTS AND DERIVATIVE INSTRUMENTS (cont.)

#### C. Current expected credit losses - 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			
<u>Balance as of April 1, 2025</u>	41,354	22,113	141,365	204,832
Provision during the year	128	354	21,886	22,368
Transfers between measurement groups of credit losses	430	40	3,435	3,905
Credit losses recognized at purchase date of the financial asset	4,092	-	5,314	9,406
Cancellation in respect of collected debts	(11,492)	716	(6,601)	(17,377)
Derecognized financial assets	-	-	(30,164)	(30,164)
<u>Balance as of June 30, 2025</u>	<u>34,512</u>	<u>23,223</u>	<u>135,235</u>	<u>192,970</u>
Balance of investments in debt instruments before provision for impairment	<u>9,558,860</u>	<u>358,965</u>	<u>455,858</u>	<u>10,373,683</u>

	Credit losses for 12 months	Credit losses - remaining life	Credit- impaired financial assets	Total
	Unaudited			
	NIS thousand			
<u>Balance as of April 1, 2024</u>	27,066	15,034	165,988	208,088
Provision during the year	3,370	3,067	6,214	12,651
Transfers between measurement groups of credit losses	(231)	1,795	8,512	10,076
Credit losses recognized at purchase date of the financial asset	4,287	-	6,876	11,163
Cancellation in respect of collected debts	(6,176)	(817)	-	(6,993)
Derecognized financial assets	-	-	(6,527)	(6,527)
<u>Balance as of June 30, 2024</u>	<u>28,316</u>	<u>19,079</u>	<u>181,063</u>	<u>228,458</u>
Balance of investments in debt instruments before provision for impairment	<u>8,541,799</u>	<u>335,671</u>	<u>516,425</u>	<u>9,393,895</u>

## Notes to the Consolidated Interim Financial Statements

### NOTE 6 - FINANCIAL INVESTMENTS AND DERIVATIVE INSTRUMENTS (cont.)

#### C. Current expected credit losses - 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			
<u>Balance as of January 1, 2024 (audited)</u>	27,919	16,203	151,802	195,924
Provision during the year	19,161	5,929	25,815	50,905
Transfers between measurement groups of credit losses	(2,060)	4,478	46,008	48,426
Credit losses recognized at purchase date of the financial asset	24,389	-	24,856	49,245
Cancellation in respect of collected debts	(28,633)	(6,134)	-	(34,767)
Derecognized financial assets	-	-	(92,026)	(92,026)
<u>Balance as of December 31, 2024</u>	<u>40,776</u>	<u>20,476</u>	<u>156,455</u>	<u>217,707</u>
Balance of investments in debt instruments before provision for impairment	<u>8,598,649</u>	<u>365,969</u>	<u>509,114</u>	<u>9,473,732</u>

## Notes to the Consolidated Interim Financial Statements

### NOTE 7 - LOANS AND CREDIT

	As of June 30		As of
	2025	2024	December 31
			2024
	Carrying value		
	Unaudited		
	NIS thousand		
1. <u>Financial liabilities presented at amortized cost:</u>			
Loans from banking corporations	2,383,058	1,503,832	1,573,578
Non-convertible bonds	2,317,691	2,255,818	1,911,513
Liabilities for financial guarantee contracts	11,930	13,058	12,986
Liabilities to pay standing orders	775,258	702,096	753,319
Lease liabilities	68,258	71,837	65,320
Loan from non-controlling interests	5,519	-	-
Total loans and credit presented at amortized cost	5,561,714	4,546,641	4,316,716
2. <u>Liabilities presented at fair value through profit or loss (excluding derivatives)</u>			
Liabilities for options granted to non-controlling interests	188,688	179,805	185,836
Total financial liabilities	5,750,402	4,726,446	4,502,552
Of which subordinated notes that constitute capital for Tier 2 capital purposes	2,207,931	2,092,959	1,802,145

## Notes to the Consolidated Interim Financial Statements

### NOTE 7 - LOANS AND CREDIT (cont.)

#### Issuing subordinated notes

On March 24, 2025, following the publication of the rating report for the Subordinated Notes (Series I), which were rated Aa3 (with a stable outlook) by Midroog Ltd., and subsequent to the publication of the Shelf Offering Report, a sub-subsidiary of Menora Mivtachim Gius Hon Ltd. (hereinafter – “**Menora Capital Raising**”), raised NIS 400,000,000, through the allocation to the public of Subordinated Notes (Series I) totaling NIS 400,000,000 of NIS 1 p.v. each of Menora Capital Raising.

The principal of the Subordinated Notes (Series I) is repayable in one lump sum on September 30, 2035 and is unlinked. The outstanding balance of the principal shall bear an annual fixed interest of 5.02%. The interest in respect of the Subordinated Notes (Series I) shall be paid twice a year on March 31 of each of the years 2026 through 2035 and on September 30 of each of the years 2025 through 2035, such that the first interest payment date shall be September 30, 2025 and the last interest payment date shall be September 30, 2035. Each interest payment will be paid for a period of six months, beginning on the date of the previous interest payment and ending on the last day before the date of the current interest payment except for the first interest payment payable on September 30, 2025; this payment will be calculated for the period beginning on the first trading day after the time of closing of the subscriptions list and ending on the last day before the date of the first interest payment, i.e. the period ending on September 29, 2025 in accordance with the number of days in the above-mentioned period (hereinafter - the “**First Interest Period**”).

The interest rate for the First Interest Period shall be calculated in accordance with the number of days in the First Interest Period on the basis of 365 days per year. The first date for full or partial early redemption of the Subordinated Notes (Series I) will be approx. 5 years from the date of their issuance, i.e., March 31, 2030. Subsequent to this date, Menora Capital Raising will be allowed to execute early redemption of the Subordinated Notes (Series I) at any time subject to the TASE Rules and Regulations and guidance arising therefrom. If Menora Capital Raising will not exercise its early redemption right until September 30, 2032, additional interest will be paid to holders of the Subordinated Notes (Series I) in addition to the interest payable on the Subordinated Notes (Series I) at that time, starting from the interest payment on March 31, 2033 in respect of the remaining period (i.e., from the effective redemption date for additional interest and through the actual repayment date of the Subordinated Notes (whether on the early redemption date or on the final repayment date of the Subordinated Notes)), at the rate of 50% of the original risk margin. The rate of additional interest as stated above shall be 0.36473%.

Furthermore, with respect to the Subordinated Notes (Series I), principal and interest payments will be deferred, which on their payment effective date, will be subject to "suspending circumstances", as defined in the Solvency Circular and the Commissioner's position.

The proceeds of the issuance of the Subordinated Notes were deposited with Menora Insurance as tier 2 capital, for it to use, in accordance with its considerations and at its discretion. Menora Insurance undertook to pay all the amounts required to repay the Subordinated Notes to holders thereof. Menora Insurance's above-mentioned undertaking to pay all the amounts has the following characteristics: (1) It has priority over Menora Insurance's undertakings towards the rights of creditors in accordance with components and instruments included in Tier 1 capital; (2) it has equal precedence with that of Menora Insurance's undertaking with respect to the Subordinated Notes, which Menora Insurance has issued and/or will issue, and which will be recognized as Tier 2 capital; and (3) it is subordinate to the other undertakings of Menora Insurance towards its creditors. The consulting services in respect of the above-mentioned issuance were carried out under market conditions by a sub-subsidiary Menora Mivtachim Management and Underwriting Ltd.

For information regarding the assessment of debt raising by a consolidated company - Menora Capital Raising - see Note 13F.

## Notes to the Consolidated Interim Financial Statements

### NOTE 8 - 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 their 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, 2024, the target capital stands at approx. 115% and approx. 113% 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 Required from 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 risks, market risks and credit risks as well as operating risks.

## Notes to the Consolidated Interim Financial Statements

### NOTE 8 - EQUITY AND CAPITAL REQUIREMENTS (cont.)

#### Capital policy and requirements (cont.)

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

##### Risk-based solvency ratio (cont.)

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

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

- 1) Gradual transition to the capital requirement until 2024, such that the capital requirement 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, 2024 - 100% of the SCR amount (as of December 31, 2023 - 95%); it should be 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**").

Menora Insurance selected the second alternative after obtaining the Commissioner's approval.

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

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

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

#### Solvency ratio of the Consolidated Insurance Companies

According to the Solvency Ratio Reports as of December 31, 2024, which were published on May 28, 2025, 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 was examined by the 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.

## Notes to the Consolidated Interim Financial Statements

### NOTE 8 - 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 (cont.)

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, 2024, except for verifying that the Deduction amount does not exceed the expected discounted amount of the risk margin and the capital required for solvency 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 that which is stated in the economic solvency ratio report regarding the uncertainty derived from regulatory changes and exposure to contingent liabilities, the effect of which on the solvency ratio cannot be estimated.

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

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

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

The Consolidated Insurance Companies' calculation as of December 31, 2024, which is based on the investments mix and insurance liabilities as of the calculation date, and taking into account equity transactions after the calculation date, reflects an economic solvency ratio, which is higher than the solvency ratio required according to the Letter.

- D. Following are data regarding Mivtachim Pension and Provident's capital requirement and eligible capital in accordance with the Supervision of Financial Services Regulations (Provident Funds) (Minimum Capital Required from 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:

## Notes to the Consolidated Interim Financial Statements

### NOTE 8 - EQUITY AND CAPITAL REQUIREMENTS (cont.)

#### D. (cont.)

	As of June 30, 2025	As of December 31, 2024
	Unaudited	Audited
	NIS thousand	
The amount required according with the Capital Regulations of management companies	316,318	299,039
Eligible equity	895,907	815,669
Surplus	579,589	516,630
The required amount includes capital requirements for:		
Total assets under management	172,282	160,778
Annual expenses	144,821	139,037
Expedients according to the Commissioner's circular	(785)	(776)
	316,318	299,039

- E. The capital requirement in Menora Engineers stands at NIS 10 million. As of June 30, 2025, the shareholders' equity of Menora Engineers amounts to approx. NIS 11.4 million, and the surplus capital amounts to approx. NIS 1.4 million. Subsequent to the reporting date, on August 10, 2025, the Board of Directors of Menora Engineers declared a dividend distribution of approx. NIS 0.9 million to the shareholders. The dividend was paid on August 11, 2025.
- F. On March 13, 2025, the Company's Board of Directors declared the distribution of a dividend to the Company's shareholders on March 24, 2025 totaling NIS 150 million, which constitute NIS 2.4 per each share of NIS 1 par value. The dividend was paid on April 1, 2025.
- G. In March 2025, Menora Insurance distributed a NIS 250 million dividend to the Company.
- H. In May 2025, Mivtachim Pension and Provident distributed a NIS 50 million dividend.
- I. For information regarding dividends distributed by the Company and Menora Insurance after the reporting date, see Note 13E.

## Notes to the Consolidated Interim Financial Statements

### NOTE 9 - INCOME (LOSS) FROM INSURANCE SERVICES AND REINSURANCE

	For the 6 months ended June 30, 2025			
	Life Insurance	Health Insurance	Property and Casualty Insurance	Total
	Unaudited			
	NIS thousand			
<b>Revenues from insurance services</b>				
Contracts to which the Premium Allocation Approach (PAA) was not applied:				
Amounts relating to changes in liability for remaining coverage (LRC):				
The contractual service margin (CSM) amount recognized in profit or loss for services provided	162,365	227,440	-	389,805
Change in risk adjustment (RA) for non-financial risk resulting from past risks	17,318	27,829	-	45,147
Claims and other expected insurance service expenses incurred	550,235	652,989	-	1,203,224
Other	30,973	777	-	31,750
Allocation of the portion of the premiums relating to the recovery of insurance acquisition cash flows.	55,139	42,161	-	97,300
Total contracts to which the Premium Allocation Approach (PAA) was not applied	816,030	951,196	-	1,767,226
Contracts to which the Premium Allocation Approach (PAA) was applied	-	81,762	2,284,872	2,366,634
Total revenues from insurance services	816,030	1,032,958	2,284,872	4,133,860
<b>Expenses from insurance services</b>				
Claims and other insurance service expenses incurred	(654,874)	(724,325)	(1,393,514)	(2,772,713)
Changes relating to past service - adjustment for liabilities for incurred claims (LIC)	30,215	38,905	(63,084)	6,036
Losses for groups of onerous insurance contracts	(6,191)	(517)	(7,050)	(13,758)
Amortization of insurance acquisition cash flows	(55,139)	(52,579)	(376,011)	(483,729)
Total expenses from insurance services	(685,989)	(738,516)	(1,839,659)	(3,264,164)
Income from insurance services before reinsurance policies held	130,041	294,442	445,213	869,696
<b>Revenues (expenses), net for reinsurance contracts held</b>				
<b>Reinsurance expenses:</b>				
Contracts to which the Premium Allocation Approach (PAA) was not applied:				
Amounts relating to changes in assets for remaining coverage (ARC):				
The contractual service margin (CSM) amount recognized in profit or loss for services received	(7,946)	(18,068)	-	(26,014)
Change in risk adjustment (RA) for non-financial risk resulting from past risks	(3,392)	(3,986)	-	(7,378)
Recoveries of claims for underlying insurance contracts and other expected insurance services expenses incurred	(41,216)	(117,085)	-	(158,301)
Other	(9,252)	(17,838)	-	(27,090)
Total contracts to which the Premium Allocation Approach (PAA) was not applied	(61,806)	(156,977)	-	(218,783)
Contracts to which the Premium Allocation Approach (PAA) was applied	(1,713)	-	(493,506)	(495,219)
Total reinsurance expenses	(63,519)	(156,977)	(493,506)	(714,002)
<b>Reinsurance revenues:</b>				
Recoveries of claims for underlying insurance contracts and other insurance services expenses incurred	55,114	133,139	279,377	467,630
Changes relating to past service - adjustment for assets for incurred claims	(8,692)	(15,873)	143,070	118,505
Recoveries of losses (reversal of losses) for groups of onerous underlying insurance contracts	856	-	-	856
Total reinsurance revenues	47,278	117,266	422,447	586,991
Total expenses, net for reinsurance contracts held	(16,241)	(39,711)	(71,059)	(127,011)
Income from insurance services	113,800	254,731	374,154	742,685

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

## Notes to the Consolidated Interim Financial Statements

### NOTE 9 - INCOME (LOSS) FROM INSURANCE SERVICES AND REINSURANCE (cont.)

	For the 6 months ended June 30, 2024			
	Life Insurance	Health Insurance	Property and Casualty Insurance	Total
	Unaudited			
	NIS thousand			
<b>Revenues from insurance services</b>				
Contracts to which the Premium Allocation Approach (PAA) was not applied:				
Amounts relating to changes in liability for remaining coverage (LRC):				
The contractual service margin (CSM) amount recognized in profit or loss for services provided	182,484	226,112	-	408,596
Change in risk adjustment (RA) for non-financial risk resulting from past risks	14,837	24,345	-	39,182
Claims and other expected insurance service expenses incurred	531,439	636,834	-	1,168,273
Other	34,314	9,799	-	44,113
Allocation of the portion of the premiums relating to the recovery of insurance acquisition cash flows.	52,037	31,917	-	83,954
Total contracts to which the Premium Allocation Approach (PAA) was not applied	815,111	929,007	-	1,744,118
Contracts to which the Premium Allocation Approach (PAA) was applied	-	87,310	2,134,131	2,221,441
Total revenues from insurance services	815,111	1,016,317	2,134,131	3,965,559
<b>Expenses from insurance services</b>				
Claims and other insurance service expenses incurred	(611,886)	(745,237)	(1,400,210)	(2,757,333)
Changes relating to past service - adjustment for liabilities for incurred claims (LIC)	42,944	13,733	92,911	149,588
Losses for groups of onerous insurance contracts	(6,028)	(2,530)	(574)	(9,132)
Amortization of insurance acquisition cash flows	(52,037)	(41,226)	(338,801)	(432,064)
Total expenses from insurance services	(627,007)	(775,260)	(1,646,674)	(3,048,941)
Income from insurance services before reinsurance policies held	188,104	241,057	487,457	916,618
<b>Revenues (expenses), net for reinsurance contracts held</b>				
<b>Reinsurance expenses:</b>				
Contracts to which the Premium Allocation Approach (PAA) was not applied:				
Amounts relating to changes in assets for remaining coverage (ARC):				
The contractual service margin (CSM) amount recognized in profit or loss for services received	(7,539)	(23,789)	-	(31,328)
Change in risk adjustment (RA) for non-financial risk resulting from past risks	(3,245)	(3,719)	-	(6,964)
Recoveries of claims for underlying insurance contracts and other expected insurance services expenses incurred	(39,656)	(136,492)	-	(176,148)
Other	(14,830)	(16,660)	-	(31,490)
Total contracts to which the Premium Allocation Approach (PAA) was not applied	(65,270)	(180,660)	-	(245,930)
Contracts to which the Premium Allocation Approach (PAA) was applied	(1,736)	-	(507,965)	(509,701)
Total reinsurance expenses	(67,006)	(180,660)	(507,965)	(755,631)
<b>Reinsurance revenues:</b>				
Recoveries of claims for underlying insurance contracts and other insurance services expenses incurred	47,667	160,109	357,600	565,376
Changes relating to past service - adjustment for assets for incurred claims	(10,285)	2,037	37,926	29,678
Recoveries of reversal of losses for groups of onerous underlying insurance contracts	1,854	-	(87)	1,767
Total reinsurance revenues	39,236	162,146	395,439	596,821
Total expenses, net for reinsurance contracts held	(27,770)	(18,514)	(112,526)	(158,810)
Income from insurance services	160,334	222,543	374,931	757,808

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

## Notes to the Consolidated Interim Financial Statements

### NOTE 9 - INCOME (LOSS) FROM INSURANCE SERVICES AND REINSURANCE (cont.)

	For the 3 months ended June 30, 2025			
	Life Insurance	Health Insurance	Property and Casualty Insurance	Total
	Unaudited			
	NIS thousand			
<b>Revenues from insurance services</b>				
Contracts to which the Premium Allocation Approach (PAA) was not applied:				
Amounts relating to changes in liability for remaining coverage (LRC):				
The contractual service margin (CSM) amount recognized in profit or loss for services provided	86,183	115,455	-	201,638
Change in risk adjustment (RA) for non-financial risk resulting from past risks	9,639	14,069	-	23,708
Claims and other expected insurance service expenses incurred	271,719	332,120	-	603,839
Other	12,124	(2,812)	-	9,312
Allocation of the portion of the premiums relating to the recovery of insurance acquisition cash flows.	32,558	24,205	-	56,763
Total contracts to which the Premium Allocation Approach (PAA) was not applied	412,223	483,037	-	895,260
Contracts to which the Premium Allocation Approach (PAA) was applied	-	41,952	1,158,774	1,200,726
Total revenues from insurance services	412,223	524,989	1,158,774	2,095,986
<b>Expenses from insurance services</b>				
Claims and other insurance service expenses incurred	(321,233)	(327,631)	(675,205)	(1,324,069)
Changes relating to past service - adjustment for liabilities for incurred claims (LIC)	21,926	9,031	8,045	39,002
Reversal of losses (losses) for groups of onerous insurance contracts	(5,139)	266	(3,647)	(8,520)
Amortization of insurance acquisition cash flows	(32,558)	(34,623)	(199,529)	(266,710)
Total expenses from insurance services	(337,004)	(352,957)	(870,336)	(1,560,297)
Income from insurance services before reinsurance policies held	75,219	172,032	288,438	535,689
<b>Revenues (expenses), net for reinsurance contracts held</b>				
<b>Reinsurance expenses:</b>				
Contracts to which the Premium Allocation Approach (PAA) was not applied:				
Amounts relating to changes in assets for remaining coverage (ARC):				
The contractual service margin (CSM) amount recognized in profit or loss for services received	(4,251)	(9,609)	-	(13,860)
Change in risk adjustment (RA) for non-financial risk resulting from past risks	(1,717)	(2,032)	-	(3,749)
Recoveries of claims for underlying insurance contracts and other expected insurance services expenses incurred	(20,017)	(58,756)	-	(78,773)
Other	(5,647)	(7,172)	-	(12,819)
Total contracts to which the Premium Allocation Approach (PAA) was not applied	(31,632)	(77,569)	-	(109,201)
Contracts to which the Premium Allocation Approach (PAA) was applied	(856)	-	(217,998)	(218,854)
Total reinsurance expenses	(32,488)	(77,569)	(217,998)	(328,055)
<b>Reinsurance revenues:</b>				
Recoveries of claims for underlying insurance contracts and other insurance services expenses incurred	21,365	56,474	104,353	182,192
Changes relating to past service - adjustment for assets for incurred claims	(7,075)	(5,095)	33,179	21,009
Recoveries of reversal of losses for groups of onerous underlying insurance contracts	856	-	-	856
Total reinsurance revenues	15,146	51,379	137,532	204,057
Total expenses, net for reinsurance contracts held	(17,342)	(26,190)	(80,466)	(123,998)
Income from insurance services	57,877	145,842	207,972	411,691

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

## Notes to the Consolidated Interim Financial Statements

### NOTE 9 - INCOME (LOSS) FROM INSURANCE SERVICES AND REINSURANCE (cont.)

	For the 3 months ended June 30, 2024			
	Life Insurance	Health Insurance	Property and Casualty Insurance	Total
	Unaudited			
	NIS thousand			
<b>Revenues from insurance services</b>				
Contracts to which the Premium Allocation Approach (PAA) was not applied:				
Amounts relating to changes in liability for remaining coverage (LRC):				
The contractual service margin (CSM) amount recognized in profit or loss for services provided	85,853	114,790	-	200,643
Change in risk adjustment (RA) for non-financial risk resulting from past risks	7,369	12,108	-	19,477
Claims and other expected insurance service expenses incurred	267,231	314,134	-	581,365
Other	15,452	2,093	-	17,545
Allocation of the portion of the premiums relating to the recovery of insurance acquisition cash flows.	32,605	19,347	-	51,952
Total contracts to which the Premium Allocation Approach (PAA) was not applied	408,510	462,472	-	870,982
Contracts to which the Premium Allocation Approach (PAA) was applied	-	44,860	1,114,326	1,159,186
Total revenues from insurance services	408,510	507,332	1,114,326	2,030,168
<b>Expenses from insurance services</b>				
Claims and other insurance service expenses incurred	(303,974)	(353,549)	(716,432)	(1,373,955)
Changes relating to past service - adjustment for liabilities for incurred claims (LIC)	13,715	1,902	25,113	40,730
Losses for groups of onerous insurance contracts	(3,230)	926	(84)	(2,388)
Amortization of insurance acquisition cash flows	(32,605)	(28,656)	(182,957)	(244,218)
Total expenses from insurance services	(326,094)	(379,377)	(874,360)	(1,579,831)
Income from insurance services before reinsurance policies held	82,416	127,955	239,966	450,337
<b>Revenues (expenses), net for reinsurance contracts held</b>				
<b>Reinsurance expenses:</b>				
Contracts to which the Premium Allocation Approach (PAA) was not applied:				
Amounts relating to changes in assets for remaining coverage (ARC):				
The contractual service margin (CSM) amount recognized in profit or loss for services received	(3,986)	(10,769)	-	(14,755)
Change in risk adjustment (RA) for non-financial risk resulting from past risks	(1,630)	(1,825)	-	(3,455)
Recoveries of claims for underlying insurance contracts and other expected insurance services expenses incurred	(20,144)	(64,118)	-	(84,262)
Other	(9,453)	(7,608)	-	(17,061)
Total contracts to which the Premium Allocation Approach (PAA) was not applied	(35,213)	(84,320)	-	(119,533)
Contracts to which the Premium Allocation Approach (PAA) was applied	(868)	-	(268,712)	(269,580)
Total reinsurance expenses	(36,081)	(84,320)	(268,712)	(389,113)
<b>Reinsurance revenues:</b>				
Recoveries of claims for underlying insurance contracts and other insurance services expenses incurred	14,299	76,862	214,542	305,703
Changes relating to past service - adjustment for assets for incurred claims	(5,410)	3,722	39,178	37,490
Recoveries of reversal of losses for groups of onerous underlying insurance contracts	(51)	-	1	(50)
Total reinsurance revenues	8,838	80,584	253,721	343,143
Total expenses, net for reinsurance contracts held	(27,243)	(3,736)	(14,991)	(45,970)
Income from insurance services	55,173	124,219	224,975	404,367

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

## Notes to the Consolidated Interim Financial Statements

### NOTE 9 - INCOME (LOSS) FROM INSURANCE SERVICES AND REINSURANCE (cont.)

	For the year ended December 31, 2024			
	Life Insurance	Health Insurance	Property and Casualty Insurance	Total
Unaudited				
NIS thousand				
<b>Revenues from insurance services</b>				
Contracts to which the Premium Allocation Approach (PAA) was not applied:				
Amounts relating to changes in liability for remaining coverage (LRC):				
The contractual service margin (CSM) amount recognized in profit or loss for services provided	342,595	455,374	-	797,969
Change in risk adjustment (RA) for non-financial risk resulting from past risks	32,023	50,914	-	82,937
Claims and other expected insurance service expenses incurred	1,075,560	1,305,892	-	2,381,452
Other	62,431	5,040	-	67,471
Allocation of the portion of the premiums relating to the recovery of insurance acquisition cash flows.	105,768	69,882	-	175,650
Total contracts to which the Premium Allocation Approach (PAA) was not applied	1,618,377	1,887,102	-	3,505,479
Contracts to which the Premium Allocation Approach (PAA) was applied	-	164,222	4,389,472	4,553,694
Total revenues from insurance services	1,618,377	2,051,324	4,389,472	8,059,173
<b>Expenses from insurance services</b>				
Claims and other insurance service expenses incurred	(1,167,802)	(1,478,033)	(2,837,038)	(5,482,873)
Changes relating to past service - adjustment for liabilities for incurred claims (LIC)	8,409	5,360	246,315	260,084
Losses for groups of onerous insurance contracts	(2,597)	(3,558)	(6,708)	(12,863)
Amortization of insurance acquisition cash flows	(105,768)	(69,882)	(711,291)	(886,941)
Total expenses from insurance services	(1,267,758)	(1,546,113)	(3,308,722)	(6,122,593)
Income from insurance services before reinsurance policies held	350,619	505,211	1,080,750	1,936,580
<b>Revenues (expenses), net for reinsurance contracts held</b>				
<b>Reinsurance expenses:</b>				
Contracts to which the Premium Allocation Approach (PAA) was not applied:				
Amounts relating to changes in assets for remaining coverage (ARC):				
The contractual service margin (CSM) amount recognized in profit or loss for services received	(14,849)	(42,638)	-	(57,487)
Change in risk adjustment (RA) for non-financial risk resulting from past risks	(6,578)	(7,516)	-	(14,094)
Recoveries of claims for underlying insurance contracts and other expected insurance services expenses incurred	(83,033)	(271,436)	-	(354,469)
Other	(31,947)	(27,276)	-	(59,223)
Total contracts to which the Premium Allocation Approach (PAA) was not applied	(136,407)	(348,866)	-	(485,273)
Contracts to which the Premium Allocation Approach (PAA) was applied	5,551	-	(1,006,261)	(1,000,710)
Total reinsurance expenses	(130,856)	(348,866)	(1,006,261)	(1,485,983)
<b>Reinsurance revenues:</b>				
Recoveries of claims for underlying insurance contracts and other insurance services expenses incurred	92,931	298,817	676,314	1,068,062
Changes relating to past service - adjustment for assets for incurred claims	1,076	7,465	(19,481)	(10,940)
Recoveries of reversal of losses for groups of onerous underlying insurance contracts	2,781	-	(58)	2,723
Total reinsurance revenues	96,788	306,282	656,775	1,059,845
Total expenses, net for reinsurance contracts held	(34,068)	(42,584)	(349,486)	(426,138)
Income from insurance services	316,551	462,627	731,264	1,510,442

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

## Notes to the Consolidated Interim Financial Statements

### NOTE 10 - INCOME (LOSS) FROM INVESTMENTS AND FINANCING, NET

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

	For the 6 months ended June 30, 2025				
	Life Insurance	Health Insurance	Property and Casualty Insurance	Other	Total
			Unaudited		
			NIS thousand		
Investment gains (losses), net:					
Investment gains, net from assets held against insurance contracts and yield-dependent investment contracts	2,084,716	86,964	-	-	2,171,680
Other investment gains (losses), net:					
Interest revenues calculated using the effective interest method	119,992	-	16,876	223,239	360,107
Reversal of net losses (losses) from impairment of financial assets	(423)	-	3,751	(43,431)	(40,103)
Other investment gains, net	393,164	116,121	161,110	333,569	1,003,964
Share in earnings (losses) of equity-accounted subsidiaries closely related to the investing activity	(325)	(245)	(1,940)	153	(2,357)
Total income from other investments, net	512,408	115,876	179,797	513,530	1,321,611
Total investment income, net recognized in the income statement	2,597,124	202,840	179,797	513,530	3,493,291
Investment gains (losses) recognized in other comprehensive income	(2,931)	(1,943)	(1,131)	14,129	8,124
Total investment income, net	2,594,193	200,897	178,666	527,659	3,501,415
Finance expenses, net arising from insurance contracts:					
Change in liabilities for insurance contracts arising from changes in the fair value of underlying items of VFA contacts	(1,660,775)	(76,286)	-	-	(1,737,061)
Effects of the risk mitigation option for VFA contracts	(51,648)	-	-	-	(51,648)
Interest accrued (a)	(81,248)	(63,162)	(53,030)	-	(197,440)
Effects of changes in interest rates and other financial assumptions (including inflation assumptions) (b)	(179,210)	4,060	(85,917)	-	(261,067)
Effect of the difference between discounting with the current rate and discounting with the original rate of the changes in FCF carried to CSM	13,947	23,589	-	-	37,536
Total finance expenses, net arising from insurance contracts	(1,958,934)	(111,799)	(138,947)	-	(2,209,680)
Finance income, net arising from reinsurance contracts insurance contracts:					
Interest accrued	629	14,900	17,945	-	33,474
Effects of changes in interest rates and other financial assumptions (including inflation assumptions)	(1,725)	26,969	31,708	-	56,952
Effect of the difference between discounting with the current rate and discounting with the original rate of the changes in FCF carried to CSM	70	(448)	-	-	(378)
Total finance income (expenses), net arising from reinsurance contracts	(1,026)	41,421	49,653	-	90,048
Increase in liabilities for investment contracts due to the yield component	(528,547)	-	-	-	(528,547)
Total net investment and finance income *	105,686	130,519	89,372	527,659	853,236
* Represented by:					
Amounts recognized in profit or loss	108,617	132,462	90,503	513,530	845,112
Amounts recognized in other comprehensive income (loss)	(2,931)	(1,943)	(1,131)	14,129	8,124
	105,686	130,519	89,372	527,659	853,236

## Notes to the Consolidated Interim Financial Statements

### NOTE 10 - INCOME (LOSS) FROM INVESTMENTS AND FINANCING, NET (cont.)

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

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

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

## Notes to the Consolidated Interim Financial Statements

### NOTE 10 - INCOME (LOSS) FROM INVESTMENTS AND FINANCING, NET (cont.)

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

	For the 6 months ended June 30, 2024				
	Life Insurance	Health Insurance	Property and Casualty Insurance	Other	Total
Unaudited					
NIS thousand					
Investment gains (losses), net:					
Investment gains, net from assets held against insurance contracts and yield-dependent investment contracts	1,490,547	76,906	-	-	1,567,453
Other investment gains (losses), net:					
Interest revenues calculated using the effective interest method	118,174	-	17,969	203,279	339,422
Net losses from impairment of financial assets	-	-	(724)	(42,857)	(43,581)
Other investment gains, net	22,346	9,128	77,923	58,362	167,759
Share in earnings (losses) of equity-accounted subsidiaries closely related to the investing activity	(679)	(86)	1,299	(224)	310
Total income from other investments, net	139,841	9,042	96,467	218,560	463,910
Total investment income, net recognized in the income statement	1,630,388	85,948	96,467	218,560	2,031,363
Investment gains recognized in other comprehensive income	1,561	1,035	959	1,440	4,995
Total investment income, net	1,631,949	86,983	97,426	220,000	2,036,358
Finance expenses, net arising from insurance contracts:					
Change in liabilities for insurance contracts arising from changes in the fair value of underlying items of VFA contacts	(1,183,006)	(70,112)	-	-	(1,253,118)
Effects of the risk mitigation option for VFA contracts	(28,362)	-	-	-	(28,362)
Interest accrued (a)	(91,969)	(90,668)	(34,267)	-	(216,904)
Effects of changes in interest rates and other financial assumptions (including inflation assumptions) (b)	31,264	7,876	(60,036)	-	(20,896)
Effect of the difference between discounting with the current rate and discounting with the original rate of the changes in FCF carried to CSM	38,656	(78,461)	-	-	(39,805)
Total finance expenses, net arising from insurance contracts	(1,233,417)	(231,365)	(94,303)	-	(1,559,085)
Finance income, net arising from reinsurance contracts insurance contracts:					
Interest accrued	877	20,572	10,237	-	31,686
Effects of changes in interest rates and other financial assumptions (including inflation assumptions)	(767)	(35,543)	20,143	-	(16,167)
Effect of the difference between discounting with the current rate and discounting with the original rate of the changes in FCF carried to CSM	12	(2,543)	-	-	(2,531)
Total finance income, net arising from reinsurance contracts	122	(17,514)	30,380	-	12,988
Increase in liabilities for investment contracts due to the yield component	(458,624)	-	-	-	(458,624)
Total income (loss) from investments and financing, net *	(59,970)	(161,896)	33,503	220,000	31,637
* Represented by:					
Amounts recognized in profit or loss	(61,531)	(162,931)	32,544	218,560	26,642
Amounts recognized in other comprehensive income	1,561	1,035	959	1,440	4,995
	(59,970)	(161,896)	33,503	220,000	31,637

## Notes to the Consolidated Interim Financial Statements

### NOTE 10 - INCOME (LOSS) FROM INVESTMENTS AND FINANCING, NET (cont.)

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

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

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

## Notes to the Consolidated Interim Financial Statements

### NOTE 10 - INCOME (LOSS) FROM INVESTMENTS AND FINANCING, NET (cont.)

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

	For the 3 months ended June 30, 2025				
	Life Insurance	Health Insurance	Property and Casualty Insurance	Other	Total
	Unaudited				
	NIS thousand				
Investment gains (losses), net:					
Investment gains, net from assets held against insurance contracts and yield-dependent investment contracts	2,090,410	79,969	-	-	2,170,379
Other investment gains (losses), net:					
Interest revenues calculated using the effective interest method	60,845	-	8,758	114,740	184,343
Reversal of net losses (losses) from impairment of financial assets	16	-	2,291	(15,178)	(12,871)
Other investment gains, net	363,363	95,269	118,673	275,563	852,868
Share in losses of equity-accounted subsidiaries closely related to the investing activity	(369)	(264)	(2,272)	(61)	(2,966)
Total income from other investments, net	423,855	95,005	127,450	375,064	1,021,374
Total investment income, net recognized in the income statement	2,514,265	174,974	127,450	375,064	3,191,753
Investment gains (losses) recognized in other comprehensive income	(3,954)	(2,632)	(1,489)	7,876	(199)
Total investment income, net	2,510,311	172,342	125,961	382,940	3,191,554
Finance expenses, net arising from insurance contracts:					
Change in liabilities for insurance contracts arising from changes in the fair value of underlying items of VFA contacts	(1,650,335)	(68,884)	-	-	(1,719,219)
Effects of the risk mitigation option for VFA contracts	(53,457)	-	-	-	(53,457)
Interest accrued (a)	(39,882)	(41,112)	(29,500)	-	(110,494)
Effects of changes in interest rates and other financial assumptions (including inflation assumptions) (b)	(211,535)	36,644	(89,783)	-	(264,674)
Effect of the difference between discounting with the current rate and discounting with the original rate of the changes in FCF carried to CSM	4,169	23,647	-	-	27,816
Total finance expenses, net arising from insurance contracts	(1,951,040)	(49,705)	(119,283)	-	(2,120,028)
Finance income, net arising from reinsurance contracts insurance contracts:					
Interest accrued	324	6,714	10,107	-	17,145
Effects of changes in interest rates and other financial assumptions (including inflation assumptions)	(2,145)	43,921	33,614	-	75,390
Effect of the difference between discounting with the current rate and discounting with the original rate of the changes in FCF carried to CSM	104	(537)	-	-	(433)
Total finance income, net arising from reinsurance contracts	(1,717)	50,098	43,721	-	92,102
Increase in liabilities for investment contracts due to the yield component	(463,168)	-	-	-	(463,168)
Total net investment and finance income *	94,386	172,735	50,399	382,940	700,460
* Represented by:					
Amounts recognized in profit or loss	98,340	175,367	51,888	375,064	700,659
Amounts recognized in other comprehensive income (loss)	(3,954)	(2,632)	(1,489)	7,876	(199)
	94,386	172,735	50,399	382,940	700,460

## Notes to the Consolidated Interim Financial Statements

### NOTE 10 - INCOME (LOSS) FROM INVESTMENTS AND FINANCING, NET (cont.)

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

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

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

## Notes to the Consolidated Interim Financial Statements

### NOTE 10 - INCOME (LOSS) FROM INVESTMENTS AND FINANCING, NET (cont.)

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

	For the 3 months ended June 30, 2024				
	Life Insurance	Health Insurance	Property and Casualty Insurance	Other	Total
			Unaudited		
			NIS thousand		
Investment gains (losses), net:					
Investment gains, net from assets held against insurance contracts and yield-dependent investment contracts	150,508	4,230	-	-	154,738
Other investment gains (losses), net:					
Interest revenues calculated using the effective interest method	60,816	-	8,385	105,710	174,911
Net losses from impairment of financial assets	-	-	(1,380)	(22,546)	(23,926)
Other investment gains (losses), net	(97,969)	(12,624)	591	(18,195)	(128,197)
Share in earnings (losses) of equity-accounted subsidiaries closely related to the investing activity	(541)	(81)	515	(220)	(327)
Total gains (losses) from other investments, net	(37,694)	(12,705)	8,111	64,749	22,461
Total investment gains (losses), net recognized in the statement of income	112,814	(8,475)	8,111	64,749	177,199
Investment gains recognized in other comprehensive income	697	891	570	3,374	5,532
Total investment income, net	113,511	(7,584)	8,681	68,123	182,731
Finance expenses, net arising from insurance contracts:					
Change in liabilities for insurance contracts arising from changes in the fair value of underlying items of VFA contacts	(119,972)	(3,070)	-	-	(123,042)
Effects of the risk mitigation option for VFA contracts	(1,955)	-	-	-	(1,955)
Interest accrued (a)	(45,512)	(44,996)	(18,234)	-	(108,742)
Effects of changes in interest rates and other financial assumptions (including inflation assumptions) (b)	133,660	11,063	(23,273)	-	121,450
Effect of the difference between discounting with the current rate and discounting with the original rate of the changes in FCF carried to CSM	32,846	(47,609)	-	-	(14,763)
Total finance expenses, net arising from insurance contracts	(933)	(84,612)	(41,507)	-	(127,052)
Finance income, net arising from reinsurance contracts insurance contracts:					
Interest accrued	418	10,206	4,125	-	14,749
Effects of changes in interest rates and other financial assumptions (including inflation assumptions)	(1,586)	(39,004)	7,573	-	(33,017)
Effect of the difference between discounting with the current rate and discounting with the original rate of the changes in FCF carried to CSM	(12)	(2,668)	-	-	(2,680)
Total finance income (expenses), net arising from reinsurance contracts	(1,180)	(31,466)	11,698	-	(20,948)
Increase in liabilities for investment contracts due to the yield component	(172,688)	-	-	-	(172,688)
Total income (loss) from investments and financing, net *	(61,290)	(123,662)	(21,128)	68,123	(137,957)
* Represented by:					
Amounts recognized in profit or loss	(61,987)	(124,553)	(21,698)	64,749	(143,489)
Amounts recognized in other comprehensive income	697	891	570	3,374	5,532
	(61,290)	(123,662)	(21,128)	68,123	(137,957)

## Notes to the Consolidated Interim Financial Statements

### NOTE 10 - INCOME (LOSS) FROM INVESTMENTS AND FINANCING, NET (cont.)

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

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

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

## Notes to the Consolidated Interim Financial Statements

### NOTE 10 - INCOME (LOSS) FROM INVESTMENTS AND FINANCING, NET (cont.)

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

	For the year ended December 31, 2024				
	Life Insurance	Health Insurance	Property and Casualty Insurance	Other	Total
Unaudited					
NIS thousand					
Investment gains (losses), net:					
Investment gains, net from assets held against insurance contracts and yield-dependent investment contracts	3,589,802	190,883	-	-	3,780,685
Other investment gains (losses), net:					-
Interest revenues calculated using the effective interest method	243,057	-	48,155	477,612	768,824
Net losses from impairment of financial assets	-	-	(3,133)	(112,388)	(115,521)
Other investment gains, net	553,415	151,173	286,420	278,963	1,269,971
Share in earnings (losses) of equity-accounted subsidiaries closely related to the investing activity	(474)	(160)	(6,120)	680	(6,074)
Total income from other investments, net	795,998	151,013	325,322	644,867	1,917,200
Total investment income, net recognized in the income statement	4,385,800	341,896	325,322	644,867	5,697,885
Investment gains (losses) recognized in other comprehensive income	275	51	106	(3,950)	(3,518)
Total investment income, net	4,386,075	341,947	325,428	640,917	5,694,367
Finance expenses, net arising from insurance contracts:					
Change in liabilities for insurance contracts arising from changes in the fair value of underlying items of VFA contracts	(2,863,541)	(172,629)	-	-	(3,036,170)
Effects of the risk mitigation option for VFA contracts	(69,396)	-	-	-	(69,396)
Interest accrued (a)	(180,616)	(181,818)	(69,797)	-	(432,231)
Effects of changes in interest rates and other financial assumptions (including inflation assumptions) (b)	(244,138)	103,814	(183,872)	-	(324,196)
Effect of the difference between discounting with the current rate and discounting with the original rate of the changes in FCF carried to CSM	72,260	(86,476)	-	-	(14,216)
Total finance expenses, net arising from insurance contracts	(3,285,431)	(337,109)	(253,669)	-	(3,876,209)
Finance income, net arising from reinsurance contracts insurance contracts:					
Interest accrued	1,716	39,620	23,200	-	64,536
Effects of changes in interest rates and other financial assumptions (including inflation assumptions)	(2,345)	35,307	55,894	-	88,856
Effect of the difference between discounting with the current rate and discounting with the original rate of the changes in FCF carried to CSM	268	2,709	-	-	2,977
Total finance income, net arising from reinsurance contracts	(361)	77,636	79,094	-	156,369
Increase in liabilities for investment contracts due to the yield component	(977,992)	-	-	-	(977,992)
Total net investment and finance income *	122,291	82,474	150,853	640,917	996,535
* Represented by:					
Amounts recognized in profit or loss	122,016	82,423	150,747	644,867	1,000,053
Amounts recognized in other comprehensive income (loss)	275	51	106	(3,950)	(3,518)
	122,291	82,474	150,853	640,917	996,535

## Notes to the Consolidated Interim Financial Statements

### NOTE 10 - INCOME (LOSS) FROM INVESTMENTS AND FINANCING, NET (cont.)

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

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

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

## Notes to the Consolidated Interim Financial Statements

### NOTE 11 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The different fair value levels were defined as follows:

- Level 1 - fair value measured using quoted prices (unadjusted) in an active market for identical instruments.
- Level 2 - fair value measured using observable inputs, either directly or indirectly, that are not included in Level 1 above.
- Level 3 - fair value measured using inputs that are not based on observable market inputs.

#### The methods and assumptions used to determine fair value

##### Valuation techniques

The fair value of investments traded actively in regulated financial markets is determined based on market prices as of the reporting date. With respect to investments for which there is no active market, fair value is determined using valuation techniques. Such techniques include using transactions which were recently made at fair market value, reference to the current market value of another instrument which is substantially the same, discounted cash flows, or other valuation methods.

##### Illiquid debt assets (excluding designated bonds)

The fair value of illiquid debt assets, which are measured at fair value through profit and loss, and the fair value of illiquid financial debt assets, for which fair value information is provided solely for disclosure purposes, is determined by discounting the estimated future cash flows from those assets. The discount rates are based primarily on yields on government bonds and spreads of corporate bonds as measured on the Tel Aviv Stock Exchange. The quoted prices and interest rates used for discounting purposes are determined by a company which won the tender, published by the Ministry of Finance, for the setting up and operating a database of quoted prices and interest rates for institutional entities. On March 2, 2025, the Capital Markets, Insurance and Savings Authority published a press release in which it announced that it selected Ness Fair Value Ltd. as a supplier for the revaluation of illiquid debt assets of the institutional entities.

Ness Fair Value Ltd. (hereinafter - "**Ness**") will replace Fair Spread Ltd., which has been carrying out the revaluation since 2011, covering only non-complex illiquid debt assets issued in Israel. Under the new tender, the winning bidder will revalue all illiquid debt assets - issued both in and outside Israel - including complex debt assets. Furthermore, and in order to encourage trading in the institutional trading system (TASE-UP platform), "Ness Fair Value Ltd." will issue specific quotation regarding investment instruments traded in this platform, provided that these investment instruments are held by institutional entities. Preparations by "Ness Fair Value Ltd." are expected to take several months, during which the Company will receive both the details of the assets, which are the subject matter of the revaluation, which are currently revalued by Fair Spread, and of those, which were not included in the existing 3-2012 tender, but are included in the 3-2022 tender.

The Group is studying the implications of the decision and is preparing to implement the change in accordance with the guidelines to be received from the Capital Market Authority.

##### Designated bonds

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

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

## Notes to the Consolidated Interim Financial Statements

### NOTE 11 - FAIR VALUE OF FINANCIAL INSTRUMENTS (cont.)

#### Investment in illiquid shares

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

#### Investment funds

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

#### A. Financial instruments held against yield-dependent contracts

##### Fair value of financial instruments by level

	As of June 30, 2025			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Financial assets:				
Illiquid debt assets	-	3,216,713	27,057	3,243,770
Liquid debt assets	8,485,796	798,203	-	9,283,999
Equity instruments	9,554,480	17,105	511,574	10,083,159
Other investments	5,119,138	1,387,423	4,570,239	11,076,800
Total financial assets	<u>23,159,414</u>	<u>5,419,444</u>	<u>5,108,870</u>	<u>33,687,728</u>
Financial liabilities:				
Derivative instruments	<u>26,506</u>	<u>48,835</u>	<u>-</u>	<u>75,341</u>
	As of June 30, 2024			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Financial assets:				
Illiquid debt assets	-	3,710,883	33,861	3,744,744
Liquid debt assets	8,069,667	1,156,102	-	9,225,769
Equity instruments	8,467,874	11,219	507,288	8,986,381
Other investments	3,520,067	1,124,486	4,603,453	9,248,006
Total financial assets	<u>20,057,608</u>	<u>6,002,690</u>	<u>5,144,602</u>	<u>31,204,900</u>
Financial liabilities:				
Derivative instruments	<u>13,570</u>	<u>302,844</u>	<u>-</u>	<u>316,414</u>

## Notes to the Consolidated Interim Financial Statements

### NOTE 11 - FAIR VALUE OF FINANCIAL INSTRUMENTS (cont.)

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

##### Fair value of financial instruments by level (cont.)

	As of December 31, 2024			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Financial assets:				
Illiquid debt assets	-	3,421,118	29,901	3,451,019
Liquid debt assets	8,436,880	956,086	-	9,392,966
Equity instruments	9,123,897	13,594	505,592	9,643,083
Other investments	4,660,084	1,132,348	4,703,430	10,495,862
Total financial assets	<u>22,220,861</u>	<u>5,523,146</u>	<u>5,238,923</u>	<u>32,982,930</u>
Financial liabilities:				
Derivative instruments	<u>32,230</u>	<u>210,219</u>	<u>-</u>	<u>242,449</u>

##### Financial instruments measured at fair value - Level 3

	Financial assets			
	Unaudited			
	NIS thousand			
	Illiquid debt instruments	Equity instruments	Other investments	Total financial assets
Balance as of January 1, 2025	29,901	505,592	4,703,430	5,238,923
Total gains (losses) recognized in profit or loss *)	887	(15,303)	(68,315)	(82,731)
Proceeds from interest and dividend	(493)	(2,588)	(154,954)	(158,035)
Purchases	-	23,873	285,208	309,081
Sales	-	-	(195,130)	(195,130)
Discharges	(3,238)	-	-	(3,238)
Balance as of June 30, 2025	<u>27,057</u>	<u>511,574</u>	<u>4,570,239</u>	<u>5,108,870</u>
Investment gains (losses), net from assets held against insurance contracts and yield-dependent investment contracts	<u>887</u>	<u>(6,846)</u>	<u>(71,475)</u>	<u>(77,434)</u>

\*) Recognized under investment gains, net from assets held against insurance contracts and yield-dependent investment contracts.

During the six-month period ended June 30, 2025 there were no material transfers between Level 1 and Level 2 to Level 3, nor were there transfers from or to Level 3.

## Notes to the Consolidated Interim Financial Statements

### NOTE 11 - FAIR VALUE OF FINANCIAL INSTRUMENTS (cont.)

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

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

	Financial assets			
	Unaudited			
	NIS thousand			
	Illiquid debt instruments	Equity instruments	Other investments	Total financial assets
Balance as of				
January 1, 2024 (audited)	36,228	517,739	4,304,283	4,858,250
Total gains (losses) recognized in profit or loss *)	1,409	(19,202)	187,742	169,949
Proceeds from interest and dividend	(548)	(3,035)	(94,209)	(97,792)
Purchases	-	11,786	358,064	369,850
Sales	-	-	(152,427)	(152,427)
Discharges	(3,228)	-	-	(3,228)
Balance as of June 30, 2024	<u>33,861</u>	<u>507,288</u>	<u>4,603,453</u>	<u>5,144,602</u>
Investment gains (losses), net from assets held against insurance contracts and yield-dependent investment contracts	<u>1,409</u>	<u>(19,202)</u>	<u>188,113</u>	<u>170,320</u>

\*) Recognized under investment gains, net from assets held against insurance contracts and yield-dependent investment contracts.

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

## Notes to the Consolidated Interim Financial Statements

### NOTE 11 - FAIR VALUE OF FINANCIAL INSTRUMENTS (cont.)

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

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

	Financial assets			
	Unaudited			
	NIS thousand			
	Illiquid debt instruments	Equity instruments	Other investments	Total financial assets
Balance as of				
April 1, 2025 (unaudited)	29,954	513,808	4,849,941	5,393,703
Total losses recognized in profit or loss *)	(782)	(19,171)	(238,680)	(258,633)
Proceeds from interest and dividend	(218)	(1,952)	(66,187)	(68,357)
Purchases	-	18,889	139,498	158,387
Sales	-	-	(114,333)	(114,333)
Discharges	(1,897)	-	-	(1,897)
Balance as of June 30, 2025	<u>27,057</u>	<u>511,574</u>	<u>4,570,239</u>	<u>5,108,870</u>
Investment losses, net from assets held against insurance contracts and yield-dependent investment contracts	<u>(782)</u>	<u>(19,171)</u>	<u>(242,237)</u>	<u>(262,190)</u>

\*) Recognized under investment gains, net from assets held against insurance contracts and yield-dependent investment contracts.

During the three-month period ended June 30, 2025 there were no material transfers between Level 1 and Level 2 to Level 3, nor were there transfers from or to Level 3.

## Notes to the Consolidated Interim Financial Statements

### NOTE 11 - FAIR VALUE OF FINANCIAL INSTRUMENTS (cont.)

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

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

	Financial assets			
	Unaudited			
	NIS thousand			
	Illiquid debt instruments	Equity instruments	Other investments	Total financial assets
Balance as of April 1, 2024	34,647	520,854	4,377,288	4,932,789
Total gains (losses) recognized in profit or loss *)	909	(13,406)	141,862	129,365
Proceeds from interest and dividend	(281)	(2,128)	(51,107)	(53,516)
Purchases	-	1,968	200,974	202,942
Sales	-	-	(65,564)	(65,564)
Discharges	(1,414)	-	-	(1,414)
Balance as of June 30, 2024	<u>33,861</u>	<u>507,288</u>	<u>4,603,453</u>	<u>5,144,602</u>
Investment gains (losses), net from assets held against insurance contracts and yield-dependent investment contracts	<u>909</u>	<u>(13,407)</u>	<u>142,225</u>	<u>129,727</u>

\*) Recognized under investment gains, net from assets held against insurance contracts and yield-dependent investment contracts.

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

## Notes to the Consolidated Interim Financial Statements

### NOTE 11 - FAIR VALUE OF FINANCIAL INSTRUMENTS (cont.)

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

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

	Financial assets			
	Unaudited			
	NIS thousand			
	Illiquid debt instruments	Equity instruments	Other investments	Total financial assets
Balance as of				
January 1, 2024 (audited)	36,228	517,739	4,304,283	4,858,250
Total gains (losses) recognized in profit or loss *)	834	(38,412)	225,385	187,807
Proceeds from interest and dividend	(1,045)	(12,064)	(224,243)	(237,352)
Purchases	-	38,329	709,274	747,603
Sales	-	-	(311,269)	(311,269)
Discharges	(6,116)	-	-	(6,116)
Balance as of December 31, 2024	<u>29,901</u>	<u>505,592</u>	<u>4,703,430</u>	<u>5,238,923</u>
Investment gains (losses), net from assets held against insurance contracts and yield-dependent investment contracts	<u>834</u>	<u>(38,363)</u>	<u>263,496</u>	<u>225,967</u>

\*) Recognized under investment gains, net from assets held against insurance contracts and yield-dependent investment contracts.

In 2024, there were no material transfers from Level 1 to Level 2, nor were there transfers from or to Level 3.

## Notes to the Consolidated Interim Financial Statements

### NOTE 11 - FAIR VALUE OF FINANCIAL INSTRUMENTS (cont.)

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

##### Fair value of financial instruments by level

	As of June 30, 2025			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Financial assets:				
Illiquid debt instruments, excluding designated bonds	-	3,128,742	40,763	3,169,505
Designated bonds	-	-	3,186,944	3,186,944
Liquid debt instruments	5,260,932	149,102	-	5,410,034
Equity instruments	1,013,599	4,448	326,793	1,344,840
Other investments	532,113	177,206	3,327,208	4,036,527
Total financial assets	<u>6,806,644</u>	<u>3,459,498</u>	<u>6,881,708</u>	<u>17,147,850</u>
Financial liabilities:				
Derivative instruments	3,870	41,196	-	45,066
Short sales	10,154	-	-	10,154
Total financial liabilities	<u>14,024</u>	<u>41,196</u>	<u>-</u>	<u>55,220</u>

	As of June 30, 2024			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Financial assets:				
Illiquid debt instruments, excluding designated bonds	-	3,302,758	41,962	3,344,720
Designated bonds	-	-	3,023,356	3,023,356
Liquid debt instruments	3,963,039	310,407	-	4,273,446
Equity instruments	811,920	1,292	328,353	1,141,565
Other investments	286,306	10,148	3,124,443	3,420,897
Total financial assets	<u>5,061,265</u>	<u>3,624,605</u>	<u>6,518,114</u>	<u>15,203,984</u>
Financial liabilities:				
Derivative instruments	<u>6,850</u>	<u>100,622</u>	<u>-</u>	<u>107,472</u>

## Notes to the Consolidated Interim Financial Statements

### NOTE 11 - FAIR VALUE OF FINANCIAL INSTRUMENTS (cont.)

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

##### Fair value of financial instruments by level (cont.)

	As of December 31, 2024			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Financial assets:				
Illiquid debt instruments, excluding designated bonds	-	3,267,101	43,717	3,310,818
Designated bonds	-	-	3,143,931	3,143,931
Liquid debt instruments	4,370,349	153,835	-	4,524,184
Equity instruments	840,489	1,525	317,036	1,159,050
Other investments	396,712	50,457	3,310,395	3,757,564
Total financial assets	<u>5,607,550</u>	<u>3,472,918</u>	<u>6,815,079</u>	<u>15,895,547</u>
Financial liabilities:				
Derivative instruments	<u>41,075</u>	<u>11,193</u>	<u>-</u>	<u>52,268</u>

##### Financial instruments measured at fair value - Level 3

	Financial assets				
	Unaudited				
	NIS thousand				
	Illiquid debt instruments, excluding designated bonds	Designated bonds	Equity instruments	Other investments	Total financial assets
Balance as of January 1, 2025	43,717	3,143,931	317,036	3,310,395	6,815,079
Total gains (losses) recognized:					
In profit or loss (*)	2,491	124,755	(554)	56,130	182,822
Proceeds from interest and dividend	(1,731)	(67,052)	(2,167)	(99,168)	(170,118)
Purchases	24	1,488	12,478	208,100	222,090
Sales	(139)	-	-	(148,249)	(148,388)
Discharges	(3,599)	(16,178)	-	-	(19,777)
Balance as of June 30, 2025	<u>40,763</u>	<u>3,186,944</u>	<u>326,793</u>	<u>3,327,208</u>	<u>6,881,708</u>
Investment gains (losses), net from assets held against insurance contracts and non-yield-dependent investment contracts, equity and other liabilities	<u>2,345</u>	<u>124,844</u>	<u>(554)</u>	<u>55,095</u>	<u>181,730</u>

\*) Recognized under Investments gains (losses)

During the six-month period ended June 30, 2025 there were no material transfers between Level 1 and Level 2 to Level 3, nor were there transfers from or to Level 3.

## Notes to the Consolidated Interim Financial Statements

### NOTE 11 - FAIR VALUE OF FINANCIAL INSTRUMENTS (cont.)

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

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

	Financial assets				
	Unaudited				
	NIS thousand				
	<b>Illiquid debt instruments, excluding designated bonds</b>	<b>Designat ed bonds</b>	<b>Equity instruments</b>	<b>Other investments</b>	<b>Total financial assets</b>
Balance as of January 1, 2024 (audited)	42,652	3,172,482	314,183	2,868,956	6,398,273
Total gains (losses) recognized:					
In profit or loss (*)	2,065	(80,947)	5,038	124,546	50,702
Proceeds from interest and dividend	(1,174)	(65,645)	(1,954)	(56,518)	(125,291)
Purchases	-	2,061	11,086	276,184	289,331
Sales	-	-	-	(88,725)	(88,725)
Discharges	(1,581)	(4,595)	-	-	(6,176)
Balance as of June 30, 2024	<u>41,962</u>	<u>3,023,356</u>	<u>328,353</u>	<u>3,124,443</u>	<u>6,518,114</u>
Investment gains (losses), net from assets held against insurance contracts and non-yield-dependent investment contracts, equity and other liabilities	<u>1,980</u>	<u>(81,071)</u>	<u>5,038</u>	<u>124,456</u>	<u>50,403</u>

\*) Recognized under Investments gains (losses)

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

## Notes to the Consolidated Interim Financial Statements

### NOTE 11 - FAIR VALUE OF FINANCIAL INSTRUMENTS (cont.)

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

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

	Financial assets				
	Unaudited				
	NIS thousand				
	<b>Illiquid debt instruments, excluding designated bonds</b>	<b>Designated bonds</b>	<b>Equity instruments</b>	<b>Other investments</b>	<b>Total financial assets</b>
Balance as of April 1, 2025	45,384	3,128,611	331,812	3,444,247	6,950,054
Total gains (losses) recognized:					
In profit or loss (*)	(658)	140,075	(11,268)	(86,368)	41,781
Proceeds from interest and dividend	(864)	(67,052)	(1,657)	(47,578)	(117,151)
Purchases	24	1,488	7,906	102,471	111,889
Sales	(139)	-	-	(85,564)	(85,703)
Discharges	(2,984)	(16,178)	-	-	(19,162)
Balance as of June 30, 2025	<u>40,763</u>	<u>3,186,944</u>	<u>326,793</u>	<u>3,327,208</u>	<u>6,881,708</u>
Investment gains (losses), net from assets held against insurance contracts and non-yield- dependent investment contracts, equity and other liabilities	<u>(804)</u>	<u>140,164</u>	<u>(11,268)</u>	<u>(88,174)</u>	<u>39,918</u>

\*) Recognized under Investments gains (losses)

During the three-month period ended June 30, 2025 there were no material transfers between Level 1 and Level 2 to Level 3, nor were there transfers from or to Level 3.

## Notes to the Consolidated Interim Financial Statements

### NOTE 11 - FAIR VALUE OF FINANCIAL INSTRUMENTS (cont.)

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

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

	Financial assets				
	Unaudited				
	NIS thousand				
	<b>Illiquid debt instruments, excluding designated bonds</b>	<b>Designated bonds</b>	<b>Equity instruments</b>	<b>Other investments</b>	<b>Total financial assets</b>
Balance as of April 1, 2024	41,893	3,238,206	326,924	2,966,840	6,573,863
Total gains (losses) recognized:					
In profit or loss (*)	1,439	(146,671)	1,591	87,550	(56,091)
Proceeds from interest and dividend	(608)	(65,645)	(715)	(30,434)	(97,402)
Purchases	-	2,061	553	146,015	148,629
Sales	-	-	-	(45,528)	(45,528)
Discharges	(762)	(4,595)	-	-	(5,357)
Balance as of June 30, 2024	<u>41,962</u>	<u>3,023,356</u>	<u>328,353</u>	<u>3,124,443</u>	<u>6,518,114</u>
Investment gains (losses), net from assets held against insurance contracts and non-yield- dependent investment contracts, equity and other liabilities	<u>1,399</u>	<u>(146,795)</u>	<u>1,591</u>	<u>89,244</u>	<u>(54,561)</u>
*) Recognized under Investments gains (losses)					

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

## Notes to the Consolidated Interim Financial Statements

### NOTE 11 - FAIR VALUE OF FINANCIAL INSTRUMENTS (cont.)

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

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

	Financial assets				
	Unaudited				
	NIS thousand				
	<b>Illiquid debt instruments, excluding designated bonds</b>	<b>Designated bonds</b>	<b>Equity instruments</b>	<b>Other investments</b>	<b>Total financial assets</b>
Balance as of January 1, 2024 (audited)	42,652	3,172,482	314,183	2,868,956	6,398,273
Total gains (losses) recognized:					
In profit or loss (*)	1,081	143,254	(5,087)	172,427	311,675
Proceeds from interest and dividend	(1,793)	(130,612)	(5,770)	(131,215)	(269,390)
Purchases	4,525	111,997	49,764	602,717	769,003
Sales	-	-	(36,054)	(202,490)	(238,544)
Discharges	(2,748)	(153,190)	-	-	(155,938)
Balance as of December 31, 2024	<u>43,717</u>	<u>3,143,931</u>	<u>317,036</u>	<u>3,310,395</u>	<u>6,815,079</u>
(*) Recognized in the 'Investment gains (losses), net' line item.					
Investment gains (losses), net from assets held against insurance contracts and non-yield-dependent investment contracts, equity and other liabilities	<u>934</u>	<u>137,498</u>	<u>(4,876)</u>	<u>169,144</u>	<u>302,700</u>
*) Recognized under Investments gains (losses)					

In 2024, there were no material transfers from Level 1 to Level 2, nor were there transfers from or to Level 3.

## Notes to the Consolidated Interim Financial Statements

### NOTE 11 - FAIR VALUE OF FINANCIAL INSTRUMENTS (cont.)

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

Financial instrument	Valuation techniques	Significant non-observable inputs	As of June 30, 2025		As of December 31, 2024		Sensitivity of fair value to change in inputs	Interactions between significant non-observable inputs and fair other non-observable inputs
			Fair value (in NIS thousand)	Range (weighted average)	Fair value (in NIS thousand)	Range (weighted average)		
Designated Hetz bonds	Expected discounted cash flows	Discount rate	3,186,944	2.09% - 2.96%	3,143,931	1.92% - 2.80%	A substantial increase in this data will lead to a substantial decrease in fair value	There were no significant interactions between the non-observable inputs
		Actuarial assumptions		Based on an actuarial model		Based on an actuarial model	A significant change in this data may lead to a substantial change in value	

## Notes to the Consolidated Interim Financial Statements

### NOTE 11 - FAIR VALUE OF FINANCIAL INSTRUMENTS (cont.)

#### D. Other financial instruments not held against yield-dependent contracts

Financial instruments measured at fair value for disclosure purposes only

	As of June 30, 2025	
	Carrying value	Fair value
	Unaudited	
	NIS thousand	
<b>Financial assets:</b>		
Other financial investments measured at depreciated cost:		
<u>Illiquid debt instruments:</u>		
Deposits with banks and financial institutions	179,087	184,921
Treasury deposits	4,583,339	5,443,728
Illiquid corporate bonds	250,711	260,044
Loans (including investees)	5,167,576	5,154,492
Total illiquid debt instruments	10,180,713	11,043,185
<b>Total financial assets</b>	10,180,713	11,043,185
<b>Financial liabilities:</b>		
Loans from banking corporations	2,383,058	2,383,058
Non-convertible bonds	2,317,691	2,309,733
Liabilities for financial guarantee contracts	11,930	11,930
Liabilities to pay standing orders	775,258	775,258
Loan from non-controlling interests	5,519	5,519
Lease liabilities	68,258	
<b>Total financial liabilities</b>	5,561,714	5,485,498

## Notes to the Consolidated Interim Financial Statements

### NOTE 11 - FAIR VALUE OF FINANCIAL INSTRUMENTS (cont.)

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

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

	As of June 30, 2024	
	Carrying value	Fair value
	Unaudited	
	NIS thousand	
<b>Financial assets:</b>		
Other financial investments measured at depreciated cost:		
<u>Illiquid debt instruments:</u>		
Deposits with banks and financial institutions	330,012	341,856
Treasury deposits	4,495,909	5,270,789
Illiquid corporate bonds	241,336	246,474
Loans (including investees)	4,098,180	4,044,561
Total illiquid debt instruments	9,165,437	9,903,680
<b>Total financial assets</b>	9,165,437	9,903,680
<b>Financial liabilities:</b>		
Loans from banking corporations	1,503,832	1,503,832
Non-convertible bonds	2,255,818	2,154,798
Liabilities for financial guarantee contracts	13,058	13,058
Liabilities to pay standing orders	702,096	702,096
Lease liabilities	71,837	
<b>Total financial liabilities</b>	4,546,641	4,373,784

	As of December 31, 2024	
	Carrying value	Fair value
	Unaudited	
	NIS thousand	
<b>Financial assets:</b>		
Other financial investments measured at depreciated cost:		
<u>Illiquid debt instruments:</u>		
Deposits with banks and financial institutions	181,494	189,786
Treasury deposits	4,538,024	5,431,775
Illiquid corporate bonds	253,516	264,388
Loans (including investees)	4,282,991	4,302,890
Total illiquid debt instruments	9,256,025	10,188,839
<b>Total financial assets</b>	9,256,025	10,188,839
<b>Financial liabilities:</b>		
Loans from banking corporations	1,573,578	1,573,578
Non-convertible bonds	1,911,513	1,865,495
Liabilities for financial guarantee contracts	12,986	12,986
Liabilities to pay standing orders	753,319	753,319
Lease liabilities	65,320	
<b>Total financial liabilities</b>	4,316,716	4,205,378

## Notes to the Consolidated Interim Financial Statements

### NOTE 12 - CONTINGENT LIABILITIES

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

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

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

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

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

For motions to certify claims as class actions in which the Company's and/or the consolidated companies' defense claims are "more likely than not" to be denied and the proceeding is "more likely than not" to be dismissed (on its merits, or - for a class action lawsuit - to not be certified as a class action lawsuit by the court), according to the management's assessment, based (among other things) on legal opinions it has received - no provision was included in the Financial Statements. For proceedings where it is more likely than not that the defense claims of the Company and/or consolidated companies will be dismissed, in whole or in part, the Financial Statements include provisions to cover the exposure estimated by the Company and/or consolidated companies. For proceedings in preliminary stages whose odds cannot be estimated, no provision was included in the financial statements (see Section B, Subsections 5 and 7-15, Section C, Subsections 2-8 and 10-30 below, and Section D, Subsections 1-3). For cases in which the company and/or any of the consolidated companies are willing to settle, a provision has been made according to the willingness to settle, even if it is "more likely than not" that the Company's and/or the consolidated companies' defense claims would be granted, or the proceeding is at a preliminary stage and it is impossible to estimate the proceeding's odds.

With respect to the motions to certify claims as class actions described in Section B, Subsections 1-4 and 6 and Section C, Subsections 1 and 9 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.

## Notes to the Consolidated Interim Financial Statements

### NOTE 12 - CONTINGENT LIABILITIES (cont.)

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

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.

## Notes to the Consolidated Interim Financial Statements

### NOTE 12 - 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. There are claims in which the plaintiff did not name the claimed amount, and therefore, it was not specified. To the extent that the plaintiff specified an amount attributed to the company, this is noted expressly.

## Notes to the Consolidated Interim Financial Statements

### NOTE 12 - 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 12 - 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 “ <b>Barr Affair</b> ”) against other insurance companies, which stated that “the claim filing date” (within the meaning of Section 28A to the Insurance Contract Law) on which the 30-day race shall commence, and after which linked interest must be added to the insurance benefits, is the date the insurance company or the insurance agent, whichever is earlier, first received a communication indicating that the policyholder (or a third party or beneficiary) wishes to receive insurance benefits, without needing to attach any document. On May 18, 2021, the defendants in the Barr Affair appealed the judgment before the Supreme Court. At the same time, the District Court certified the lawsuit against Menora Insurance and Shomera on May 26, 2021 (Section 9 below) as a class action lawsuit. Menora Insurance filed its statement of defense on December 14, 2021. On March 13, 2022, the District Court stayed the proceedings in the case, pending a decision on the appeal in the Barr Affair. On November 9, 2022, a ruling was rendered on the Barr Affair, pursuant to which the motion for leave to appeal was denied. Accordingly, the adjudication of the lawsuit in the District Court was resumed.	At least approx. NIS 50 million

## Notes to the Consolidated Interim Financial Statements

### NOTE 12 - CONTINGENT LIABILITIES (cont.)

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

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

## Notes to the Consolidated Interim Financial Statements

### NOTE 12 - CONTINGENT LIABILITIES (cont.)

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

Serial No.	Date and court (1)	Parties	Main arguments, causes and remedies	Represented class (2)	Details	Claimed amount (3)
6.	12/2018 District Court - Tel Aviv	A private dwelling insurance policyholder v. Menora Insurance et al.	<p>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 when 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.</p> <p>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.</p> <p>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.</p>	Anyone who took out a mortgage loan from one or more of Respondents 4-7 and was insured by one or more of Respondents 1-3 under a private dwelling insurance policy that is one of two or more policies in connection with the same structure during the same period.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion. The lawsuit is at the summation stage. On November 24, 2023, the Court approved the motion to certify the lawsuit as a class action lawsuit. On April 1, 2025, a motion was filed to approve a settlement agreement that is subject to the court's approval.	Approx. NIS 280 million for all defendants

## Notes to the Consolidated Interim Financial Statements

### NOTE 12 - CONTINGENT LIABILITIES (cont.)

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

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

## Notes to the Consolidated Interim Financial Statements

### NOTE 12 - 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.	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
10.	04/2020 District Court - Central	A policyholder v. Menora Insurance et al.	The motion concerns the claim that the defendants do not reduce and do not refund their compulsory motor insurance and comprehensive and third party motor property insurance policyholders for the allegedly excessive insurance premiums they had paid, in light of the extremely reduced risk level to which the defendants are exposed following the dramatic reduction in economic activity due to Covid-19 outbreak and the reduced volumes of road traffic.	All the defendants' policyholders who held compulsory motor insurance or comprehensive property and third party motor insurance policies on March 12, 2020, and until the date the lawsuit was filed (hereinafter - the " <b>Relevant Period</b> ") 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
11.	08/2020 District Court - Central	A planholder v. Menora Insurance et al.	The lawsuit concerns the claim that when stipulating an exclusion in the policy due to the policyholder's medical condition, the defendants allegedly charge an excess premium, because the exclusion is claimed to reduce the insurer's insurance risk, compared with policies with no exclusions.	Anyone who was a policyholder in the period beginning 7 years before the day of filing the claim and ending on the day of its certification as a class action, under an insurance policy for disability, long-term care, life, PHI, personal accidents, health (including critical illness, surgeries and transplants in Israel or abroad, medications, ambulatory procedures or any other medical coverage) that contains an exclusion.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion. The lawsuit is under a mediation procedure.	Approx. NIS 1.9 billion for all defendants, of which, an estimated 6% are against Menora Insurance.

## Notes to the Consolidated Interim Financial Statements

### NOTE 12 - CONTINGENT LIABILITIES (cont.)

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

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

## Notes to the Consolidated Interim Financial Statements

### NOTE 12 - CONTINGENT LIABILITIES (cont.)

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

Serial No.	Date and court (1)	Parties	Main arguments, causes and remedies	Represented class (2)	Details	Claimed amount (3)
14.	10/2021 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 accidents insurance policy from the defendant and suffered an insured event in the past 7 years (hereinafter - the <b>"represented class"</b> ).	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. A motion to approve a settlement agreement was filed with the court. The settlement agreement has been reached as a result of direct negotiations between the parties, rather than under the mediation process.	Much higher than NIS 31 million
15.	09/2022 District Court - Tel Aviv	A policyholder v. Menora Insurance and additional insurance companies	The lawsuit concerns the claim that the defendants violate the terms of the insurance contract between the parties by refusing to cover medical cannabis purchase expenses.	All of the defendants' policyholders who had purchased coverage for pharmaceuticals that are excluded from the Healthcare Services Basket, who were not reimbursed for their medical cannabis expenses.	The lawsuit is at the stage of certification as a class action.  Menora Insurance has submitted its response to the motion.	NIS 30 million (at least)

## Notes to the Consolidated Interim Financial Statements

### NOTE 12 - CONTINGENT LIABILITIES (cont.)

#### C. Other lawsuits:

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

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

## Notes to the Consolidated Interim Financial Statements

### NOTE 12 - 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. The lawsuit is at the summation stage.	More than 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. The lawsuit is at the summation stage.	Not quantified.
6.	04/2021 District Court - Tel Aviv	A planholder v. Menora Mivtachim Pension and Provident Funds	The lawsuit concerns the claim that when the defendants' customers browsed their personal information section using the digital services on the defendants' website and/or mobile applications, the customers' personal and confidential information was transferred to third parties (without their consent), specifically to Google and its advertising service.	The lawsuit is at the stage of certification as a class action. Menora Mivtachim Pension and Provident Funds has submitted its response to the motion. The mediation proceeding between the parties was unsuccessful and the case was returned to the Court. The lawsuit is at the summation stage.	More than NIS 2.5 million

## Notes to the Consolidated Interim Financial Statements

### NOTE 12 - CONTINGENT LIABILITIES (cont.)

#### C. Other lawsuits: (cont.)

Serial No.	Date and court	Parties	Main arguments	Details	Claimed amount
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
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. On February 3, 2025, the court granted the motion to certify.	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, for policyholders who are considered to suffer from PHI, 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

## Notes to the Consolidated Interim Financial Statements

### NOTE 12 - CONTINGENT LIABILITIES (cont.)

#### C. Other lawsuits: (cont.)

Serial No.	Date and court	Parties	Main arguments	Details	Claimed amount
11.	7/2023 District Court - Tel Aviv	A policyholder v. Menora Insurance	The lawsuit concerns the claim that the defendant does not make adequate representations regarding the professional liability policies for lawyers that it has been marketing since it has won the Israel Bar Association's tender in 2016, and that when a policyholder seeks to realize their coverage under the aforementioned policy and/or under any other policy marketed by Menora Insurance and that covers legal expenses and/or defense expenses – Menora Insurance violates its obligations under the policy and acts unlawfully by impairing the policyholder's ability to be defended by an attorney who is not on Menora Insurance's list of service providers, including by limiting the attorney's fees payable to them.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion.	More than NIS 2.5 million
12.	10/2023 District Court - Tel Aviv	A policyholder v. Shomera et al.	The lawsuit concerns the claim that the defendants provide, along with motor insurance policies, riders for the provision of towing services for vehicles that allegedly do not provide a lift towing service for vehicles requiring this (as distinct from flat towing) and charges the vehicle owners an additional separate payment for the said service.	The lawsuit is at the stage of certification as a class action. Shomera has yet to submit its response to the motion. On November 29, 2024, the court decided to strike the motion. On January 26, 2025, the movants appealed the judgment to the Supreme Court. On June 24, 2025, a judgment was handed down granting the Appeal, in the sense that the case will be remanded to the District Court in order for it to rule separately on the withdrawal arrangement that has not yet been formulated.	According to the plaintiff's estimate - NIS 80 million

## Notes to the Consolidated Interim Financial Statements

### NOTE 12 - CONTINGENT LIABILITIES (cont.)

#### C. Other lawsuits: (cont.)

Serial No.	Date and court	Parties	Main arguments	Details	Claimed amount
13.	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.
14.	1/2024 Labor Court - Haifa	A policyholder v. Menora Mivtachim Pension and Provident Funds	The action involves the claim that the pension fund managed by the defendant unlawfully collects insurance coverage costs (insurance premiums), which are higher than those it was entitled to collect, while reducing the accumulation amount, for the following reasons: (a) The calculation of the determinative salary is too high in relation to the correct calculation and therefore the collection of insurance coverage costs are higher than the insurance coverage costs which should have been collected; (b) Collection of insurance coverage costs for a full month in relation to the month in which the planholder joined the pension fund (instead of only partial collection according to the part of the month in which the planholder was actually a planholder and received insurance coverage from the pension fund); (c) Collection of insurance coverage costs for a deposit received from the employer retroactively, even though according to the regulations, a retroactive deposit does not grant the planholder insurance coverage for the period preceding the date of its receipt.	The lawsuit is at the stage of certification as a class action. Menora Pension and Provident Funds has submitted its response to the motion. The lawsuit is under a mediation procedure.	More than NIS 2.5 million.

## Notes to the Consolidated Interim Financial Statements

### NOTE 12 - CONTINGENT LIABILITIES (cont.)

#### C. Other lawsuits: (cont.)

Serial No.	Date and court	Parties	Main arguments	Details	Claimed amount
15.	2/2024 District Court - Tel Aviv	A policyholder v. Shomera	The action involves the claim that the defendant reduces various amounts when paying insurance benefits as part of comprehensive motor insurance policies, based on "reducing variables" or "special variables," which were not specified to policyholders in the pre-contractual phase, contrary to the circular, "Motor (Property) Insurance - Insurance Benefits in Case of a Total Loss."	The lawsuit is at the stage of certification as a class action. Shomera has yet to submit its response to the motion. The lawsuit is under a mediation procedure.	More than NIS 2.5 million.
16.	5/2024 District Court - Central	A policyholder v. Menora Insurance et al.	The claim alleges that the respondents violate the provision of the Supervision Law and Commissioner's Circulars with respect to marketing and sale of riders for related services in motor comprehensive or third party insurance, such as: repair of windshields and headlights, towing and rescue, etc.	The lawsuit is at the stage of certification as a class action. Menora Insurance has yet to submit its response to the motion. The lawsuit is under a mediation procedure.	More than NIS 2.5 million.
17.	5/2024 District Court - Central	A policyholder v. Menora Mivtachim Pension and Provident Funds	The lawsuit concerns the claim that the defendant raised the management fees that the plaintiff paid in the investment provident fund due to the cessation of contributions to the investment provident fund, and this (according to the claim) is contrary to the provisions of the fund regulations (based on the Standard Policy that the Commissioner of the Capital Market, Insurance and Savings Authority published in 2016) and allegedly contrary to the provisions of the accession form that the planholder signed.	The lawsuit is at the stage of certification as a class action. Menora Pension and Provident Funds has submitted its response to the motion.	More than NIS 2.5 million.
18.	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.

## Notes to the Consolidated Interim Financial Statements

### NOTE 12 - CONTINGENT LIABILITIES (cont.)

#### C. Other lawsuits: (cont.)

Serial No.	Date and court	Parties	Main arguments	Details	Claimed amount
19.	6/2024 District Court - Central	A policyholder v. Menora Insurance	The lawsuit concerns the allegation of the respondent's allegedly wrongful and unlawful practice of automatically renewing home insurance policies, while raising insurance premiums, on the pretext of revoking a "special discount" that does not apply to renewals, without notice and without consent, in contravention of the law.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion. The lawsuit is under a mediation procedure.	More than NIS 2.5 million
20.	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 submitted its response to the motion.	More than NIS 2.5 million
21.	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

## Notes to the Consolidated Interim Financial Statements

### NOTE 12 - CONTINGENT LIABILITIES (cont.)

#### C. Other lawsuits: (cont.)

Serial No.	Date and court	Parties	Main arguments	Details	Claimed amount
22.	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 ( <i>Mushlemet TOP</i> ) 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
23.	12/2024 Regional - Tel Aviv	A policyholder v. Menora Insurance	The lawsuit concerns the claim that the defendant imposes on the policyholders in the PHI policies a professional supplement due to a change in occupation in a manner that reduces the insurance benefits that it must pay and this is allegedly unlawful.	The lawsuit is at the stage of certification as a class action. Menora Insurance has submitted its response to the motion.	NIS 10 million.
24.	01/2025 District Court - Central	A policyholder v. Menora Insurance	The lawsuit concerns the claim that the defendant does not compensate and/or indemnify the members of the Group as defined below, taking into account the costs of the actual surgery, but allegedly according to much lower amounts, and that the prices of the surgeries listed in the calculator are not based, according to the claim, on the real prices that the defendant pays in connection with the surgeries, contrary to the provisions of the law. Including a judgment given in the defendant's case in Class Action 564-04-09 Kidishman v. Menora.	The lawsuit is at the stage of certification as a class action. Menora Insurance has yet to submit its response to the motion.	More than NIS 3.6 million

## Notes to the Consolidated Interim Financial Statements

### NOTE 12 - CONTINGENT LIABILITIES (cont.)

#### C. Other lawsuits: (cont.)

Serial No.	Date and court	Parties	Main arguments	Details	Claimed amount
25.	02/2025 District Court - Central	A policyholder v. ERN Israel Ltd.	The lawsuit concerns the allegation that the defendant collects fees - primarily a "collection fee" - from consumers who make payments to various businesses without having a contract in place and without sufficient disclosure of the amount of the fees (neither upon signing the letter of commitment signed by the movant nor afterwards). The alleged causes of action in the motion to certify are breach of the provisions of Section 13B2 to the Consumer Protection Law, breach of statutory duty (which is the duty set forth in section 13B2 to the Consumer Protection Law), breach of contract, breach of the duty to act in good faith and unjust enrichment. The main remedies claimed are: Compensation and restitution of the amounts allegedly collected unlawfully plus linkage differences and interest, and a permanent ordinance prohibiting the defendant from collecting any additional payment including a collection fee.	The lawsuit is at the stage of certification as a class action. ERN has yet to submit its response to the motion.	More than NIS 2.5 million
26.	02/2025 Labor Court - Tel Aviv	A planholder v. Menora Mivtachim Pension and Provident Funds	The lawsuit concerns the allegation that the defendant collected management fees at a rate higher than 0.3% from holders of "dormant accounts" in a provident fund and from the accounts of deceased persons whose successors were not detected, without acting to renew contact with the planholders or to detect their successors as required under the regulations. The alleged causes of action include, among other things, breach of statutory duty, breach of the fiduciary duty, negligence, unjust enrichment, bad faith, breach of autonomy and equality, misrepresentation, and fraud. The main remedies claimed are: Compensation for the damage, including restitution of the management fees, which were allegedly collected at a rate higher than the rate set, mandatory injunction to the defendant requiring it to act to detect the account holders, contact with whom has been lost, and the successors/beneficiaries of deceased planholders.	The lawsuit is at the stage of certification as a class action. Menora Pension and Provident Funds has yet to submit its response to the motion.	More than NIS 2.5 million
27.	03/2025 District Court - Central	A policyholder v. Menora Insurance	The lawsuit concerns the allegation that the defendant pays funds arising from insurance premium refunds by means of checks instead of bank transfer or crediting a credit card.	The lawsuit is at the stage of certification as a class action. Menora Insurance has yet to submit its response to the motion.	More than NIS 2.5 million

## Notes to the Consolidated Interim Financial Statements

### NOTE 12 - CONTINGENT LIABILITIES (cont.)

#### C. Other lawsuits: (cont.)

Serial No.	Date and court	Parties	Main arguments	Details	Claimed amount
28.	05/2025 District Court - Central	A policyholder v. Menora Insurance	The Claim concerns the allegation that the Respondents condition the sale of Compulsory Motor insurance on the purchase of an additional product (comprehensive insurance, third-party insurance, or another product), and in doing so breach the provisions of Section 57 of the Financial Services Supervision Law (Insurance), 1981, and other statutory provisions. The alleged causes of action are, inter alia, breach of statutory duty, negligence, breach of duty of care, contractual causes, and unjust enrichment. The principal remedies are monetary remedy, compensation for non-pecuniary damage, and a declaratory remedy ordering cessation of the alleged breach.	The lawsuit is at the stage of certification as a class action. Menora Insurance has yet to submit its response to the motion.	More than NIS 2.5 million
29.	06/2025 District Court - Central	A policyholder v. Menora Insurance	The lawsuit concerns the allegation that the plaintiff allegedly sets the insurance coverage rate such that their cumulative rate exceeds the limit of 35% by removing the permanent health insurance component from the calculation base where it is paid at the expense of the employer - allegedly in breach of statutory provisions. The principal alleged causes of action are, inter alia, breach of statutory duty, breach of the policy provisions, breach of the duty of good faith, and unjust enrichment. The principal remedies are a declaratory order stating that the Respondent acted unlawfully and compensation to the class members for their damages.	The lawsuit is at the stage of certification as a class action. Menora Insurance has yet to submit its response to the motion.	More than NIS 3 million
30.	08/2025 Magistrate Court, Beit She'an	Levy v. Shomera Insurance Company Ltd.	The Claim concerns the allegation that the Respondent adopted an improper practice in cases of a "Constructive Total Loss" (over 50% of the value of the vehicle but less than 60%), and even in cases that do not fall within the definition of "constructive total loss," to compensate its policyholders and/or any other damaged third party, as a matter of routine, as if the vehicle had been a total loss, all at its own discretion and without obtaining the consent of the policyholder and/or the damaged party as required by law and pursuant to the terms of the standard policy. The alleged causes of action are, inter alia, unjust enrichment, breach of statutory duty, fraud, negligence, and the duty of good faith. The principal remedies are the restitution of amounts deducted from the policyholders and the third parties, as well as legal fees and compensation to the Movant.	The lawsuit is at the preliminary stage. The Respondent is reviewing the Claim and the Certification Motion, and therefore it is not possible to assess the chances of its certification as a class action.	More than NIS 2.5 million

## Notes to the Consolidated Interim Financial Statements

### NOTE 12 - CONTINGENT LIABILITIES (cont.)

#### D. Concluded lawsuits

Serial No.	Date and court	Parties	Main arguments, causes and remedies	Details	Claimed amount
1.	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 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. On April 7, the court approved the settlement agreement, and thus the lawsuit was concluded.	Was not quantified. Estimated at approx. NIS 60 million per year
2.	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 applicant, 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. On April 27, 2025, the movant filed a motion to withdraw. On April 27, 2025, the court granted a motion to withdraw, and thus the lawsuit was concluded.	More than NIS 2.5 million
3.	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 applicant, 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. On April 21, the parties filed a motion to withdraw the motion to certify a class action. On May 5, 2025, the court granted a motion to withdraw, and thus the lawsuit was concluded.	More than NIS 2.5 million
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 lawsuit is at the stage of certification as a class action. On July 7, 2025, the Supreme Court ruled, in the Appeal filed against the District Court judgment dismissing the appeal, that in light of its recommendation the class members withdrew their Appeal, and therefore the Appeal was dismissed without an order for costs, thus bringing the Claim to an end.	According to an assessment, approx. NIS 2 billion for all the defendants

## Notes to the Consolidated Interim Financial Statements

### NOTE 12 - 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.

	<u>No. of lawsuits</u>	<u>Claimed amount</u>
	<u>Unaudited</u>	
		<u>NIS thousand</u>
<b>Certified class actions:</b>		
Stated amount attributed to the Group	4	301,500
The lawsuit pertains to a number of companies and no specific amount was attributed to the Group	2	328,000
No claim amount was specified	1	-
<b>Pending motions to certify claims as class actions:</b>		
Stated amount attributed to the Group	35	782,000
The lawsuit pertains to a number of companies and no specific amount was attributed to the Group	-	-
No claim amount was specified	3	-

As of the reporting date, the cumulative provision for lawsuits filed against the Company, as detailed above, totals approx. NIS 196 million (as of June 30, 2024 – NIS 164 million, and as of December 31, 2024 – NIS 179 million).

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

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

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

## Notes to the Consolidated Interim Financial Statements

### NOTE 12 - 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 acquires professional liability insurance policies, including as required by the legislative arrangement, and when necessary it reports to the policy's insurer or insurers in order to cover an obligation deriving from professional liability that can be protected by acquiring 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.

## Notes to the Consolidated Interim Financial Statements

### NOTE 13 - SIGNIFICANT EVENTS IN AND SUBSEQUENT TO THE REPORTING PERIOD

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

	Finance income or expenses from insurance	Effect on the CSM balance
	Unaudited	
	NIS thousand	
<b>For the six-month period ended June 30, 2025:</b>		
<u>Life Insurance Segment</u>		
Change in discount rate and expected return assumption (including illiquidity premium)	(12,526)	(41,282)
Effect of the revision of demographic assumptions and other changes	13,878	71,257
<u>Health Insurance Segment</u>		
Change in discount rate and expected return assumption (including illiquidity premium)	(4,205)	258
Effect of the revision of demographic assumptions and other changes	31,080	(33,889)
<u>Property and Casualty Insurance Segment</u>		
Change in discount rate and expected return assumption (including illiquidity premium)	7,580	-
<b>For the six-month period ended June 30, 2024:</b>		
<u>Life Insurance Segment</u>		
Change in discount rate and expected return assumption (including illiquidity premium)	87,604	167,937
Effect of the revision of demographic assumptions and other changes	(34,228)	(440,697)
<u>Health Insurance Segment</u>		
Change in discount rate and expected return assumption (including illiquidity premium)	(125,590)	(224)
Effect of the revision of demographic assumptions and other changes	(23,674)	(145,586)
<u>Property and Casualty Insurance Segment</u>		
Change in discount rate and expected return assumption (including illiquidity premium)	34,191	-
<b>For the three-month period ended June 30, 2025:</b>		
<u>Life Insurance Segment</u>		
Change in discount rate and expected return assumption (including illiquidity premium)	(30,796)	(88,848)
Effect of the revision of demographic assumptions and other changes	13,878	71,257
<u>Health Insurance Segment</u>		
Change in discount rate and expected return assumption (including illiquidity premium)	39,047	258
Effect of the revision of demographic assumptions and other changes	31,080	(33,889)
<u>Property and Casualty Insurance Segment</u>		
Change in discount rate and expected return assumption (including illiquidity premium)	(7,047)	-
<b>For the three-month period ended June 30, 2024:</b>		
<u>Life Insurance Segment</u>		
Change in discount rate and expected return assumption (including illiquidity premium)	115,308	182,346
<u>Health Insurance Segment</u>		
Change in discount rate and expected return assumption (including illiquidity premium)	(83,555)	(224)
Effect of the revision of demographic assumptions and other changes	(23,674)	(145,586)
<u>Property and Casualty Insurance Segment</u>		
Change in discount rate and expected return assumption (including illiquidity premium)	32,562	-
<b>For the year ended December 31, 2024:</b>		
<u>Life Insurance Segment</u>		
Change in discount rate and expected return assumption (including illiquidity premium)	(36,296)	(14,578)
Effect of the revision of demographic assumptions and other changes	(6,086)	(685,477)
<u>Health Insurance Segment</u>		
Change in discount rate and expected return assumption (including illiquidity premium)	(67,797)	-
Effect of the revision of demographic assumptions and other changes	42,344	370,952
<u>Property and Casualty Insurance Segment</u>		
Change in discount rate (including illiquidity premium)	3,134	-

## Notes to the Consolidated Interim Financial Statements

### NOTE 13 - SIGNIFICANT EVENTS IN AND SUBSEQUENT TO THE REPORTING PERIOD (cont.)

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

The change in the CSM balance from the Transition Date to December 31, 2024 derives mainly from demographic updates in the Health Insurance Segment that increased the CSM balance, and, on the other hand, from demographic updates in the Life Insurance Segment that reduced the CSM balance. The CSM balance increased by approx. NIS 162 million as of June 30, 2025, compared with the balance as of December 31, 2024.

The total effect described in the table above for the Life Insurance Segment also includes the effect on the change in the fair value of the designated bonds (Hetz bonds).

#### B. Tender offer - Isracard

On October 31, 2024, the Company entered into an investment agreement with Isracard Ltd. (hereinafter - "**Isracard**") for the purchase of approx. 33% of Isracard's issued and paid up share capital by way of private placement at pre-money valuation of NIS 3.15 billion. On December 30, 2024, Isracard announced that it received another proposal, which constitutes a "preferable proposal" and therefore it intends to cancel the investment agreement signed with the Company. On January 1, 2025, the Company notified Isracard that it does not intend to negotiate an amendment to the agreement's terms. On January 5, 2025, Isracard notified the Company of the cancellation of the investment agreement. Accordingly, the Company received compensation totaling approx. NIS 62 million, which was recognized in the Company's results during the reporting period.

#### C. Rocket fall near Beit Menora

In June 2025, and under Iran's attack on Israel, a missile fell not far from the Company's building. As a result of the missile hit, only minor secondary damage was caused to property without any damage to critical infrastructures, and accordingly the Company's ability to function was not impaired, specifically its provision of services to policyholders and planholders. The total damage net of the expected government compensation is immaterial.

#### D. Share-based payment

Further to the provisions of Note 34 in the Annual Financial Statements, on May 27, 2025 an additional allocation was carried out as detailed below:

Exercise premium per option: NIS 191.16

Expected volatility in the share price: 30.34% - 35.49%

Risk-free interest rate: 4.26% - 4.34%

Expected life of the options: 4-6 years

Weighted average of the share prices in NIS: 50.75 - 52.37

Fair value per option in NIS: 51.51

Total value of options allocated in NIS million: 0.3

## Notes to the Consolidated Interim Financial Statements

### NOTE 13 - SIGNIFICANT EVENTS IN AND SUBSEQUENT TO THE REPORTING PERIOD (cont.)

#### D. Share-based payment (cont.)

In May 2025, the Company's Board of Directors approved an option outline plan for Group's employees, comprising up to 1,122,068 options, which will not be listed on the Tel Aviv Stock Exchange Ltd. (hereinafter - "**Options**" and the "**TASE**"), and which are exercisable into up to 1,122,068 registered Company ordinary shares of NIS 1 p.v. each; the shares are offered or will be offered, without consideration, to employees of the Company and companies under its control; the option outline plan also includes up to 877,932 options, which will not be listed on the TASE, and which are exercisable into up to 877,932 ordinary shares, which were allocated to a trustee by virtue of the previous outline and held by the trustee as of the date of this outline. The options not allocated to specific offerees will enable future allocations to additional officers and employees.

#### E. Dividends declared subsequent to the reporting date

On August 28, 2025, the Company's Board of Directors declared a dividend distribution to the Company's shareholders totaling NIS 450 million, which constitute NIS 7.2 per each share of NIS 1 par value. At that date, Menora Insurance's Board declared a NIS 450 million dividend distribution to the Company. The dividends will be paid in September 2025.

#### F. Assessment of debt raising in a consolidated company

In August 2025, Menora Capital Raising - a sub-subsidiary - announced that it was looking into debt raising by way of issuing a bond series. The issuance structure, terms, timing and scope have not yet been determined as of the report publication date and are subject to the Commissioner's approval. In this context, on August 28, 2025, Midroog assigned an A1 rating with a stable outlook to the subordinated bond (Tier 1 capital), to the extent that it is issued by Menora Capital Raising.



## 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, 2025

Unaudited

Regulation 38D

# **Menora Mivtachim Holdings Ltd.**

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

**As of June 30, 2025**

**Unaudited**

**Regulation 38D**

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**To:**  
**the Shareholders of Menora Mivtachim Holdings Ltd.**

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

**Introduction**

We have 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, 2025 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 463,971 thousand as of June 30, 2025, and the Company's share in the profits of which amounted to NIS 38,660 thousand and a total of NIS 23,493 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, 2025

**Kost Forer Gabbay & Kasierer**  
CPAs

## Financial data from the consolidated statements of financial position

	As of June 30		As of
	2025	2024	December 31
	Unaudited		2024
	NIS thousand		
<u>Current assets</u>			
Cash and cash equivalents	336,109	39,169	14,394
Financial investments	347,435	392,656	351,819
Current tax assets	5,967	7,420	13,651
Receivables and debit balances	663	1,315	3,827
Current balances with investees	11,041	7,937	8,100
Total current assets	701,215	448,497	391,791
<u>Non-current assets</u>			
Loans and receivables	48,387	31,197	33,879
Investments in investees	7,921,608	6,029,849	6,947,588
Loans to investees (Note 2C)	32,848	353,187	344,530
Assets for employee benefits	13,326	13,540	12,517
Property, plant & equipment	961	1,345	1,169
Deferred taxes	901	16,235	8,367
Total non-current assets	8,018,031	6,445,353	7,348,050
	8,719,246	6,893,850	7,739,841
<u>Current liabilities</u>			
Current maturities of financial liabilities	53,217	53,273	53,253
Futures	-	-	35
Payables and credit balances	7,114	8,865	7,860
Current balances with investees	19,500	2,672	2,025
Total current liabilities	79,831	64,810	63,173
<u>Non-current liabilities</u>			
Financial liabilities	225,907	272,859	222,762
Liabilities for employee benefits	22,629	21,481	22,056
Total non-current liabilities	248,536	294,340	244,818
<u>Equity attributable to the Company's shareholders</u>			
Share capital	99,429	99,429	99,429
Share premium	316,563	331,960	326,460
Treasury shares	(64,920)	(94,267)	(84,019)
Capital reserves	327,187	321,206	347,253
Retained earnings	7,712,620	5,876,372	6,742,727
Total equity capital	8,390,879	6,534,700	7,431,850
	8,719,246	6,893,850	7,739,841

August 28, 2025

**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
	2025	2024	2025	2024	
	Unaudited				
	NIS thousand				
<u>Revenues</u>					
Income from investees	1,053,404	518,841	719,142	175,573	1,640,204
Revenues from investments and financing	19,145	11,688	18,005	2,447	46,233
Finance income for loans to investees	8,076	11,183	4,489	7,804	20,563
Other revenues	61,957	-	-	-	-
Management fees from investees	5,642	5,772	2,714	2,704	11,177
Total revenues	1,148,224	547,484	744,350	188,528	1,718,177
<u>Expenses</u>					
Finance expenses	1,429	2,212	717	1,106	4,058
General and administrative expenses	8,599	7,908	3,944	3,662	18,582
Total expenses	10,028	10,120	4,661	4,768	22,640
Income before taxes on income	1,138,196	537,364	739,689	183,760	1,695,537
Taxes on income	18,809	3,627	4,026	1,599	11,530
Net income	1,119,387	533,737	735,663	182,161	1,684,007

## 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
	2025	2024	2025	2024	2024
	Unaudited				
	NIS thousand				
Net income attributable to the Company	1,119,387	533,737	735,663	182,161	1,684,007
<u>Other comprehensive income (loss) that, subsequent to initial recognition in comprehensive income, was or will be carried to profit and loss</u>					
Other comprehensive income (loss) attributable to the investees, net	10,128	3,772	2,626	4,765	(3,526)
<u>Other comprehensive income (loss) not transferred to profit and loss</u>					
Loss due to remeasurement of defined benefit plans	(234)	(148)	(181)	(103)	(424)
Tax benefit	(54)	(34)	(42)	(24)	(98)
	(180)	(114)	(139)	(79)	(326)
Other comprehensive income (loss) attributable to the investees, net	(22,264)	(1,435)	(22,168)	(1,161)	37,896
Total other comprehensive income (loss) not transferred to profit and loss	(22,444)	(1,549)	(22,307)	(1,240)	37,570
Total other comprehensive income (loss), net	(12,316)	2,223	(19,681)	3,525	34,044
Total comprehensive income attributable to the Company	1,107,071	535,960	715,982	185,686	1,718,051

## 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
	2025	2024	2025	2024	2024
	Unaudited				
	NIS thousand				
<u>Cash flows from operating activities</u>					
Net income	1,119,387	533,737	735,663	182,161	1,684,007
Adjustments required to present cash flows from operating activities:					
Adjustments to profit and loss line items:					
Investment and finance income, net	(17,162)	(10,125)	(16,539)	(106)	(41,565)
Depreciation	210	234	106	117	444
Cost of share-based payment	103	215	43	95	399
	(1,053,40				
Income from investees	4)	(518,841)	(719,142)	(175,573)	(1,640,204)
Taxes on income	18,809	3,627	4,026	1,599	11,530
	(1,051,44				
	4)	(524,890)	(731,506)	(173,868)	(1,669,396)
Changes in assets and liabilities line items:					
Change in liabilities for employee benefits	(470)	(1,672)	(451)	(1,458)	(350)
Decrease (increase) in other receivables and debit balances	8,913	6,149	3,019	253	(786)
Decrease in payables and credit balances	(5,653)	(2,697)	(3,855)	(2,652)	(12,339)
	2,790	1,780	(1,287)	(3,857)	(13,475)
Cash paid and received during the period:					
Interest paid	-	-	-	-	(4,716)
Interest received	4,860	5,187	2,603	1,643	10,904
Taxes paid	(9,529)	(11,023)	(802)	(3,696)	(17,042)
Taxes received	6,034	-	(10)	-	-
Dividend received	306,691	299,979	49,294	49,599	539,317
	308,056	294,143	51,085	47,546	528,463
Net cash provided by operating activities attributable to the Company as a parent company	378,789	304,770	53,955	51,982	529,599
Net cash used for operating activities for transactions with investees	12,212	(93)	23,379	3,722	(4,312)
Net cash provided by operating activities	391,001	304,677	77,334	55,704	525,287

## 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
	2025	2024	2025	2024	2024
	Unaudited				
	NIS thousand				
<u>Cash flows provided by investing activities</u>					
Purchase of property, plant and equipment	-	-	-	-	(33)
Proceeds from realization (purchase) of securities measured at fair value through profit and loss, net	20,125	(47,536)	13,050	(66,794)	63,757
Repayment (provision) of long-term loans	(17,181)	116	(16,521)	338	(1,116)
Net cash provided by (used for) investing activities attributable to the Company as a parent company	2,944	(47,420)	(3,471)	(66,456)	62,608
Net cash provided by (used for) activities for transactions with investees	77,913	(58,766)	86,567	(54,691)	(75,762)
Net cash provided by (used for) investing activities	80,857	(106,186)	83,096	(121,147)	(13,154)
<u>Cash flows provided by financing activities</u>					
Repayment of financial liabilities	(56)	(204)	(28)	(163)	(53,422)
Dividend paid to the Company's shareholders	(150,000)	(175,000)	(150,000)	(175,000)	(460,148)
Net cash used for financing activities	(150,056)	(175,204)	(150,028)	(175,163)	(513,570)
<u>Exchange rate differences in respect of cash and cash equivalent balances</u>	(87)	102	(43)	60	51
<u>Increase (decrease) in cash and cash equivalents</u>	321,715	23,389	10,359	(240,546)	(1,386)
<u>Balance of cash and cash equivalents as of the beginning of period</u>	14,394	15,780	325,750	279,715	15,780
<u>Balance of cash and cash equivalents as of the end of period</u>	336,109	39,169	336,109	39,169	14,394
<u>Noncash activity</u>					
Financial investments received as dividend	-	-	-	-	45,000

## Additional Information

### 1. Significant accounting policies

This Interim Separate Financial Information is prepared in condensed format, in accordance with Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 1970 and does not include all the information required under Regulation 9C and the Tenth Addendum to the Securities Regulation (Periodic and Immediate Reports), 1970. This financial information should be read in conjunction with the Separate Financial Information as of December 31, 2024 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, 2024.

### 2. Events during to the reporting period and thereafter

- A. For details regarding a dividend distributed by the Company and consolidated companies during the reporting period, see Note 8, Subsections F-H to the Consolidated Financial Statements.
- B. For details regarding dividends distributed by the Company and a consolidated company subsequent to the reporting period, see Note 13 Subsection E to the Consolidated Financial Statements.
- C. On June 30, 2025, Menora Insurance made an early repayment of capital notes issued to the Company in the amount of approx. NIS 320 million.

