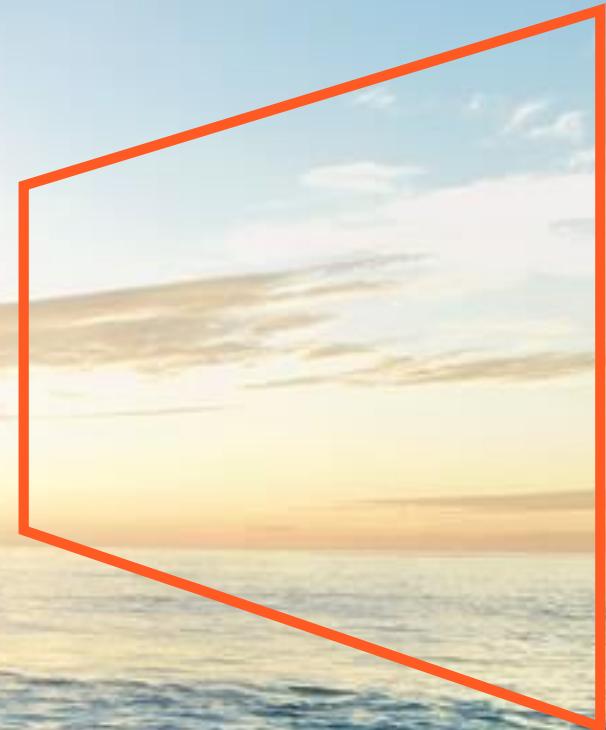




# Q3 2022

## Phoenix Holdings

Financial Review





# Disclaimer

This presentation does not constitute an offer to purchase the Company's securities or solicitation to receive such offers and is designed solely to offer information as part of the Company's explanations regarding its 9M 2022 financial reports.

This presentation includes information regarding the Company's strategic plan for the years 2022-25 as well as forward-looking information as defined in section 32A of the Securities Law 5728-1968.

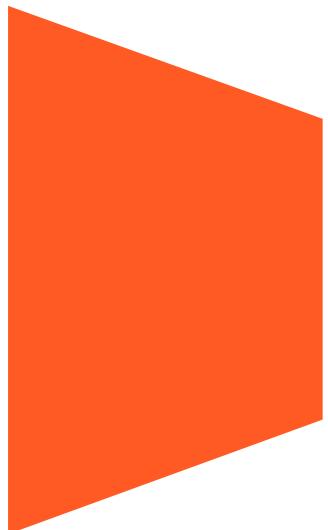
The realization and/or non-realization of forward-looking information which is stated in the financial reports and this presentation will be affected by risk factors that characterize the activities of the Company and group companies, as detailed in the Company's periodic reports, including changes in economic conditions, capital market in Israel and globally, the development of competition in the segments relevant to the group's activities, regulatory changes, changes in consumer preferences and consumption habits, changes in working assumptions or in the economic models and assumptions, and changes in implementation or execution – that can not be estimated in advance and may not be controlled by the Company. Hence, there is no certainty that the actual results and achievements of the Company in the future will be in accordance with these views and may differ, also substantially, from those presented in this presentation.

Furthermore, the presentation includes data and assessments based on external sources, the contents of which were not independently tested by the Company and therefore the Company is not responsible for their accuracy.

This presentation was drafted for the sake of convenience and needs to be reviewed along side with the Company's public reports, including Q3 2022 Financial Statements, which contain the complete information about the Company, before making any decision to invest in the Company's securities.

This presentation may include information that is presented differently from the way it was presented in the company's official reports, some information may be presented and/or categorized and/or edited and/or segmented differently from the company's official past reports.

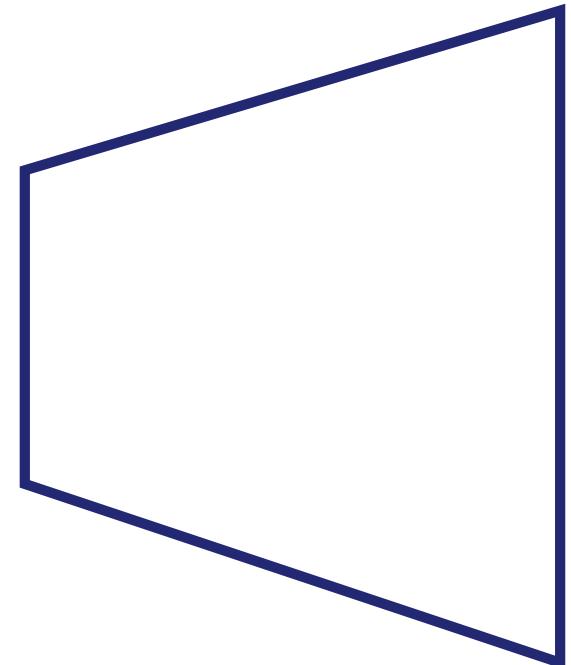
For the avoidance of doubt, the Company does not undertake to update or change the information contained in this presentation.



# Agenda

## ➤ **Highlights**

- Financial Results
- Segment Breakdown
- Appendix
- Glossary





# Phoenix Holdings at a Glance

› Leading Israeli financials group

**TA35 index**  
Since 2018

**9.5 NISb**  
Market cap<sup>(1)</sup>

› Proven and recognized experience

**70+**  
Years of activity

**AA- / AA+**  
Holding / Insurance Rating

› Distinctive performance

**17.8%**  
AUM CAGR  
5-year average<sup>4</sup>

**14.2%**  
ROE Average  
5-year average<sup>4</sup>

› Strong capital position

**202%**  
Solvency II Ratio<sup>3</sup>

**9.6 NISb**  
Shareholders' Equity

› Broad investment capabilities

**364 NISb**  
AUM

**Top Ranked**  
in investment leaderboard<sup>2</sup>

(1) As of November 22, 2022

(2) Based on average yields over 3 years ended 30.09.2022 in the general plans: #1 out of 5 in Policies (1991-2003), #1 out of 7 in Pension, & #6 out of 11 in Provident Funds

(3) As of June 30, 2022, with transitional measures; includes dividend from Phoenix Insurance to Phoenix Holdings announced June 30, 2022

(4) Five-year period (2017-21 end of year for AUM growth, Q4 2017-Q3 2022 for ROE)



# Israeli Economy Snapshot

## Increased volatility in 2022...

**Macro trends:** Continued GDP growth at 7.8% (9M growth YOY); increased inflation and interest rates

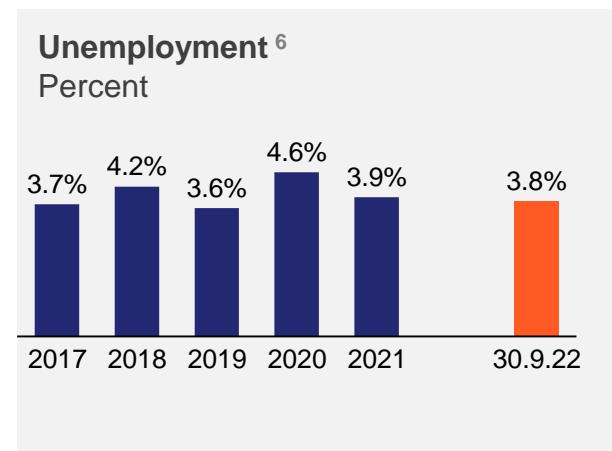
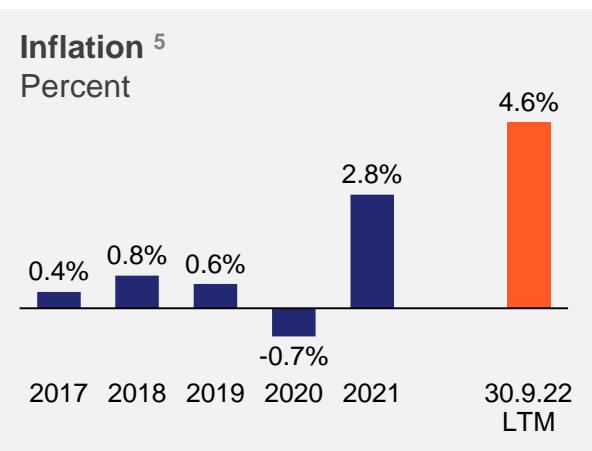
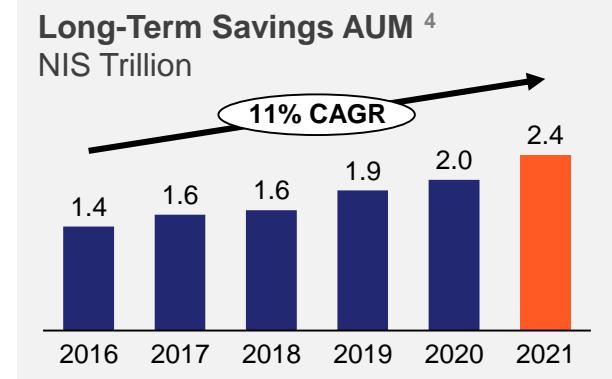
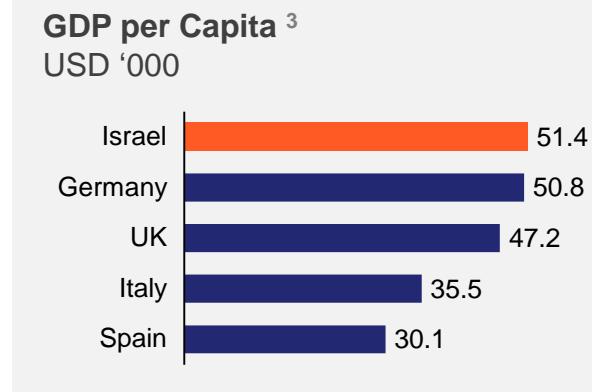
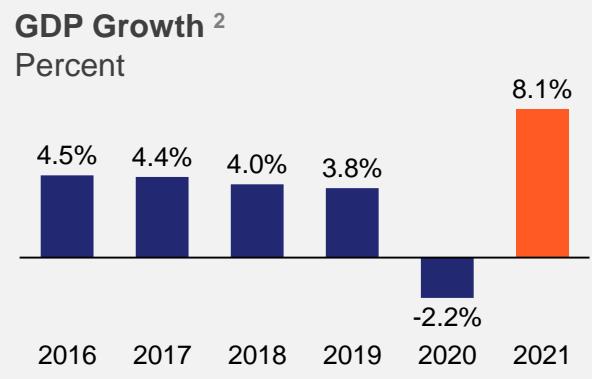
**Capital Markets:** volatility with declines in 2022

## ...but strong long-term trends

### Wealth accumulation:

Continued AUM contributions despite market volatility

**Innovation:** Vibrant tech ecosystem, #1 startups per capital, #1 R&D investment as percent of GDP<sup>1</sup>



<sup>1</sup> Israel Securities Authority

<sup>2</sup> Israel Central Bureau of Statistics

<sup>3</sup> World Bank, current USD, as of August 2022

<sup>4</sup> Bank of Israel including life insurance, pension, and provident funds

<sup>5</sup> Bloomberg; annual inflation and 30.9.22 last twelve months

<sup>6</sup> Bloomberg; long-term yields based on Israel 10-year government bond, not CPI-linked for the last month of the period



# Financial Highlights

**9M 2022**

**8.4%**

ROE

**599 NISm**

Comprehensive  
Income

**364 NISb**

AUM

**9.6 NISb**

Equity

**160 NISm**

Dividend

**0.64 NIS**

Dividend per Share

**56 NISm**

Buyback

*Dividend distribution following H1<sup>1</sup>*

**Q3 2022**

**2.6%**

ROE

**62 NISm**

Comprehensive  
Income

(1) See Slide 11 for dividend breakdown



# 9M 2022 Highlights – Value Catalysts

## 1. Continued income growth from core businesses toward strategic targets

- Higher income from operations in key segments (P&C, asset management, distribution, and credit)
- Shifting mix toward fee-based income
- 8.4% 9M 2022 ROE despite negative market impact (12.2% normalized for 3% real yields & special items)
- Gama showing profitable growth and resilience

## 2. Distinctive opportunities enabled by financial strength & resilience

- Continued inorganic growth, including agreement to acquire Epsilon Investment House (after Q3)
- Solvency increasing to 202% (with transitional measures) as of June 30, 2022

## 3. Systematically unlocking value across group

- Value unlocked in real estate and alternatives platform
- Continuing strategic work to value the group's activities

## 4. Income from investment activities

- Stable and growing AUMs due to net inflows, despite capital market declines
- Capital market impact partially offset by positive interest rates
- Dynamic management for risk-adjusted returns

## Phoenix Holdings (PHOE)

### Insurance Core Businesses

- Continued growth in P&C while focusing on CLR improvement
- Dynamic, risk-adjusted investment management in volatile markets
- Ongoing technology & efficiency improvements

### Additional Core Businesses

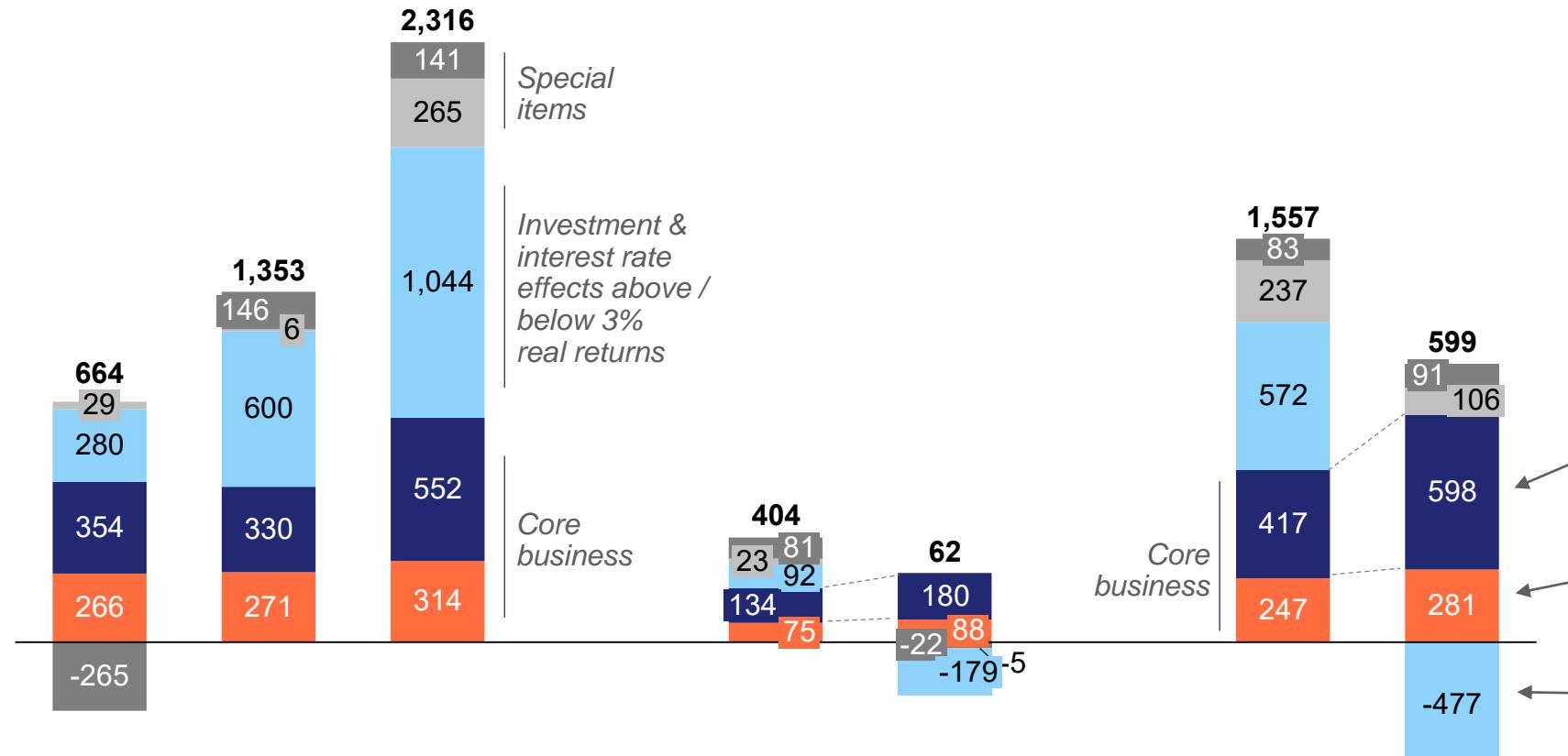
- Asset Management (long- and short-term), Credit, Phoenix Agencies
- Focus on driving growth and value creation across businesses
- Shifting mix to stable, fee-based businesses
- Structural optimization & capital deployment

**Value creation: focus on income growth & stability**



# Growth in Diversified Core Business

Comprehensive Income (after tax)  
NIS millions



Special Items:  
Insurance core Business

Special Items:  
Additional Core Business

Investments &  
Interest Rates

Insurance Core Business  
Additional Core Business

## Growth in core businesses:

- **Insurance:** increased underwriting income across segments
- **Additional businesses:** strong growth in asset management and distribution

**Negative capital market impact,**  
partially offset by interest rates

2019 2020 2021(\*) Q3 2021(\*) Q3 2022 9M 2021(\*) 9M 2022

ROE 10.2% 18.5% 26.3%

ROEn 9.5% 8.7% 10.7%

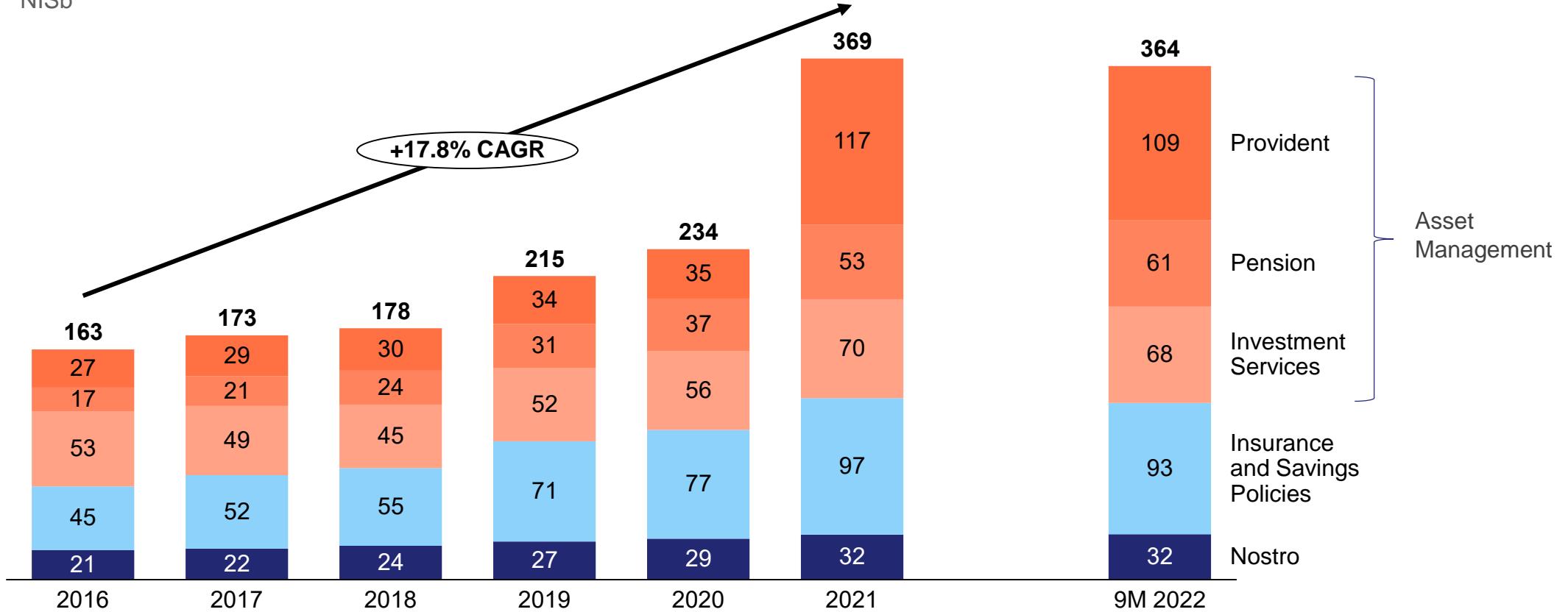
(\*) Reclassification, for details see Appendix

Notes: Additional Core Businesses includes Pension & Provident (previously held under the insurance company), Investment Services (formerly Financial Services, primarily Excellence), Agencies, and Gama. Investments include yields and variable management fees above / below real 3%. For the convenience of the presentation, the statutory tax rate in insurance and the core fee business is used, while the difference between the actual tax and the statutory tax is recorded in Special Items respectively. ROEn is normalized for 3% real yields and special items. See Glossary for definition of Special Items.



# Assets Under Management

Assets Under Management  
NISb

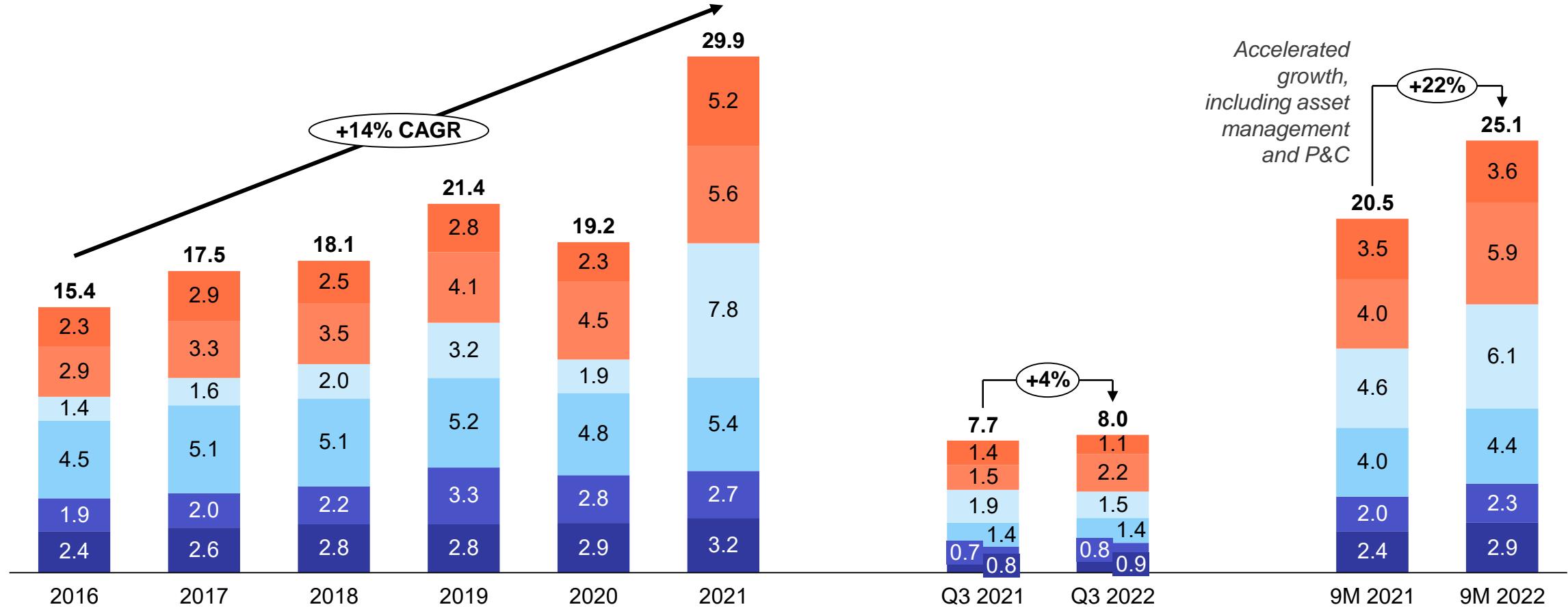




# Continued Growth Across Activities

- Provident
- Pension
- Savings policies
- Life and Savings
- Health
- P&C

Premiums, Benefit Contributions, & Investment Contracts  
NISb



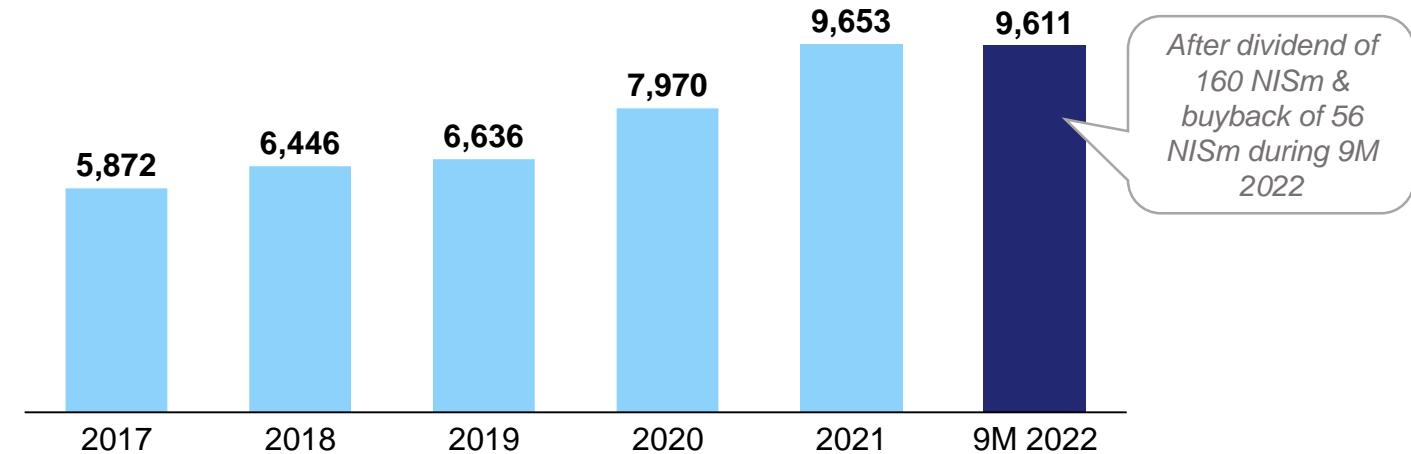


# Equity Generation and Dividend Distribution

- Dividend policy:** at least 30% of comprehensive income, distributed semi-annually
- 2022 dividends:** 160 NISm in September, in addition to 421 NISm in April (from 2021 income) & buyback program

## Shareholders' Equity

NISm



ROE\* 16.5% 8.3% 10.2% 18.5% 26.3% 8.4%

Analysis under dividend policy 2020-21	Total cash dividends relating to annual income	-	120	480	380	621	160
	Plus: Share buyback during calendar year				26	74	56
	Total under dividend policy				406	695	216

As reflected in financial statements	Dividend distributed in cash during calendar year	-	120	480	-	580	581
	Dividend per share	-	0.97	1.87	-	2.31	1.68

\* Calculated based on average shareholders' equity for the beginning and end of the year

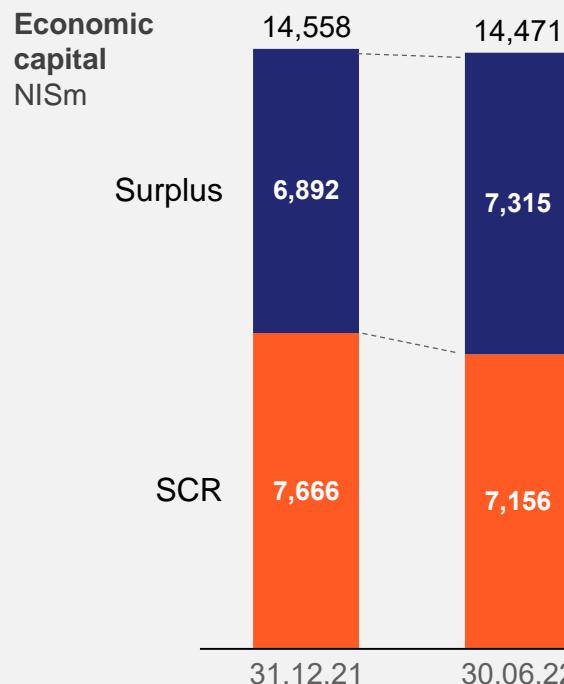


# Active Solvency & Capital Management

## Economic Capital / Solvency (Insurance Company)

### Solvency ratio<sup>1</sup>

	190%	202%
With transitional measures	190%	202%
Without transitional measures	117%	137%



## Solvency II implementation

- Solvency II implemented in Israel in line with international standards, with strong regulatory oversight
- Transitional measures through 2032, with natural offset from Phoenix backbook runoff (expected to release Solvency capital requirements and risk margin at least as high as transitional measures through 2032, reflecting the difference between Solvency ratio with and without transitional measures)
- Standard model used (internal models not allowed)
- Phoenix Solvency analyzed for insurance subsidiary only, does not include additional group capital held under Phoenix Holdings outside Phoenix Insurance

## Changes in Solvency Ratio

- Solvency II ratio increase from 190% to 202% (with transitional measures), above target range of 150-170%
- Increase due to interest rates and actuarial study (take-up rates), partially offset by investment returns and mortality tables
- Excess capital of 2.3 NISb above 111% insurance company dividend threshold (as set by Phoenix Insurance board of directors)

## Cashflow and Liquidity (Holding Company)

- Phoenix Insurance dividend policy of 30-50% of comprehensive income, in line with solvency target range
- Additional core activities generate significant cash from fee-based income (e.g., asset management, agencies)
- Strong liquidity at holding level (including Phoenix Insurance Tier 1 capital notes of 1 NISb) with financial debt of 1.5 NISb

## Accounting Profit

- IFRS-17 implementation in 2024, expected to reduce volatility
- Positive profit in Q3 and 9M
- Dynamic management of exposures



# Group Strategy Value Drivers

Value Drivers				
Growth Engines	1 <b>Accelerated Growth</b>  Accelerating growth while shifting mix to <i>high-ROE, capital-efficient businesses</i> (P&C, asset management, distribution)	2 <b>Innovation &amp; Efficiency</b>  Deepening <i>sustainable competitive advantage</i> with 1 NISb investments in technology (data, digitization, products) during plan	3 <b>Active Management</b>  Optimizing group portfolio, management, structure, and synergies to <i>unlock and create value</i>	4 <b>Capital Management</b>  Deploying capital against strategic priorities, reducing volatility and ensuring <i>long-term cash-flow generation</i>
Insurance				
Asset Management				
Distribution (Agencies & More)				
Credit				



# Strategy Execution: 9M 2022 Highlights

1

## Accelerated growth in high-ROE activities



- **P&C:** 20% growth in P&C premiums, driven in part by growth in Smart direct car policies (compulsory & property together)
- **Asset management:** Continued inflows despite negative market performance
- **Agencies:** 31% growth in revenue in the last year
- **Credit:** 64% growth in Gama credit portfolio and improvement in results
- **Health:** travel premiums and results improvement

2

## Innovation and efficiency



- **Technology:** including product innovation (e.g., travel app), digital transformation, and data & analytics (e.g., machine learning for underwriting and pricing)
- **Efficiency:** consolidation of pension and provident fund operations / back office with life insurance operations; increase in online users and use of digital channels
- **Clients:** received highest satisfaction scores in 6 of 12 categories among large insurers for 2021
- **ESG:** published first full report, Platinum rating from "Maala"

3

## Active portfolio / group management



- **Unlocking value:** Control and unlocking value at Phoenix Capital alternatives platform, restructuring of real estate assets; continued activity as part of strategic plan
- **Agencies:** inorganic as well as organic growth
- **Excellence:** structure optimization and management appointments; acquisition of Epsilon Investment House including active mutual funds and portfolios (signed after Q3)
- **Alternative investment offering:** restructuring, expansion, and AUM growth focusing on private clients

4

## Capital management & optimization

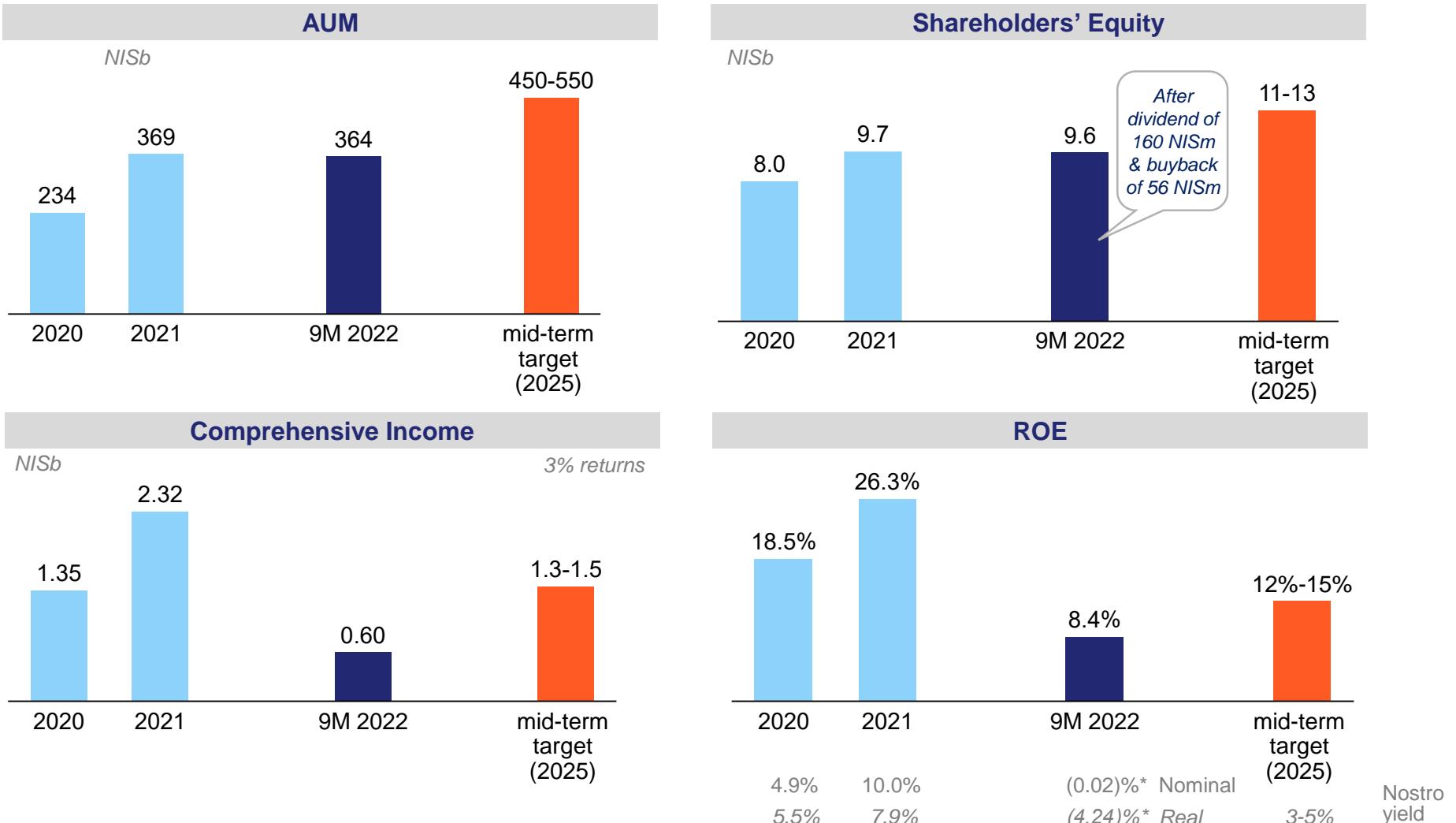


- **Solvency ratio:** increase to 202% as of June 2022, with transitional measures; increased minimal dividend threshold from 108% to 111% (without transitional measures); growth in excess capital
- **Dividend & buyback:** distribution of 160 NISm in September 2022; 56 NISm purchases YTD
- **Dynamic investment management** for risk-adjusted returns (e.g., inflation, interest rates, capital markets)
- **Gama:** Organic growth of all activities, focusing on SME credit; strengthened capital structure



# Group Targets

- Continued strategic execution toward targets
- Dynamic management of exposures for risk-adjusted returns



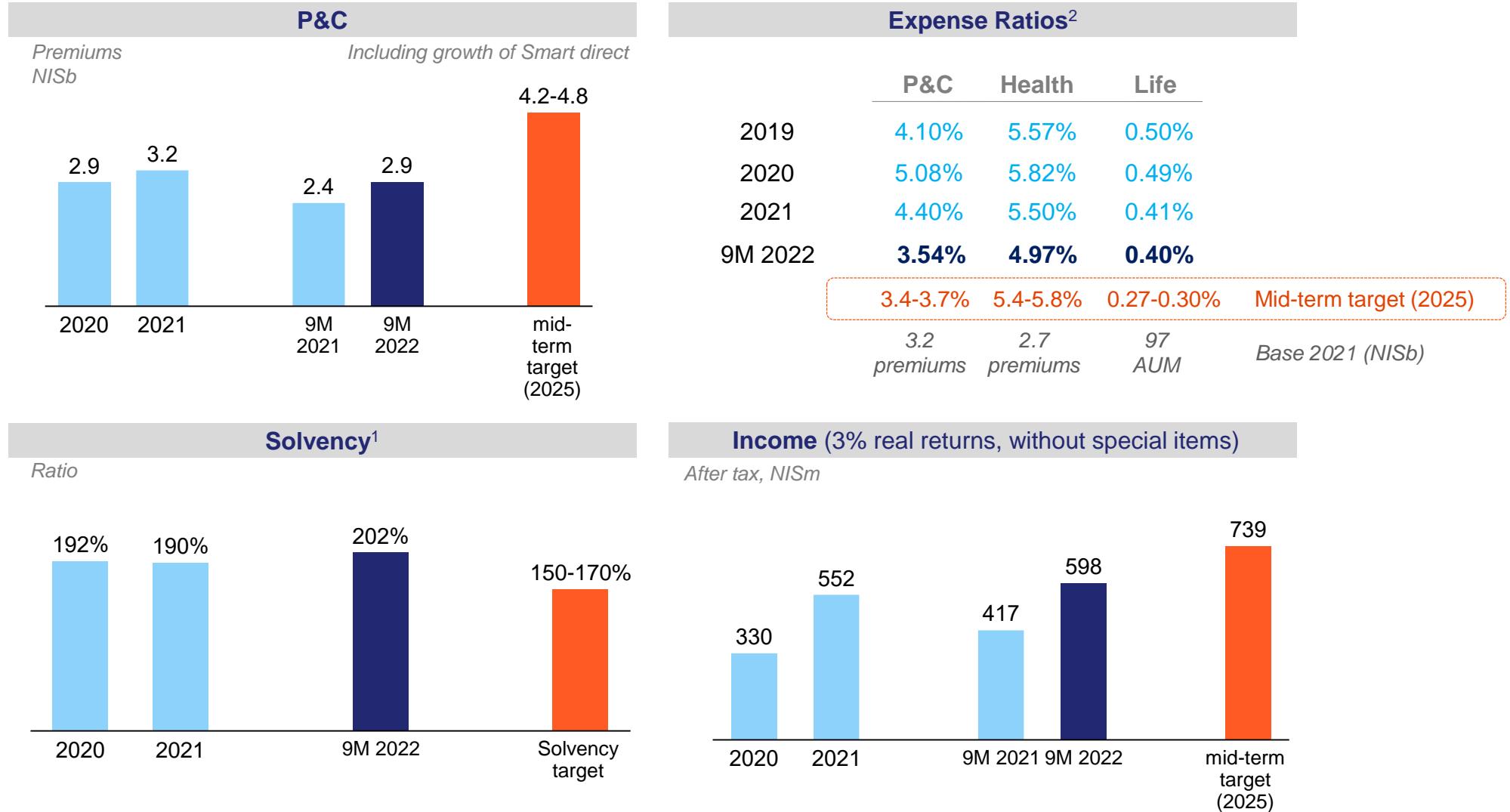
\* 9-month yield (not annualized)

Note: Mid-term Targets based on 5-year plan 2020-25 and assuming 3% return on investments. ROE target range assumes 3-5% return on Nostro investments. Actual performance will depend on financial markets, macroeconomic growth, industry trends, company performance and other variables

# Insurance Targets

## Focus on:

- Growth in capital efficient activities (e.g., P&C, travel)
- Efficiency & digitization
- Capital deployment



<sup>1</sup> Solvency ratio with transitional measures; target range based on reduced transitional measures over time

<sup>2</sup> Expenses as percent of gross earned premiums (P&C and Health) and AUMs (Life); expenses include general and administrative expenses, as well as other expenses; Health mid-term targets without HMO activity

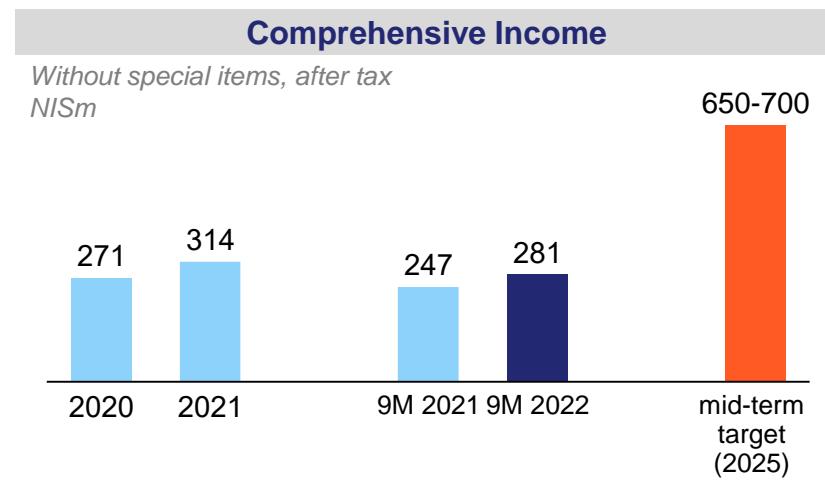
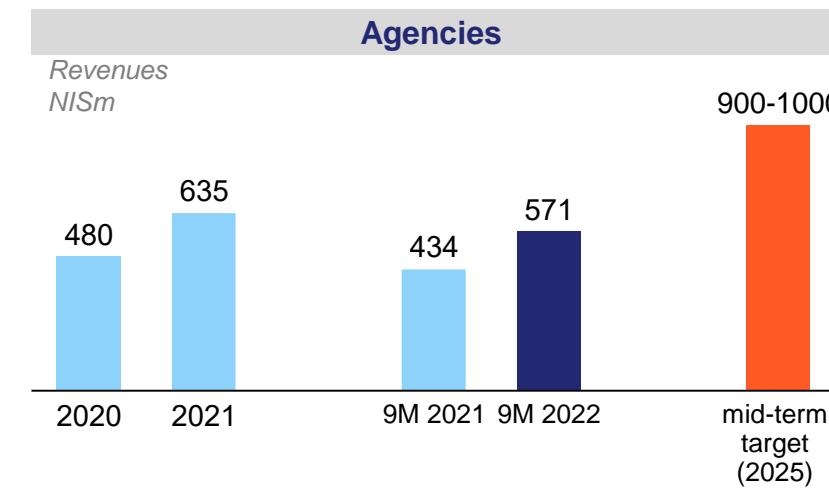
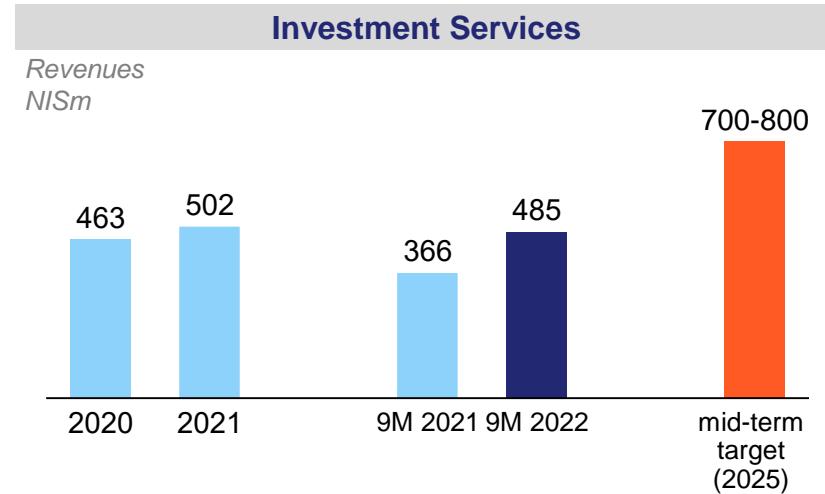
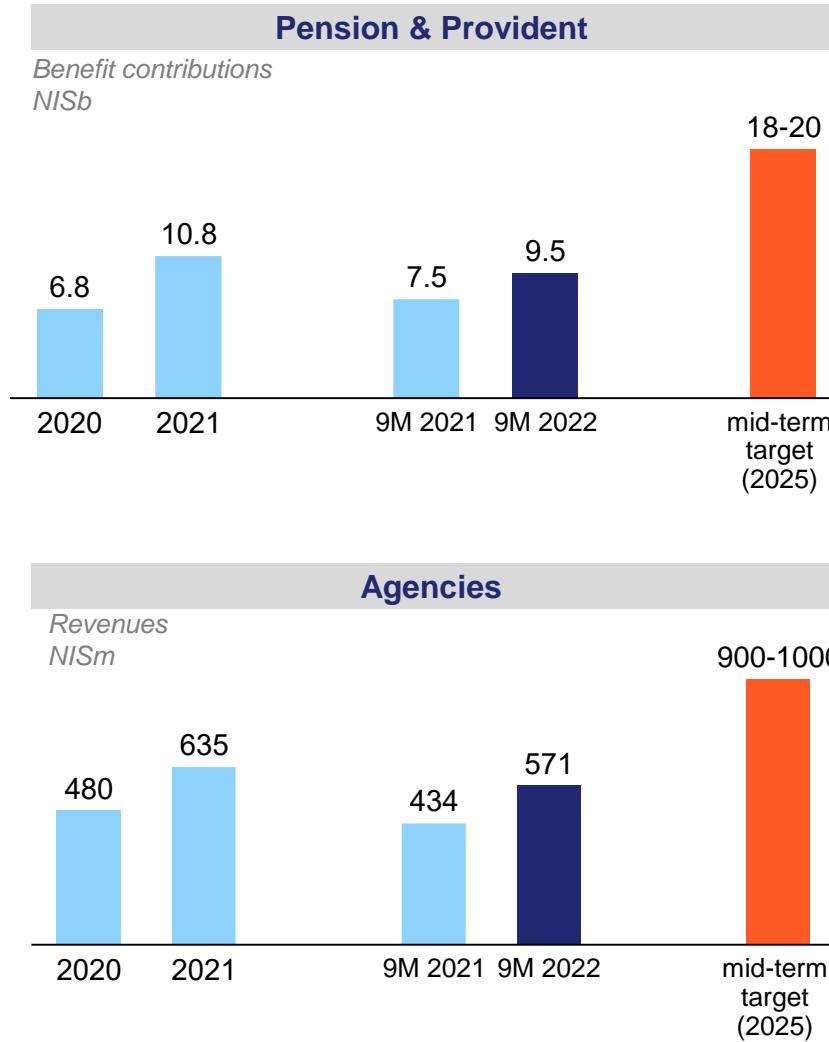
Note: Mid-term Targets based on 5-year plan 2020-25 and assuming 3% real return on investments



# Additional Core Business Targets

Accelerated growth across segments:

- Asset management (pension & provident, investment services – Excellence & alternatives)
- Distribution
- Credit (Gama)

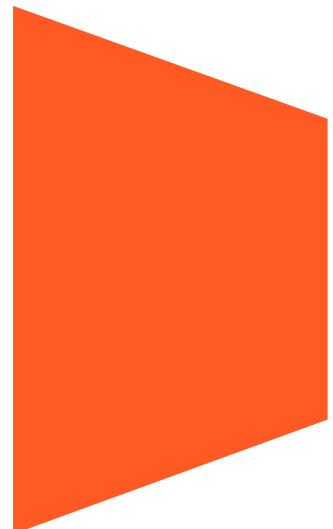




# Managing in Volatile Markets in 2022

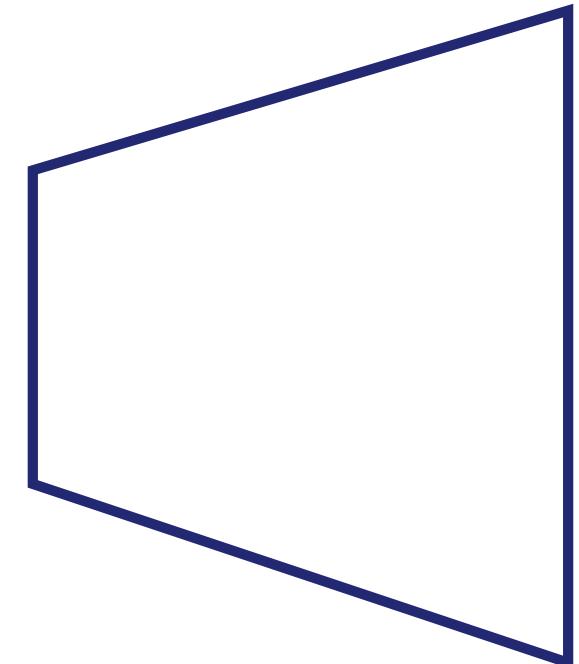
*Growth,  
Income, &  
Resilience:  
Quality  
Businesses*

- **Continued strategic execution** driving income growth and stability
- **Investing** in capabilities
- Assessing strategic **opportunities**
- Seeking continued **unlocking of value**
- **Dynamic investment management** for risk-adjusted returns (e.g., inflation, interest rates, capital markets)



# Agenda

- › Highlights
- › **Financial Results**
- › Segment Breakdown
- › Appendix
- › Glossary

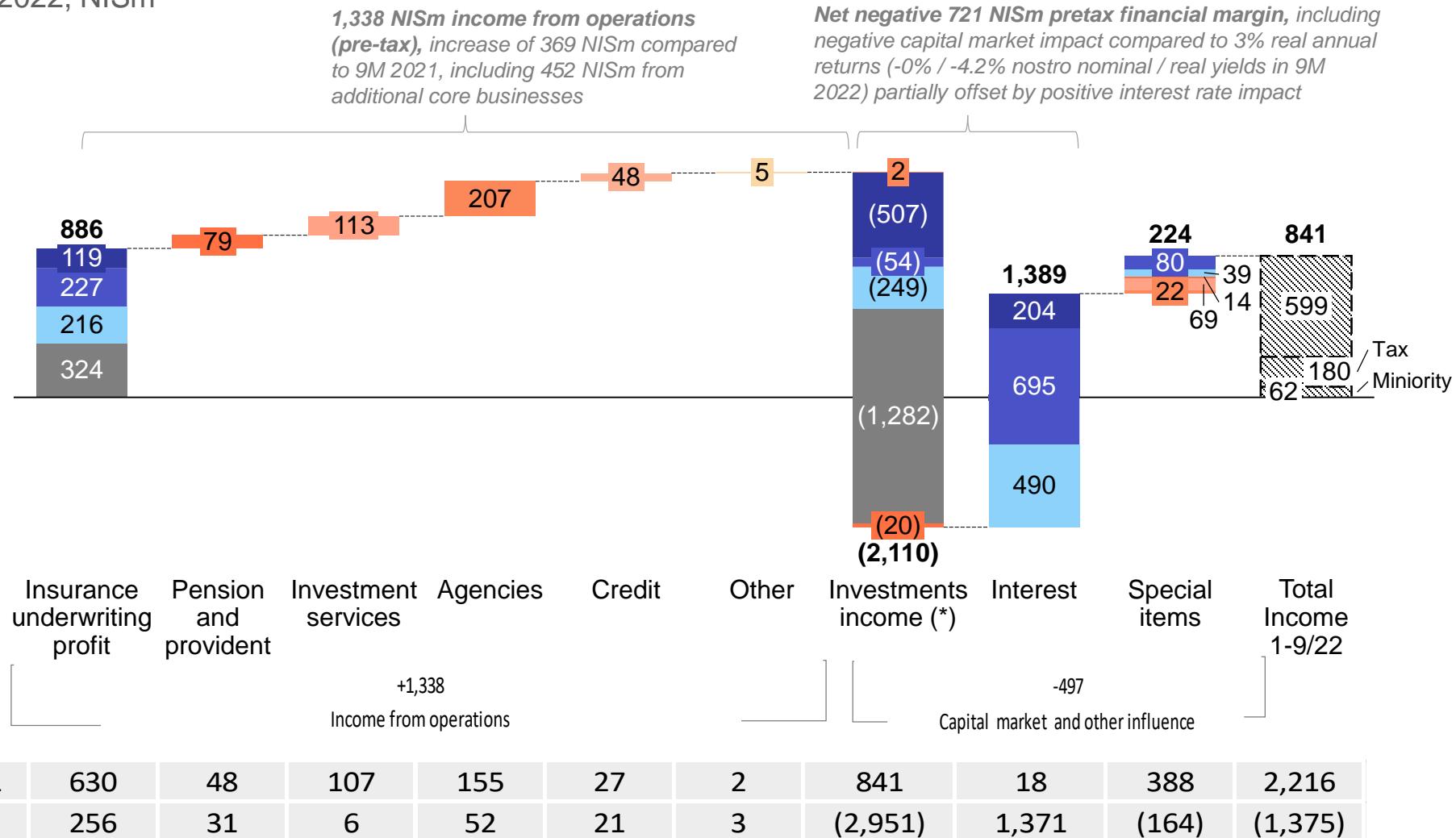




# Income by Source: 9M 2022

## Comprehensive income before tax

9M 2022, NISm



- P&C
- Health
- Life
- Other Equity Returns
- Pension and provident
- Investment Services
- Agencies
- Credit
- Other



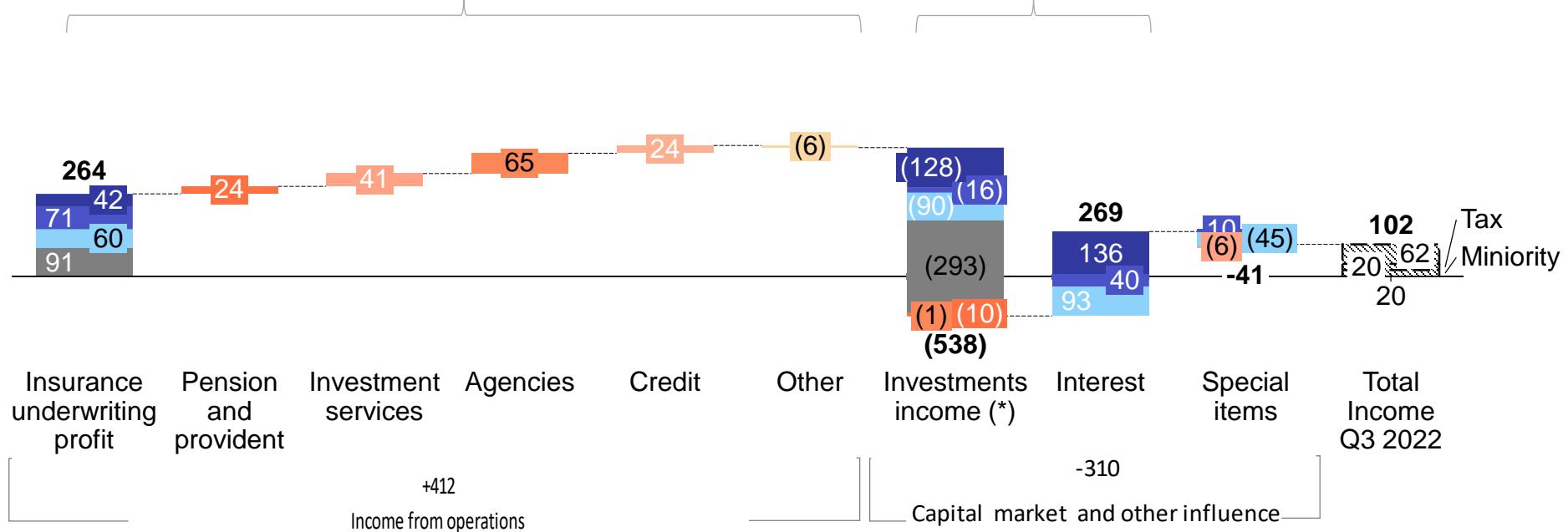
# Income by Source: Q3 2022

Comprehensive income before tax  
Q3 2022, NISm

**412 NISm income from operations,**  
increase of 85 NISm compared to Q3  
2021, including 148 NISm from  
additional core businesses

**Net negative 269 NISm pretax financial margin,** including  
negative capital market impact compared to 3% real annual  
returns (+0.4% / -0.8% nostro nominal / real yield in Q3  
2022) partially offset by positive interest rate impact

- P&C
- Health
- Life
- Other Equity Returns
- Pension and provident
- Investment Services
- Agencies
- Credit
- Other



Q3/2021	207	21	35	53	11	0	53	80	104	564
Diff	57	3	6	12	13	(6)	(591)	189	(145)	(462)

(\*) Investment income and variable management fees above/below 3% annual real return and after offsetting the deficit in variable management fees (672NISm as of 30 September, 2022)

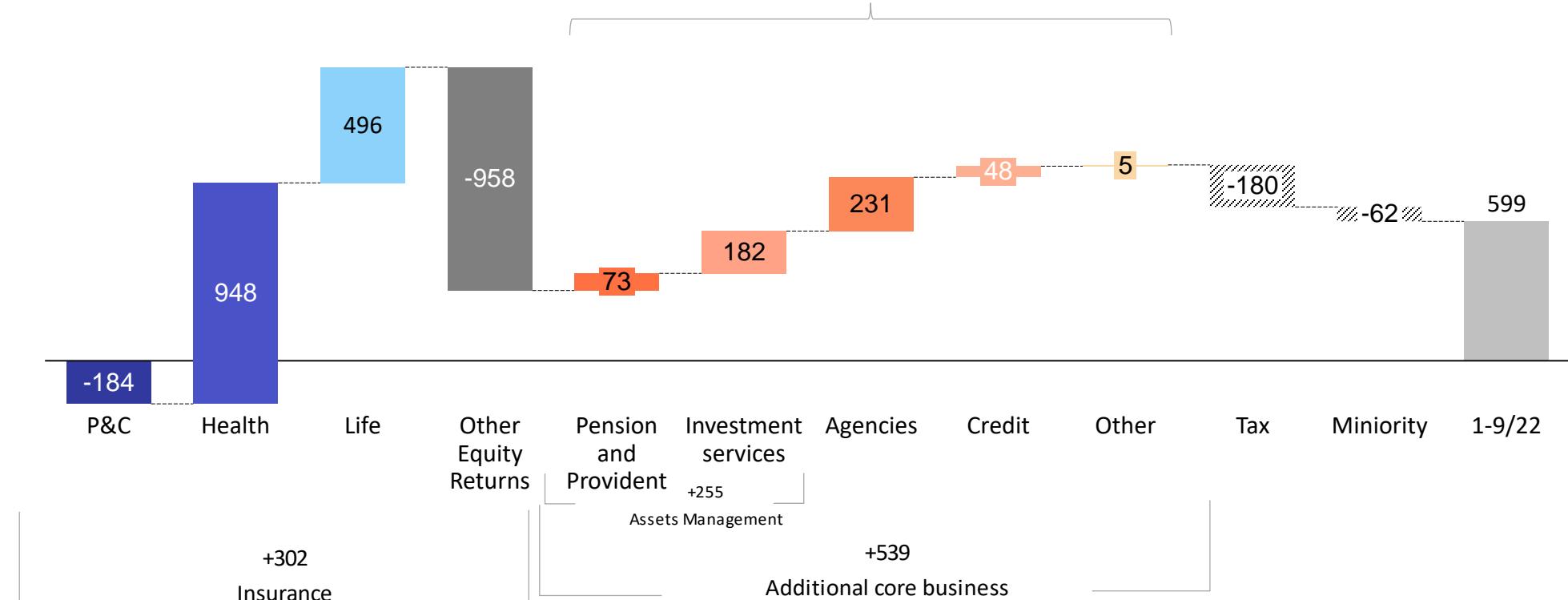


# Income by Segment: 9M 2022

Comprehensive income before tax  
9M 2022, NISm

**Additional core businesses** contributed 539 NISm,  
more than half of 841 NISm total income before tax

- 8.4% ROE,  
12.2 ROE  
normalized
- P&C: negative  
capital market  
impact
- Health: positive  
interest rate  
impact
- Additional core  
businesses:  
continued  
growth,  
accounting for  
over half of  
total income



1-9/2021	459	180	866	107	43	94	173	247	47	(618)	(41)	1,557
Diff	(643)	768	(370)	(1,065)	30	88	58	(199)	(42)	438	(21)	(958)

Special items  
in 2021

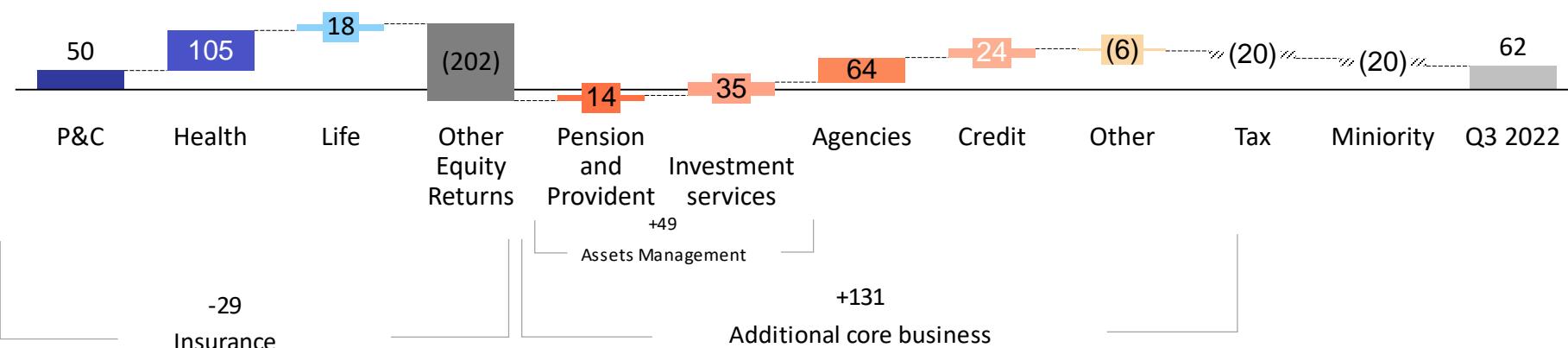


# Income by Segment: Q3 2022

## Comprehensive income before tax Q3 2022, NISm

**Additional core businesses** contributed 131 NISm, income before tax, driving performance for the quarter

- 2.4% ROE, 11.4% ROE normalized
- P&C: underwriting income improvement but negative capital market impact
- Health: positive interest rate impact. Special items include previous year Ad 120
- Life: negative capital market impact partially offset by positive interest rate impact
- Additional core businesses: continued growth providing stability, driving group income for Q3



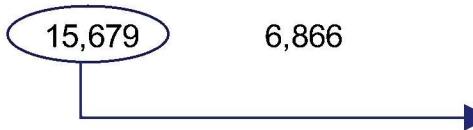
Q3/2021	49	161	204	(12)	14	30	62	11	45	(142)	(18)	404
Diff	1	(56)	(186)	(190)	0	5	2	13	(51)	122	(2)	(342)



# Strong Balance Sheet

Phoenix Holdings NISm	31/12/2021	30/09/2021	30/09/2022	Difference	
				12/21-9/22	
Cash	2,154	2,399	2,343	189	
Intangible Assets	2,775	2,683	2,927	152	
Deferred acquisition costs	2,011	1,938	2,451	440	
Investments in associates	1,346	579	1,562	216	
Investment property - other	1,125	1,084	1,050	-75	
Credit for purchase of securities	2,550	2,134	3,357	807	
Other Assets	5,804	7,397	6,781	977	
Other Financial Investments	28,698	27,865	31,470	2,772	
Assets for yield-dependent contracts	97,117	90,809	95,741	-1,376	
<b>Total Assets</b>	<b>143,580</b>	<b>136,888</b>	<b>147,682</b>	<b>4,102</b>	
Financial liabilities	8,813	8,874	15,679	6,866	
Liabilities in respect of non-yield-dependent insurance contracts and investments contracts	25,113	24,694	25,560	447	
Liabilities in respect of yield-dependent insurance contracts and investments contracts	95,629	89,281	92,588	-3,041	
Other Liabilities	4,102	4,680	3,831	-271	
Total equity	9,923	9,359	10,024	101	
<b>Total equity and liabilities</b>	<b>143,580</b>	<b>136,888</b>	<b>147,682</b>	<b>4,102</b>	

	Financial Liabilities (NISm)			
	Bonds and Loans			
	CPI linked	Float interest	Fixed interest	Total
<b>Holdings Solo*</b>	<b>829</b>	<b>397</b>	<b>297</b>	<b>1,523</b>
<b>Insurance</b>				
Tier 1 capital	208			208
Tier 2 capital	426	490	2,753	3,669
Tier 3 capital			398	398
<b>Insurance Core Business</b>	<b>634</b>	<b>490</b>	<b>3,151</b>	<b>4,275</b>
Credit (Gama)		1,117	220	1,337
Investment Services (AM)		222		222
<b>Additional Core Business</b>	<b>-</b>	<b>1,339</b>	<b>220</b>	<b>1,559</b>
<b>Total bonds and loans</b>	<b>1,463</b>	<b>2,226</b>	<b>3,668</b>	<b>7,357</b>
<b>Exposure Ratio</b>	<b>20%</b>	<b>30%</b>	<b>50%</b>	<b>100%</b>
Derivatives & Other**				6,727
Credit cards liabilities (Gama)				1,595
<b>Total</b>				<b>15,679</b>

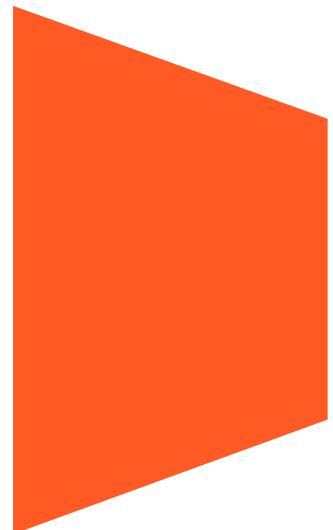


- Increase in liabilities YTD primarily due to ongoing use of derivatives opposite relevant financial assets for operational purposes (e.g., Insurance, Excellence) and growth of Gama financing for credit portfolio and improved capital structure
- Limited leverage and financial debt at Holding Company level (1.5 NISb, primarily fixed rate / not CPI linked), mostly opposite holdings of Tier 1 capital from Phoenix Insurance

#### Notes

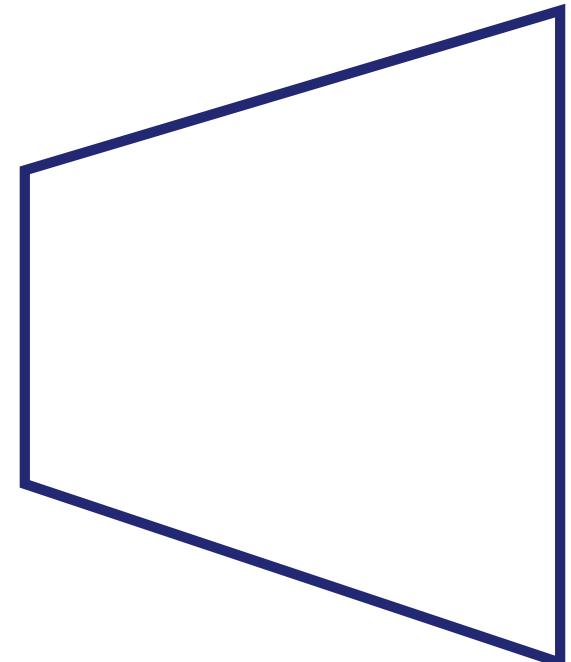
\* Mainly offset against Insurance Tier 1 capital

\*\* For more details see Q3 2022 Financial Reports (Note 5)



# Agenda

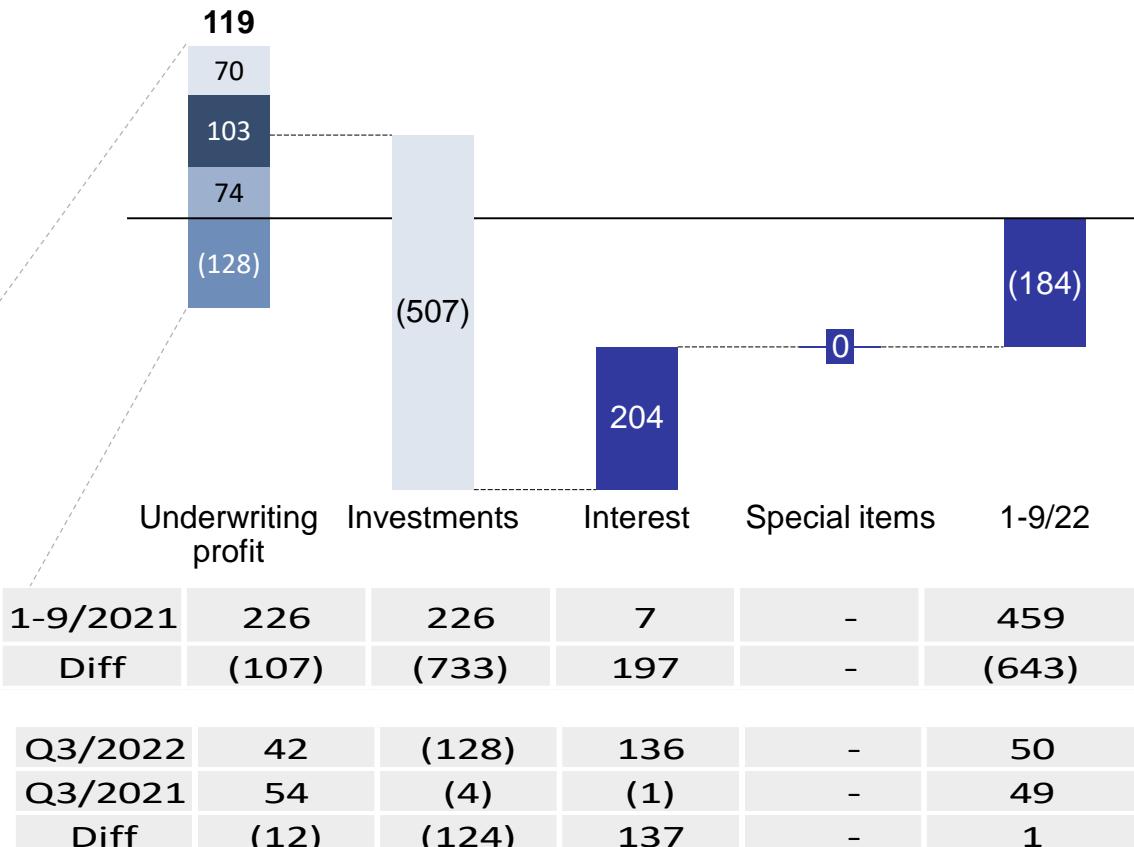
- › Highlights
- › Financial Results
- › **Segment Breakdown**
- › Appendix
- › Glossary



- **20% growth in premiums** overall, driven by agencies and Smart direct business
- **Motor property** negative impact of increased claim frequency and severity
- **Positive underwriting profit** for Q3 and 9M 2022 driven by improved performance
- Negative contribution of P&C due to impact of **capital market returns** which was offset by interest rate impact and UGL positive influence (reclassification of 176 NISm fair value of illiquid assets from Health segment during 9M)

Underwriting Profit	H1	Q3	9M 2022
Compulsory Motor	44	26	70
Motor Property	(96)	(32)	(128)
Property & Other	68	35	103
Liability	61	13	74
<b>Total</b>	<b>77</b>	<b>42</b>	<b>119</b>

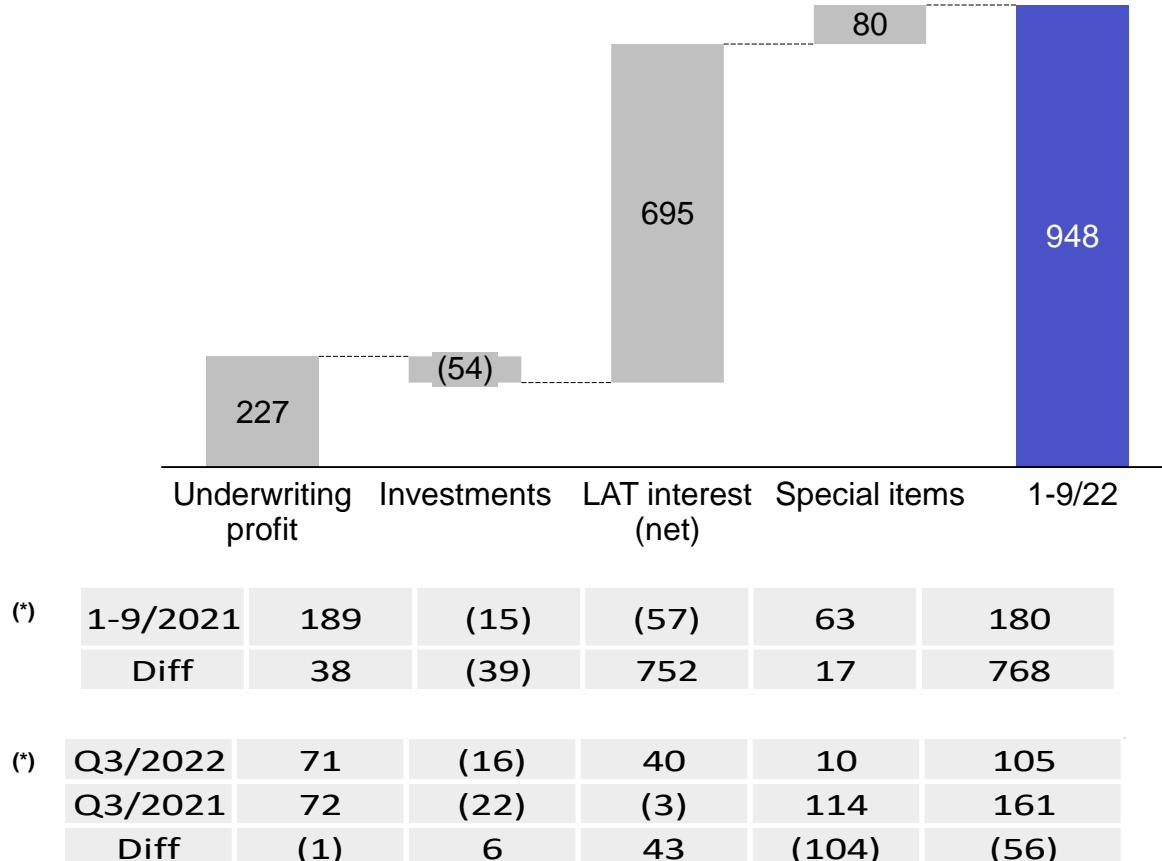
### Comprehensive Income Before Tax NISm



## Comprehensive Income Before Tax

NISm

- **Improvement** in underwriting profit
- Income from release of **LAT reserves** (due to increase in interest rates), offset by capital market effects and excess illiquid asset reclassification of 176 NISm fair value to P&C segment during 9M
- **404 NISm** LAT reserve remaining as of Q3 2022
- **Special items** include previous year profit from real estate (“Pheniclass”) transfer under the LTC reserve Ad-120

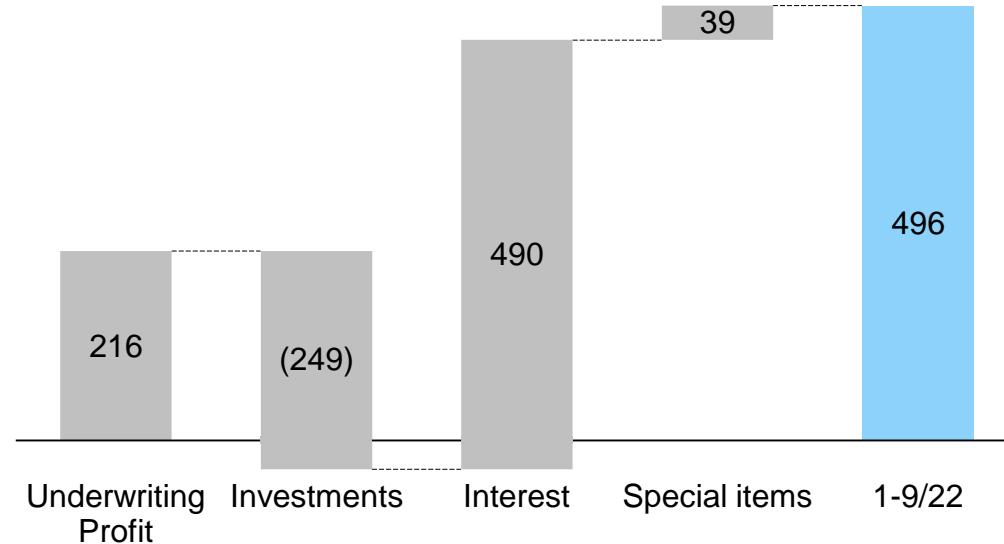


(\*) Reclassification, for details see Appendix

Note: The underwriting profit assume a real rate of return of 3%, investment income includes income from own (Nostro) investments above or below a 3% real return. LAT interest - Including all changes in interest rate and excess non-marketable assets in LAT only

## Comprehensive Income Before Tax NISm

- **Higher underwriting profit** mainly due to increase in fixed management fees and an improvement in the historical effects as a result of a decrease in annuity
- Positive impact of increasing **interest rates**, Investment impact include variable management fee deficit of 672 NISm as of 30 September, 2022
- Special Items include TUR study (profit of 462 NISm before tax) and updated mortality tables (364 loss before tax)



	1-9/2021	78	592	68	128	866
Diff	138		(841)	422	(89)	(370)
Q3/2022	60		(90)	93	(45)	18
Q3/2021	34		86	84	0	204
Diff	26		(176)	9	(45)	(186)

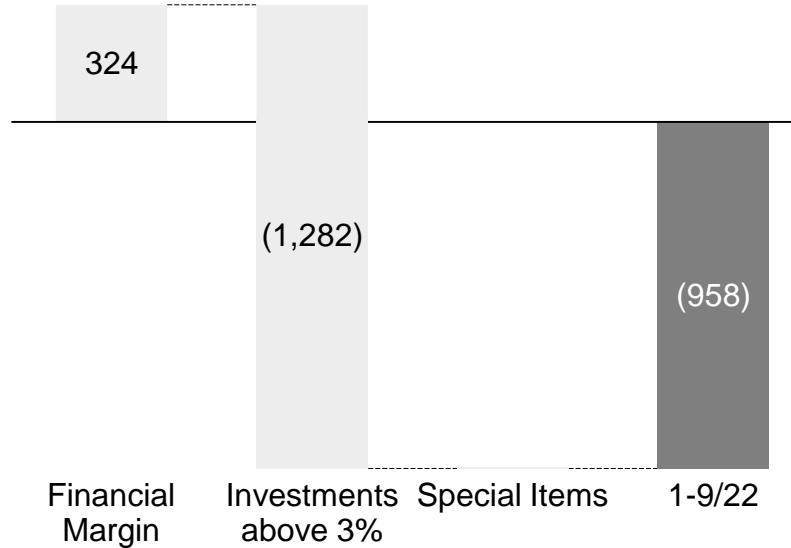


# Other Equity Returns (Insurance)



## Comprehensive Income Before Tax NISm

- Negative impact of financial markets
- Financial margin increase due to CPI index changes compared to 2021



	1-9/2021	137	15	(45)	107
Diff	187	(1,297)	45	(1,065)	
	Q3/2022	91	(293)	-	(202)
Q3/2021	47	(14)	(45)	(12)	
Diff	44	(279)	45	(190)	

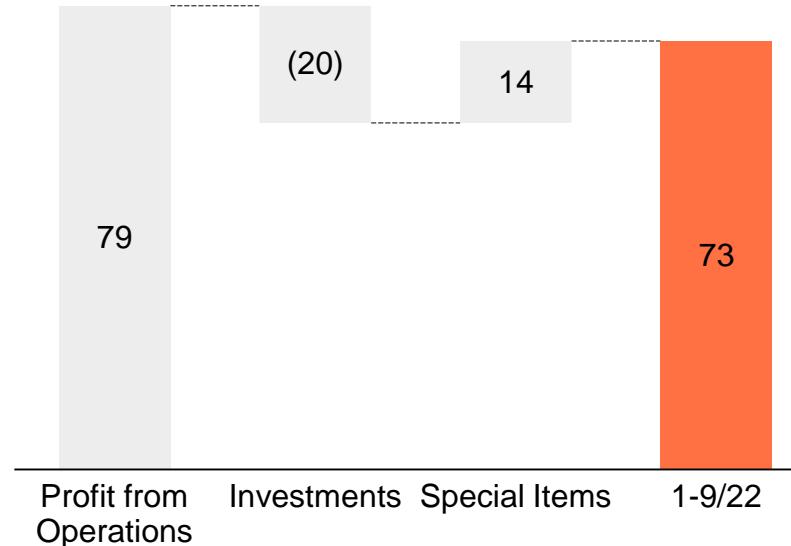


# Asset Management: Pension & Provident



## Comprehensive Income Before Tax NISm

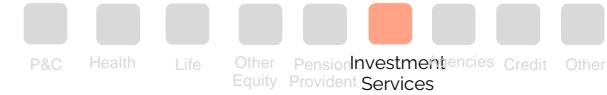
- **Continued organic growth**
- Improvement in profit from operations due to **synergies** from Halman-Aldubi acquisition and economies of scale on fixed cost base
- Special items include sale of IRA activities acquired from Halman-Aldubi



	Profit from Operations	Investments	Special Items	1-9/22
1-9/2021	50	8	(15)	43
Diff	29	(28)	29	30
Q3/2022	26	(12)	0	14
Q3/2021	23	1	(10)	14
Diff	3	(13)	10	0



# Asset Management: Investment Services



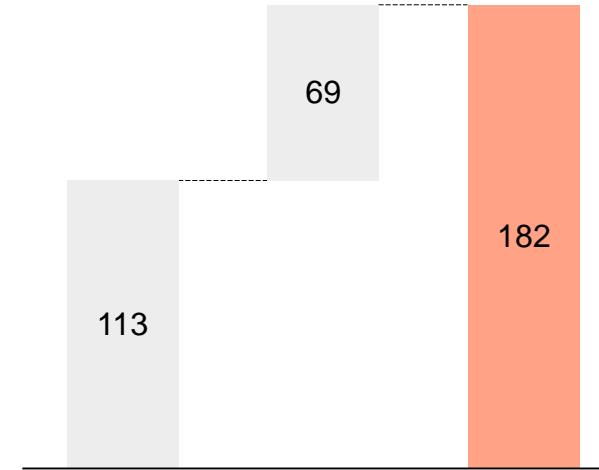
- **Excellence** showing performance improvement

- Improved margins
- Signed agreement to acquire Epsilon Investment House with 11 NISb AUM in active funds and portfolios (after reporting period)

- **Phoenix Advanced Investments**

demonstrating growth in platform capabilities and AUMs of private-client alternative investments; special items include control of Phoenix Capital with one-time profit of 86 NISm

## Comprehensive Income Before Tax NISm



Profit from Operations      Special Items      1-9/22

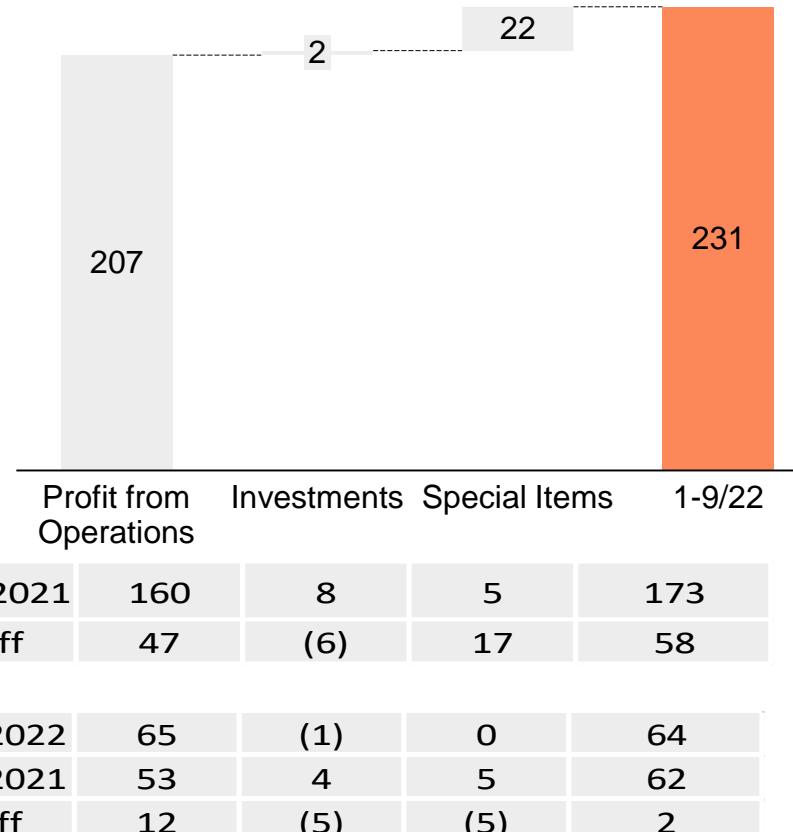
1-9/2021	107	(13)	94
Diff	6	82	88

Q3/2022	41	(6)	35
Q3/2021	35	(5)	30
Diff	6	(1)	5

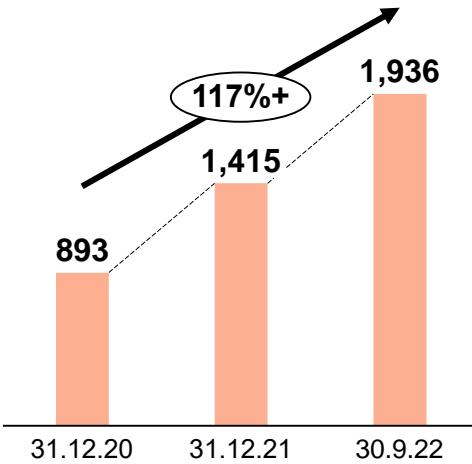
## Comprehensive Income Before Tax

NISm

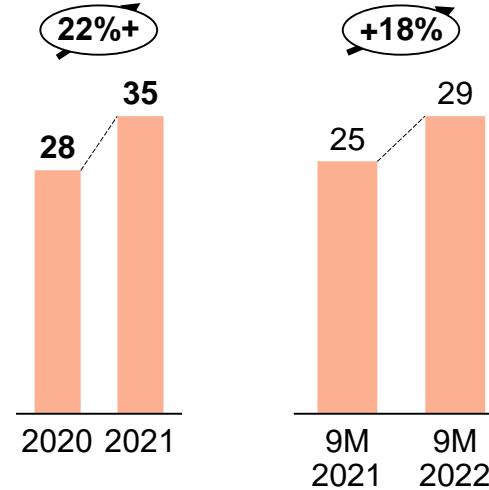
- **Increased profit** from operations driven by continued strategic execution, with strong growth and scale economies
- Continued **acquisitions**
- Special items include profit from obtaining control in mid-sized agency



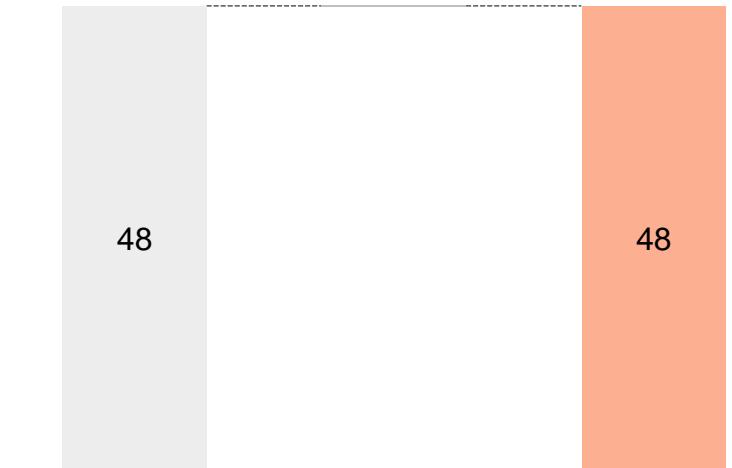
### Credit Portfolio (without credit cards) NISm



### Transaction Volume NISb



### Comprehensive Income Before Tax NISm



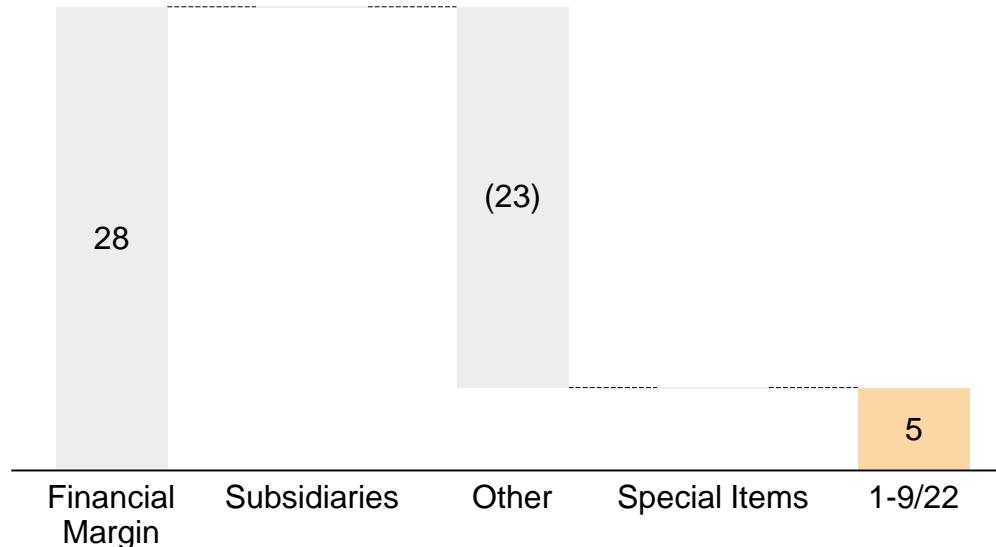
- **Significantly improved profit from operations**
- **Continued growth** in Gama across activities, including SME credit portfolio
- Gama **capital optimization** to support future growth, including 119 NISm rights and 500 NISm bonds
- **Continued investment** in organization and infrastructure to support growth while achieving growth alongside responsible policy management
- Decrease in overall income compared to 2021 due to special item (control acquisition) last year

	Profit from Operations	Special items	1-9/22
1-9/2021	27	220	247
Diff	21	(220)	(199)
Q3/2022	24	-	24
Q3/2021	11	-	11
Diff	13	-	13

## Comprehensive Income Before Tax

NISm

- Segment includes Phoenix Holdings solo profits (including RT1 holding) as well as other items
- Financial margin increase mainly due to CPI index changes
- Special items include one time profit from early redemption of capital note.

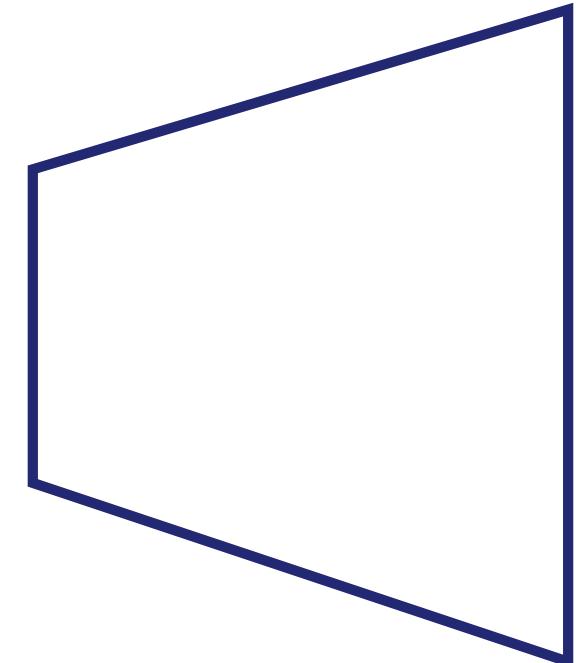


	1-9/2021	13	(2)	(10)	45	46
Diff	15	2	(13)	(45)	(41)	
	Q3/2022	8	0	(14)	0	(6)
	Q3/2021	2	0	(2)	45	45
Diff	6	0	(12)	(45)	(51)	



# Agenda

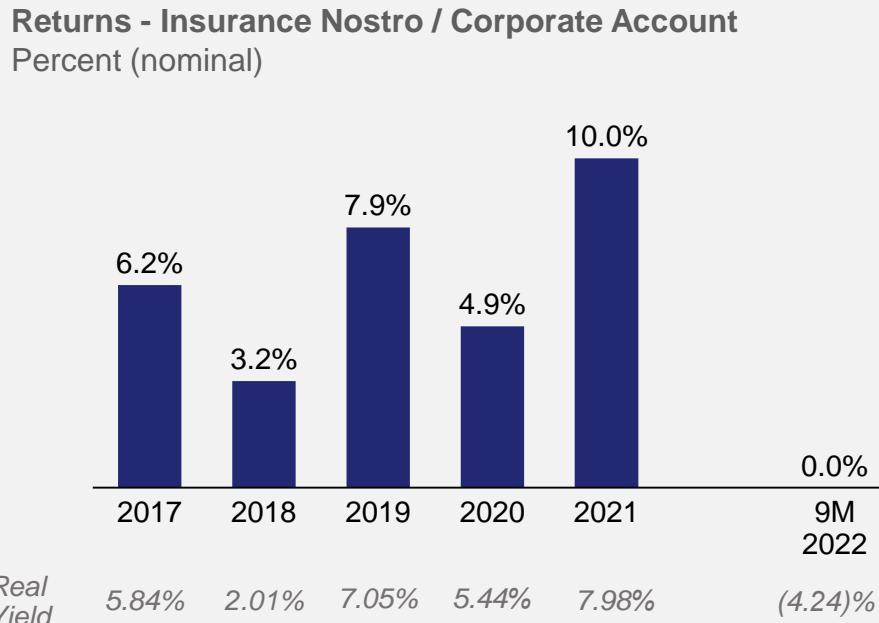
- › Highlights
- › Financial Results
- › Segment Breakdown
- › **Appendix**
- › Glossary





# Phoenix Investment Core Capabilities

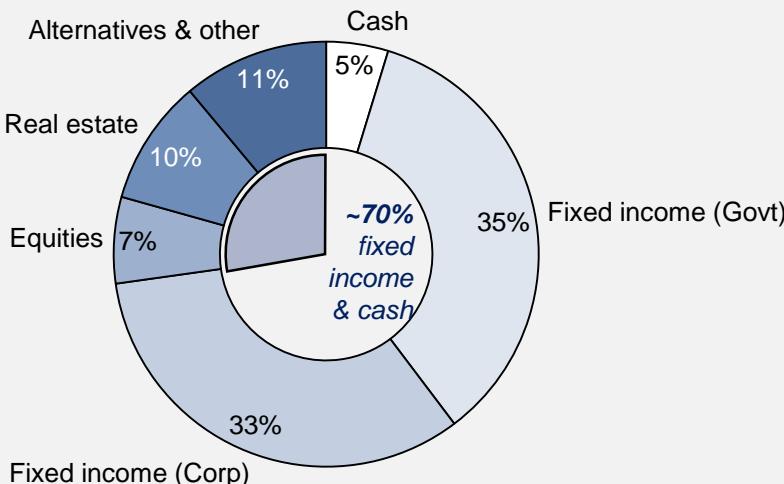
## Investment performance & track record



- Team of over 100 professionals across group, managing corporate account and client assets
- Proactive and proprietary dealflow and sourcing
- Investing in capabilities including international investments and technology platforms
- Group plans based on 3% real returns and stable rates

## Responsible allocation & risk management

### Asset Allocation - Insurance Nostro / Corporate Account Percent (Q3 2022)



- Balanced asset allocation
- International investments (equity, debt & real estate) with leading partners, co-investments, and direct positions
- Full range of asset classes including fixed income, equities, real estate, and alternatives



# Reclassification – Explanation

Below is an explanation of reclassifications effecting the Health and P&C segments:

- **Health:** As of 2022 Q1 financials, the Health segment reclassified earnings within the segment's internal breakdown, primarily between underwriting and investment income due to the use of a 3% real return for the LAT (Liability Adequacy Test) reserve for the individual long-term care activity (consistent with the use of 3% real returns across other activities)
- **P&C:** As of 2022 Q2 financials, part of the UGL (Unrealized Gains and Losses) component of P&C underwriting profit was categorized as interest rate effects

For consistency, comparative figures were reclassified as well, below is a summary of the impact of the reclassification on 2021 income, showing the figures before and after reclassification:

<u>Comprehensive Income</u> <u>Before Tax (NISm)</u>	9M 2021		Q3 2021		2021	
	Before	After	Before	After	Before	After
<b>Health</b>						
Underwriting	109	189	32	72	168	250
Investments	65	(15)	19	(22)	123	41
Special Items	63	63	113	114	(152)	(152)
<b>P&amp;C</b>						
Underwriting	233	226	53	54	285	277
Interest	-	7	-	(1)	-	8



# Phoenix Holdings – Investment Highlights

- 1
- 2
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- 6

## **Unique opportunity in a **growing, underpenetrated market** with barriers to entry**

Strong demographic & wealth trends with high compulsory savings rates & potential for greater penetration, macro resilience during 2020-22

## **Strong market position with distinctive growth & performance through the cycle**

Leading diversified financial services group with over \$100b AUM (including multi-line insurance, asset management, credit, & distribution), delivering best-in-class average 14% ROE and 18% AUM CAGR over the past 5 years

## **Creating and unlocking value driven by **diversified activities with untapped potential****

Significant share of income generated by recurring fee-based non-balance sheet businesses, with plan to unlock value of assets currently held at book value

## **Proven strategic plan with focus on growth, innovation, & value creation**

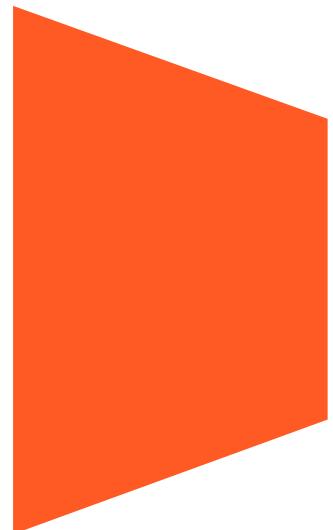
Focus on accelerating growth in high ROE businesses, innovation and technology for competitive advantage and efficiency, active management of businesses to unlock & create value, & focused capital management / deployment

## **Leading financial results & organic capital generation, driving strong and resilience balance sheet**

Consistent growth in shareholder equity with a Solvency ratio of 202% (with transitional measures) and 30% dividend distribution policy

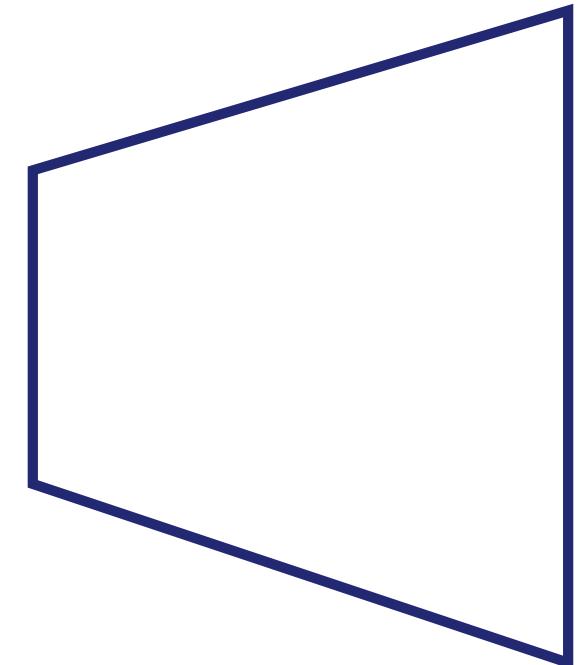
## **Experienced leadership team backed by **strong governance****

Deep sector and broad functional experience at both board and management levels



# Agenda

- › Highlights
- › Financial Results
- › Segment Breakdown
- › Appendix
- › **Glossary**





# Glossary

AM	Asset Management; i.e. Excellence Nessuah
AUM	Assets Under Management; the total market value of all the investments that are managed by the Group
Bps	Basis Points; 1 basis points is .01%
CGU	Cost Generating Unit
CI	Comprehensive Income
CLR	Combined Loss Ratio
CO	Corporate, Other and Consolidation
CPI	Consumer Price Index; measures the average change of prices in an agreed upon basket of consumer goods and services over time
CSM	Contractual Service Margin
D&O	Directors and Officers Liability Insurance
DAC	Deferred Acquisition Cost
ESOP	Employee Stock Ownership Plan; workplace benefit program, that provides the employees with ownership interest in the company.
ETF	Exchange Traded Fund; an open end, tradable basket of securities that tracks an underling index, sector, or security type
Fixed-Rate Gov Bonds	A government issued bond for which the interest income payment is agreed upon and does not change
FX	Foreign Exchange Currency
Gama	Financial services and credit company owned by the Phoenix Group
Halman corporate funds	Israeli Electric Company (IEC)
Illiquidity Premium	Or Liquidity Premium; premium demanded by investors when any given security cannot be easily converted into cash for its fair market value.
IMF	International Monetary Fund
Index Linked Gov Bonds	A government issued bond for which the interest income payment is related (or linked) to the CPI
LAT	Liability Adequacy Test
Liquidity Premium	See Illiquidity Premium
LOB	Line of Business
LTC	Long Term Care insurance; typically helps pay for costs associated with long term care
LTS	Long Term Services; including but not limited to Life, Provident and Pension funds
Marketable Securities	Liquid financial assets that can be quickly converted into cash; most are trading assets



# Glossary

MF	Management Fees; wages charged by a financial manager
Moody's	A credit risk rating agency
MSCI	Morgan Stanley Capital International Emerging Markets Index; measures the performance in equity markets, specifically in global emerging markets
Mutual Fund	Open end, non-tradable basket of securities that tracks the performance of an undelaying index, sector, or security type
Net Inflows	The net amount of new cash, excluding the impact of investment market value; calculated by subtracting withdrawals from new deposits
NIS	New Israeli Shekel
Non-Marketable Securities	Asset group that is considered to be difficult to buy or sell due to the fact they are not traded on any major exchange; could include government issued debt securities, limited partnerships, real estate investments and more
Nostro	The account in which a financial institution manages its own funds
OPEX	Operational Expenses
P&C	Property and Casualty insurance
PH	Phoenix holdings
PHI	Permanent Health Insurance
PI	Phoenix insurance
PLI	Professional Liability insurance
Reinsurance	A balancing risk strategy; one or more insurers that share the liability
Revenue	All encompassing streams of income; including, but not limited to: premium, management fees, benefit contributions
RFR	Risk Free Rates
ROE	Return On Equity; calculated by dividing net income over total equity
SME60	"The Rest Index"; tracks the performance of the 60 largest market value companies that are excluded from the Tel Aviv Stock Exchange
Special Items	Changes in profit or loss that are not part of the usual business of the Company, including changes in actuarial research, actuarial model changes, other structural changes and strategic acquisition costs in AM segment
Tel Bond 20	Index that tracks the performance of the 20 largest Index Linked Corporate Bonds in terms of market value
Tel Bond 40	Index that tracks the performance of the 40 largest Index Linked Corporate Bonds in terms of market value
Tel Bond 60	Index that tracks the performance of the 60 largest Index linked Corporate Bonds in terms of market value
TLV 125	An index that tracks the performance of the 125 largest market value companies in the Tel-Aviv Stock Exchange
TLV 35	An index that tracks the performance of the 35 largest market value companies in the TLV Stock Exchange
TLV 90	An index that tracks the performance of the 90 largest market value companies in the TLV stock Exchange
TMTP	Transitional Measures on Technical Provisions
Workers' Compensation Insurance	Insurance coverage for employees' injuries or sickness
Yield Curve	A line that plots interest rates of bonds with equal credit risk with different maturity dates in the future



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# Q3 2022

## Phoenix Holdings

### Financial Review

