



2024 H1

Phoenix Financial

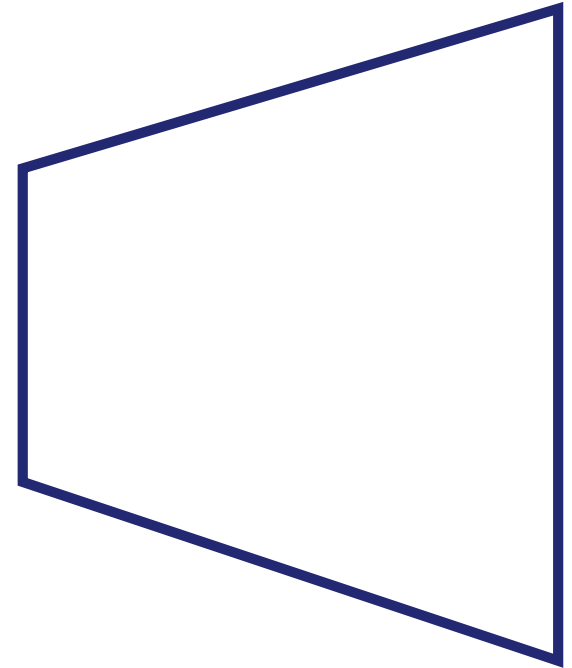
(Formerly Phoenix Holdings)





Agenda

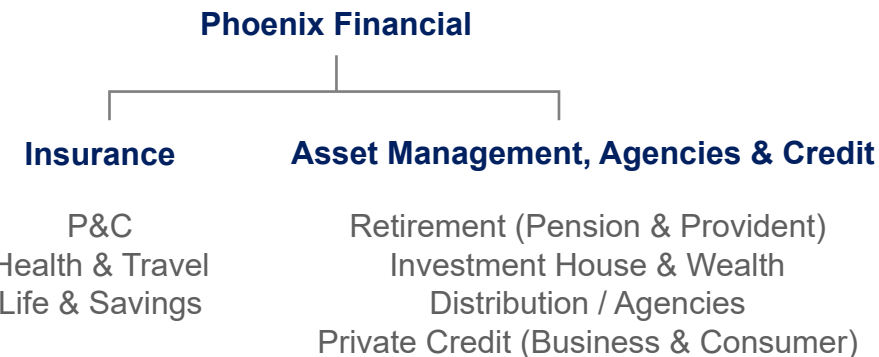
- > **Highlights**
- > Strategy & Targets
- > Financial Results
- > Segment Breakdown
- > Appendix
- > Glossary





Phoenix Financial – Overview

Leading Israeli financials group	480 NISb AUM ¹	TA-35 Leading index
Distinctive performance	19% AUM CAGR 5-years ²	15% ROE 5-year average ²
Shareholder payout	At least 40% Dividend	200 NISm 2024 Buyback Program
Strong capital position	191% Solvency II Ratio ³	10.8 NISb Shareholders' equity ¹
Recognized resilience	AA / AAA Israel ratings ⁴ Holding / Insurance	A2 / A- International ratings ⁴ Insurance



2023 highlights:

17.5 NISb Premiums & Contributions	2.8 NISb Revenues
872 NISm Core Income	450 NISm Core Income
	926 NISm Core EBITDA ⁵

¹ Includes all activities including insurance as of June 30, 2024

² Five-year period (EOY 2018-23), acquisitions included

³ Solvency with transitional measures estimated as of March 31, 2024, after 250 NISm dividend from Phoenix Insurance to Phoenix Financial

⁴ Israeli ratings: iIAA for Phoenix Financial & iIAAA for Phoenix Insurance by S&P Maalot, Aa2.il for Phoenix Financial & Aaa.il for Phoenix Insurance by Midroog; international ratings include Moody's A2 with negative outlook and S&P A- with a stable outlook

⁵ Adjusted EBITDA - calculated as income before finance expense, taxes, depreciation and amortization in the relevant areas of activity, see Glossary for definitions; 763 NISm without minority interest



Israel Economic Trends

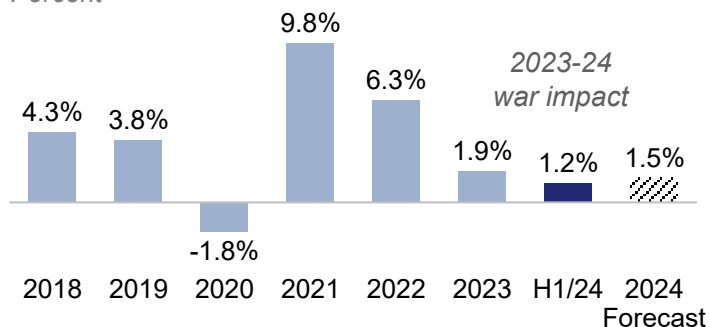
Long-term positive structural trends (e.g., wealth accumulation, vibrant tech sector)¹

Resilience in face of 2023-24 headwinds (war, political uncertainty, inflation, rates)

Continued uncertainty impacting markets

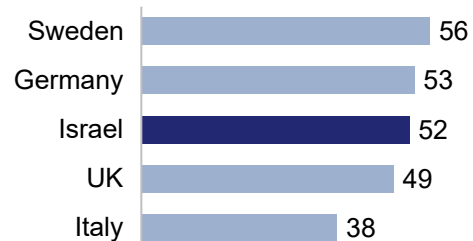
GDP Growth ²

Percent



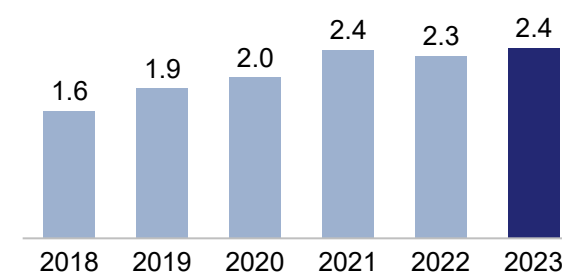
GDP per Capita ³

USD '000



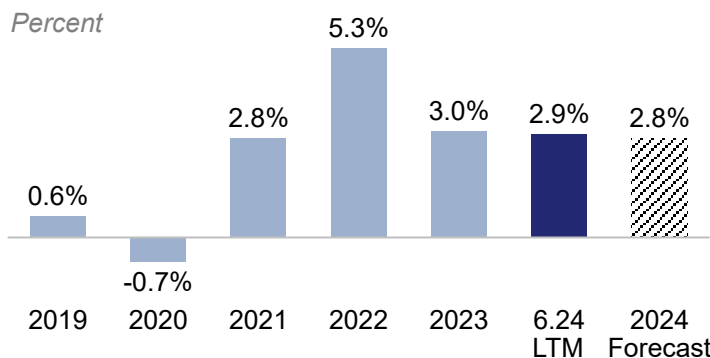
Long-Term Savings AUM ⁴

NIS Trillion



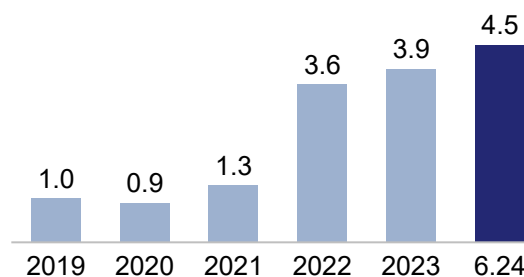
Inflation ⁵

Percent



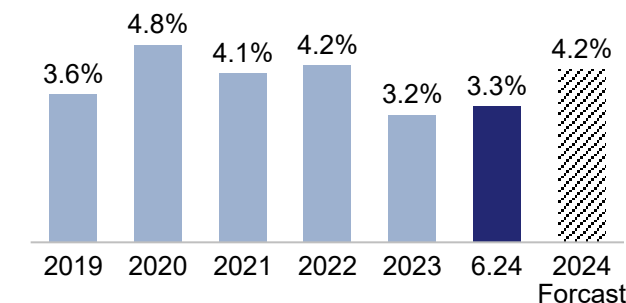
Long-Term Yields (10Y) ⁶

Percent



Unemployment ⁷

Percent



Note: Figures are updated as needed to reflect changes in assessments & methodologies

¹ Israel Securities Authority

² Israel Central Bureau of Statistics, H1/24 is not annualized; forecast from Bank of Israel (real GDP growth, seasonally adjusted annual rate)

³ Current USD, as of 2023, not PPP adjusted

⁴ Bank of Israel; includes funds managed by institutional investors; 2022 decline due to yields

⁵ Israel Central Bureau of Statistics, annual inflation, last twelve months; forecast from Bloomberg

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

⁷ Bloomberg, IMF; end of period unemployment



2024 H1 & Q2 Highlights

H1/24

12.8%

ROE

667 NISm

Comprehensive Income

2.65 NIS

Income per Share

191%

Solvency¹

270 NISm

Dividend Announced

1.07 NIS

Dividend per Share²

10.8 NISb

Shareholders Equity

480 NISb

AUM

Q2/24

15.1%

ROE

383 NISm

Comprehensive Income

1.52 NIS

Income per Share

Continued growth in core income with strong performance

Resilience in face of continued uncertainty, maintaining strong Solvency position and ratings

Negative impact of non-operating activities including Life & Savings mortality tables, while positive impact of interest rates offset by market performance

Announced **270 NISm dividend (1.07 NIS per share)**, in line with updated policy of at least 40% payout of annual comprehensive income, in addition to **116 NISm buybacks executed** (out of 200 NISm 2024 program) - together representing **58% of H1 income**

Reaching and surpassing 2025 targets, with updated medium-term growth targets to be published on September 9, 2024

After end of quarter, **leading investors** acquired company shares from control shareholders, with company transitioning to dispersed ownership

¹ Solvency with transitional measures estimated as of March 31, 2024, after 250 NISm dividend from Phoenix Insurance to Phoenix Financial

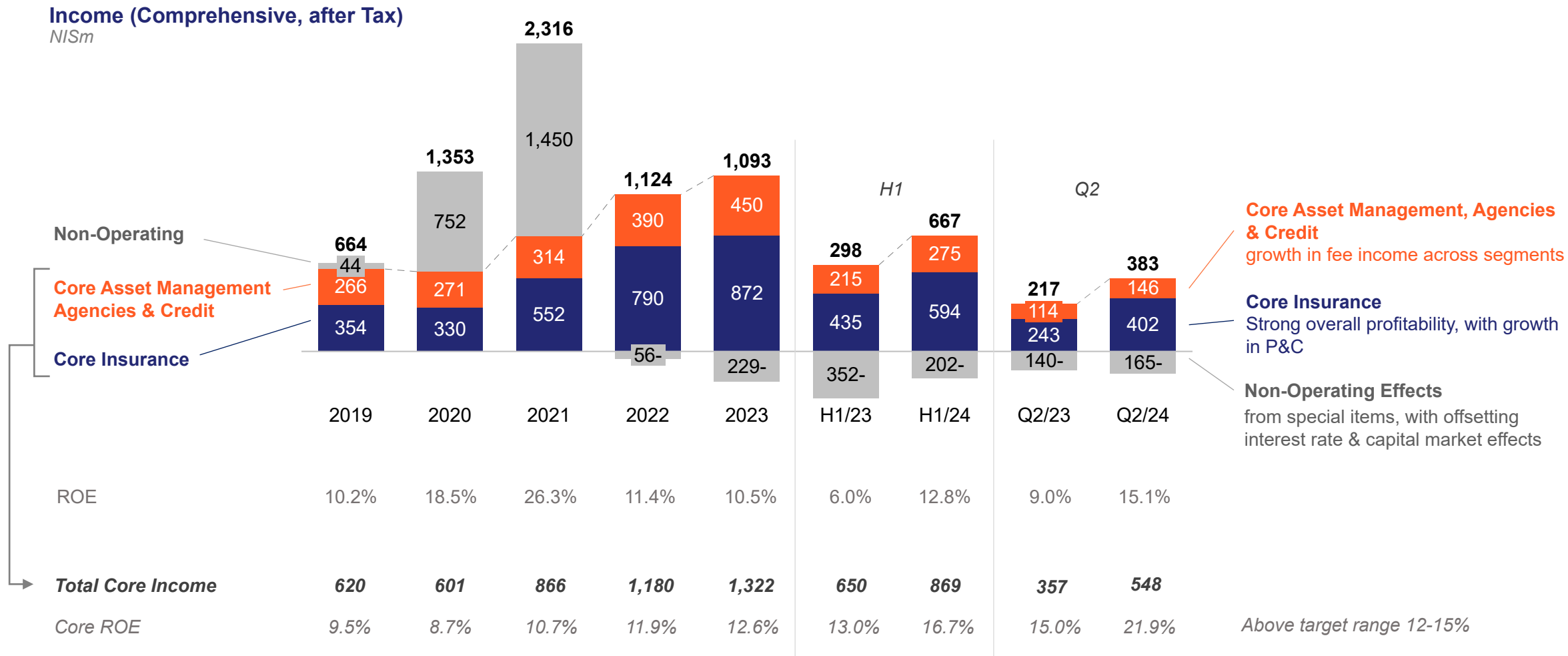
² Dividend per share will depend on factors including employee stock option exercise



Continued Growth in Core Activities

Income (Comprehensive, after Tax)

NISm



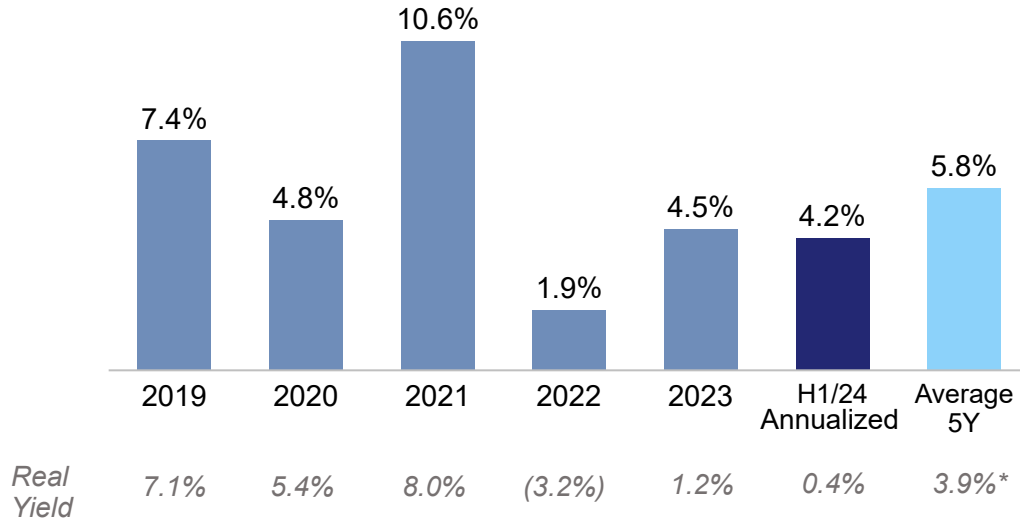
Notes: Core Income and Core ROE do not include Non-Operating Income: investment yields and variable management fees above or below 3% real yields, interest rate effects, and special items. Services income includes Asset Management (Pension & Provident, Investment Services), Distribution (Agencies), and Credit (Gama). For the convenience of the presentation, the statutory tax rate for taxable income for each activity is used, while the difference between the actual tax and the statutory tax is recorded in Special Items; see Glossary for definitions



Investment Core Capabilities

Returns - Insurance Nostro / Corporate Account

Percent (nominal)



Investment performance & track record

Mark to market reporting transparency (reporting volatility)

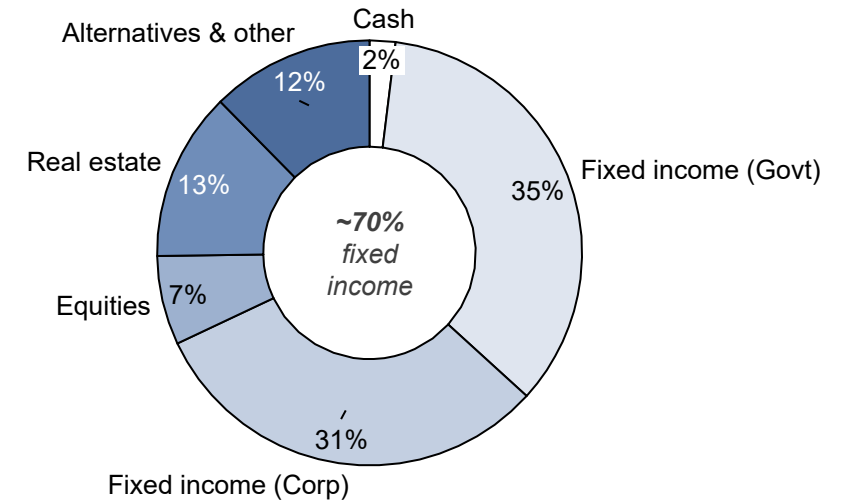
Group plans based on 3% real returns and stable rates

Team of over 100 investment professionals managing corporate account and client assets

Investing in capabilities including international investments and technology platforms

Asset Allocation - Corporate Account (Nostro)

Percent (june 30, 2024)



Responsible allocation & risk management

Proactive and proprietary dealflow and sourcing

Balanced asset allocation

International investments with leading partners, co-investments, & direct positions

Responsible asset and liability management



Dividend Track Record

2.3 NISb dividends + buybacks
since 2020 while growing
shareholders equity

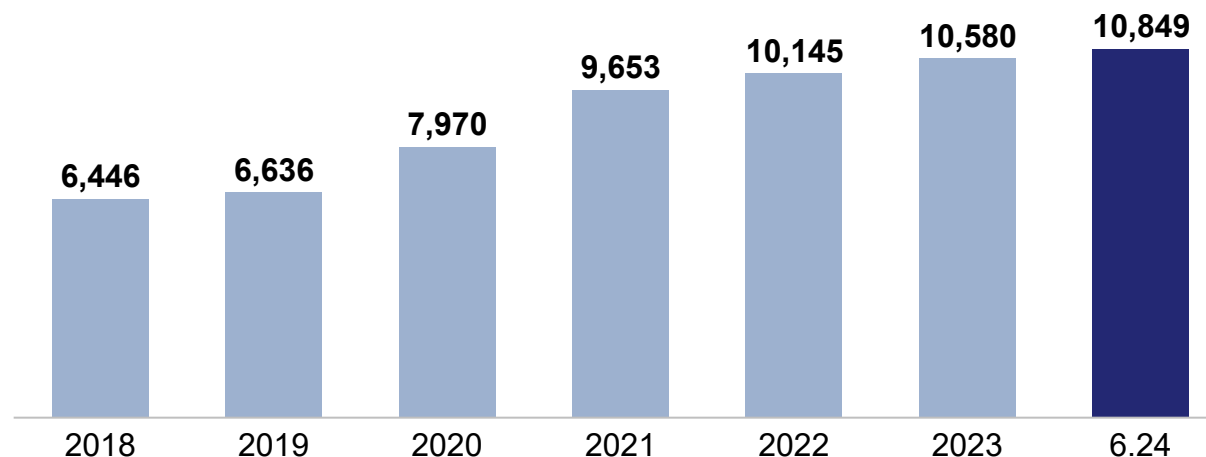
Building on Track-Record

270 NISm dividend (1.07 per share) from H1 earnings announced, in line with policy of at least 40% from annual income - facilitated by diverse cash flows & strong financial position including Solvency II, ratings, liquidity

116 NISm buybacks executed in 2024 to date out of 200 NISm program

Dividend & buyback together **represent 58% of H1 income**

Shareholders' Equity NISm



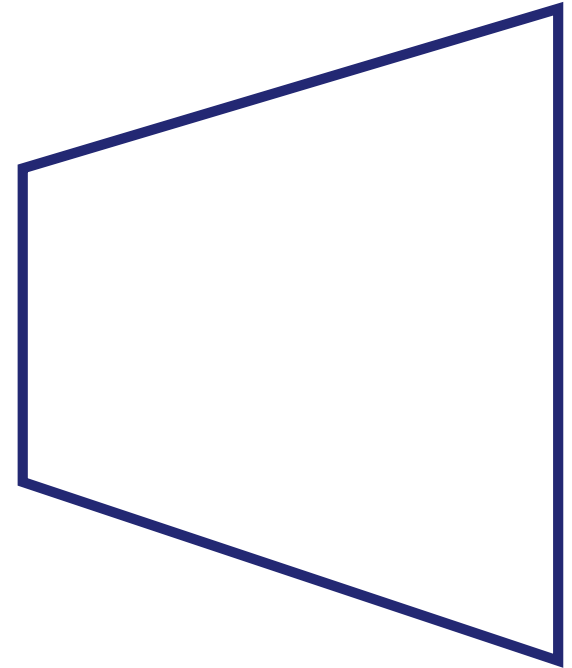
Comprehensive Income	512	664	1,353	2,316	1,124	1,093	667
Dividends from annual income (including in subsequent calendar year)	120	480	380	621	337	385	270
Dividends distributed (during calendar year)	120	480	-	580	581	297	535
Dividends per share (during calendar year)	1.0	1.9	-	2.3	2.3	1.2	2.13
Buybacks executed			26	74	56	38	116

**Dividend
track
record**



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Proven Value Creation Strategy & Catalysts

Value Drivers

Growth Engines

Multi-line Insurance
P&C
Health
Life

**Asset Management,
Agencies & Credit**
Investment House
Retirement
Distribution
Private Credit



Value Catalysts

1

Accelerated Growth

Accelerating growth while shifting mix to *high-ROE, capital-efficient businesses* (P&C, asset management, distribution)



Income growth
Shifting mix

2

Innovation & Efficiency

Deepening *client-focus & sustainable competitive advantage* with 1 NISb investments in technology (data, digitization, products) during plan



Competitive advantage
Margin expansion

3

Active Management

Optimizing group portfolio, management, structure, and synergies to *unlock and create value*



Unlocking value
M&A

4

Capital Management

Deploying capital against strategic priorities, reducing volatility and ensuring *long-term cash-flow generation*



Investments >3% real
Dividend distributions



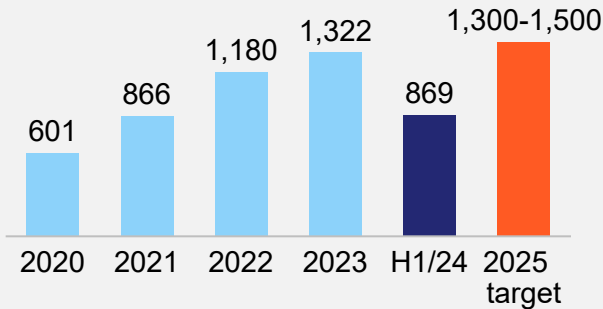
Group: Core Income Achieving & Surpassing Targets

Updated
targets to be
published
September 9

Core Income

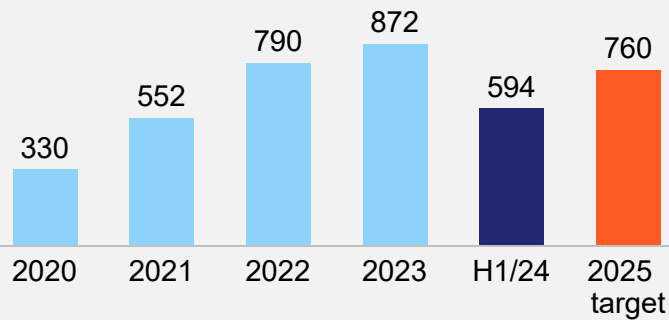
NISm, before non-operating effects

Phoenix Financial (formerly Phoenix Holdings)



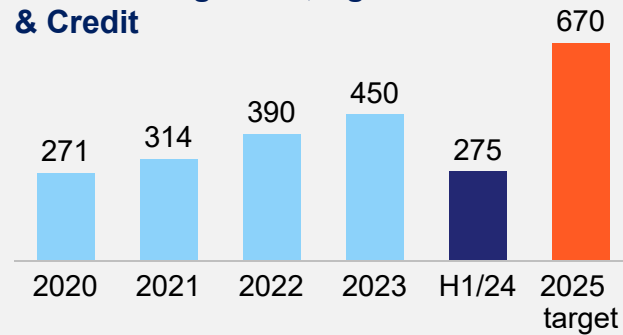
Core income **without non-operating effects** (capital markets, interest rates, & special items)

Insurance



Core income already above target

Asset Management, Agencies & Credit



On track to meet target

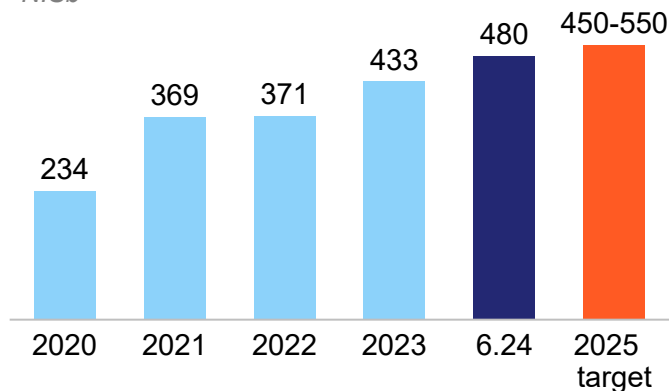


Group: KPIs on Track to Achieve Targets

Updated
targets to be
published
September 9

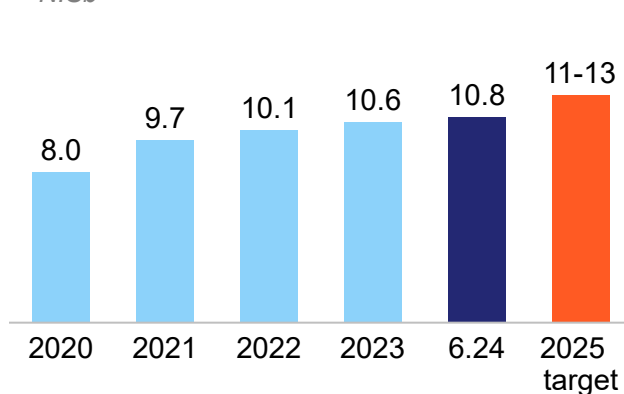
Group AUMs

NISb

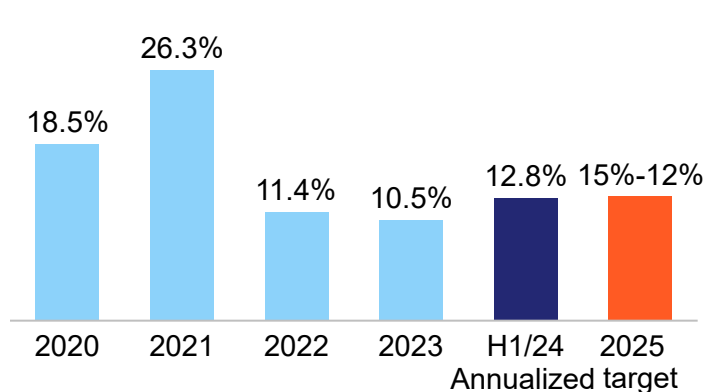


Shareholders' Equity

NISb



ROE



Core ROE **	8.7%	10.7%	11.9%	12.6%	16.7%	12%-15%
Nominal	4.8%	10.6%	1.9%	4.5%	4.2%	
Real	5.4%	8.0%	(3.2%)	1.2%	0.4%	3-5%*

Nostro yields

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

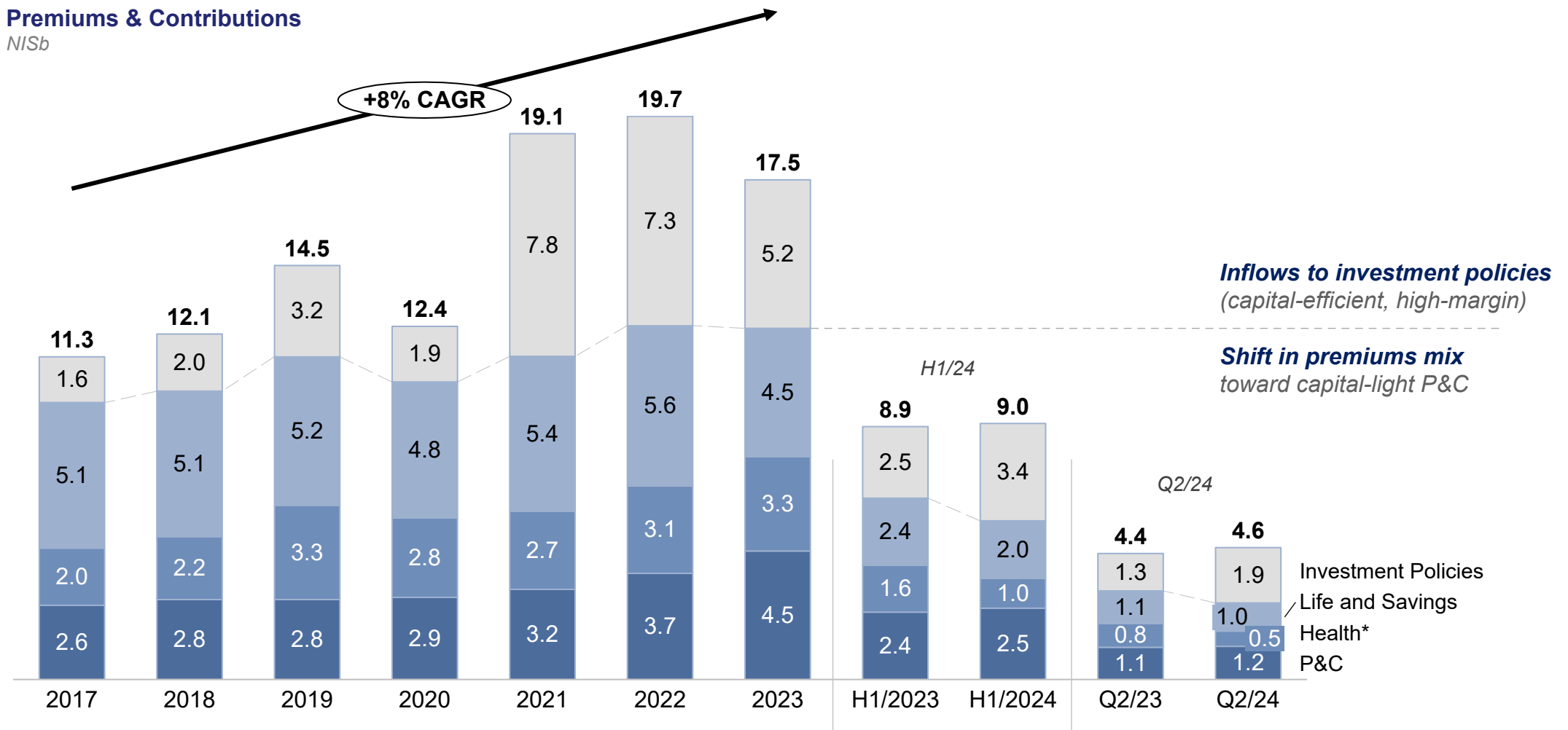
* Average real yield over five years (2019-23) was 3.9%

** Based on 3% real return on investments without non-operating income



Insurance: Shifting Mix

Premiums & Contributions
NISb



* Without HMO LTC health premiums in 2024

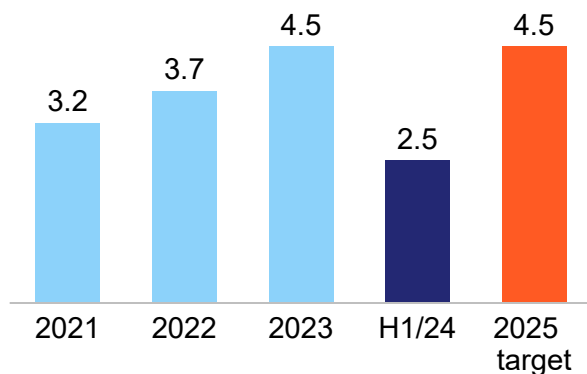


Insurance: Surpassing Targets

Updated
targets to be
published
September 9

P&C Premiums

Including Smart direct, NISb

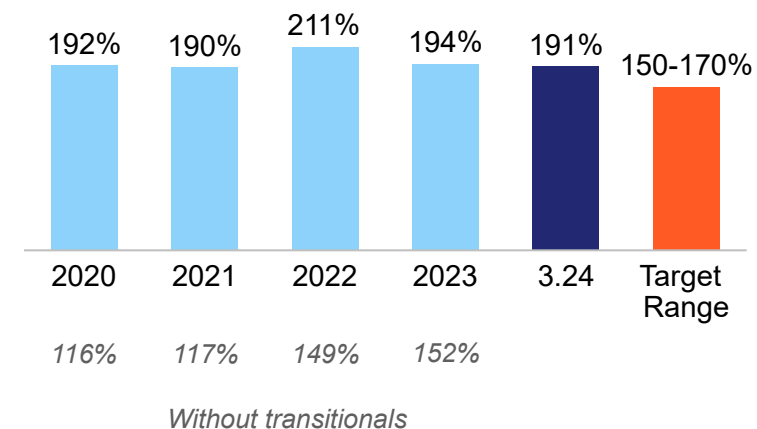


G&A Expense Ratios²

	P&C % of premiums	Health % of AUM	Life % of AUM
2019	4.10%	5.57%	0.50%
2020	5.08%	5.82%	.049%
2021	4.40%	5.50%	0.41%
2022	3.53%	5.00%	0.40%
2023	.346%	.513%	0.39%
H1-24	2.89%	.655%³	0.39%
	3.4-3.7%	5.4-5.8%	0.27-0.30%
	Mid-term target (2025)		

Solvency¹

Ratio



Insurance priorities

Focused growth in capital-efficient, high-margin activities
Advanced differentiating capabilities
Efficiency & digitization
Reduced income volatility (mix, IFRS-17, investments)

¹ Solvency ratio with transitional measures; target range based on reduced transitional measures over time

² 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

³ Health expense ratio increase due to reduced premiums from ending of LTC collective HMO agreement & product / regulatory transition, however mid-term targets remain unchanged

Asset Management & Credit (AM&C): Growing EBITDA

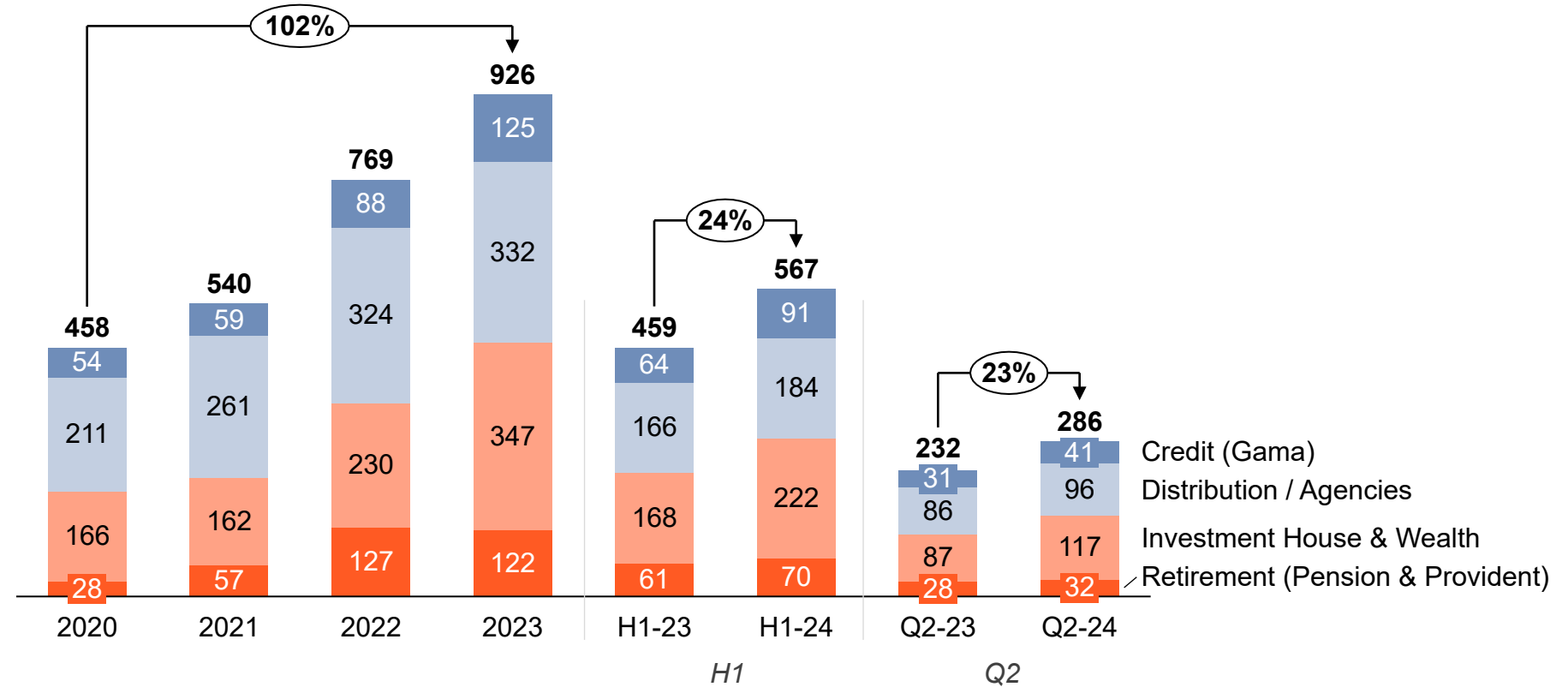
Growth engines Asset Management, Agencies & Credit producing significant EBITDA from non-insurance businesses

- Mostly **fee-based** income
- Spread income in Credit (adjusted EBITDA includes finance expense & provisions)

Strategy focused on accelerated growth, with strong organic capabilities & proactive acquisitions – doubling EBITDA in 3 years

473 NISm adjusted EBITDA not including minority interest in H1 2024

Adjusted EBITDA – Asset Management, Agencies & Credit
NISm, consolidated including minorities

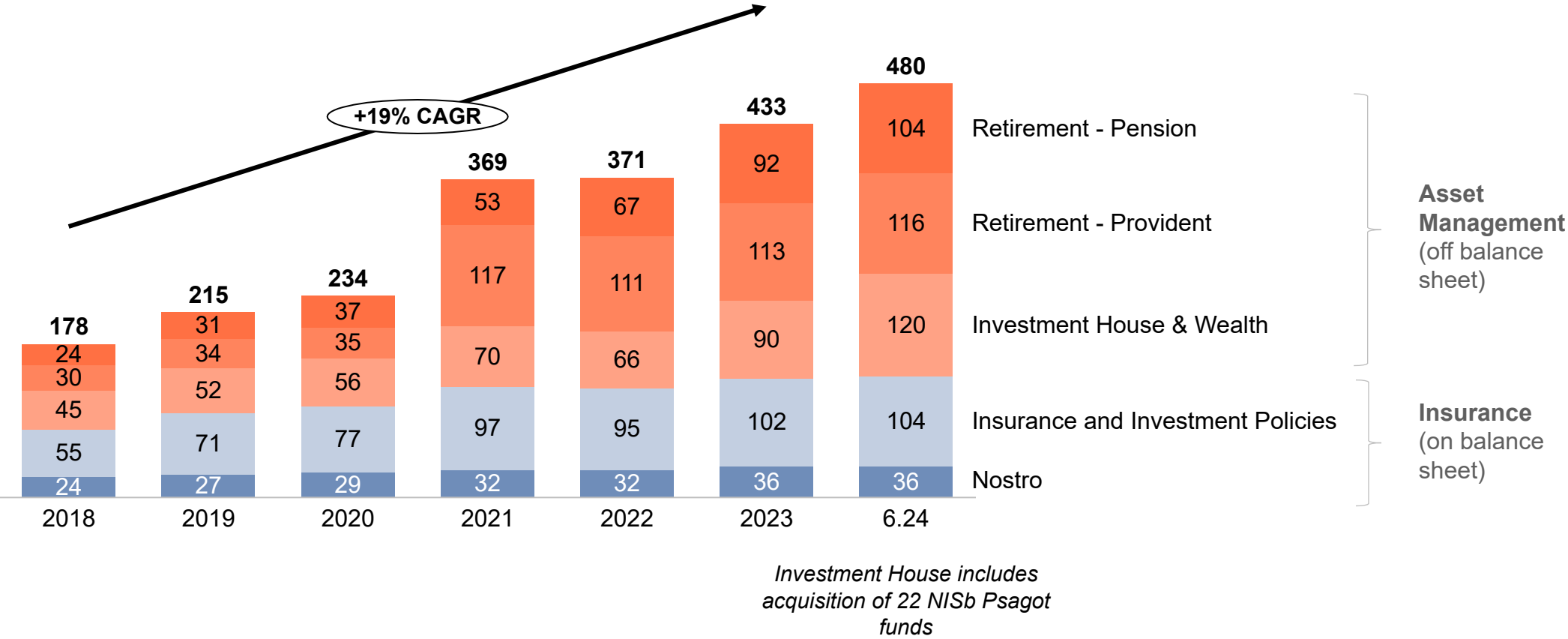




AM&C: Continued Growth in AUMs

Assets Under Management

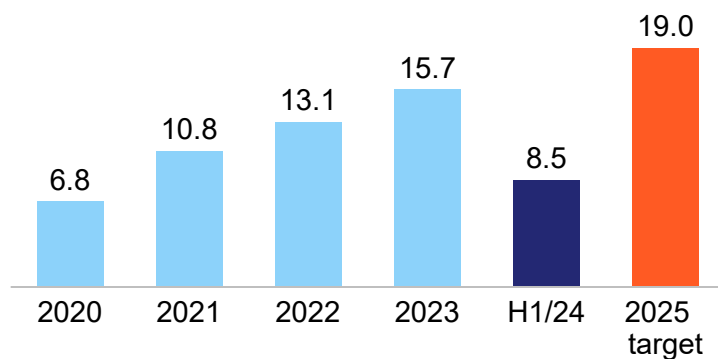
NISb



Note: AUM figures for end of period

Retirement (Pension & Provident) Contributions

NISb



Approaching targets

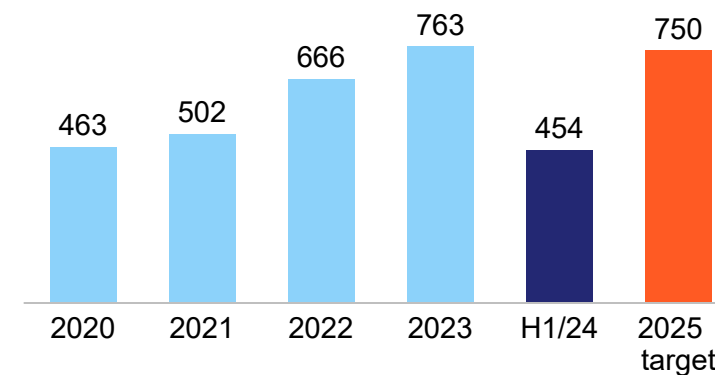
G&A Expense Ratio

Percent of AUMs

2020	0.16%
2021	0.13%
2022	0.12%
2023	0.12%
H1-24	0.12%
2025 Target	0.11%

Investment House & Wealth Revenues

NISm



Achieving targets

Focused on stand-alone value creation:

cash-generative & capital-light business model, market leader but still low 6% market share¹; value creation through growth, scale, innovation, and diversification

Independent agencies with experienced management (aligned with equity), providing access to all carriers / managers

Client-focused activities include benefit administration, retirement planning, & insurance (life, health, P&C, specialties)

Aggregator platform with scale & infrastructure to support small agents; independent IT infrastructure & efficient digital platforms

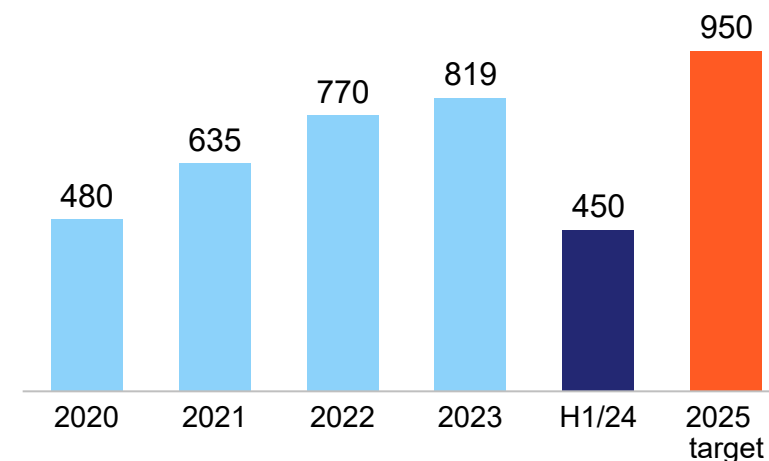
*Assessing interest
from international
investors to unlock
& create value*

Share of group sales²

Pension & Provident	33%
Life	22%
Individual Health	14%
P&C	11%

Distribution Revenues

NISm



Approaching targets

¹ Israel Ministry of Finance, share of commissions 2022

² Share of Phoenix group insurance premiums or pension / provident fund contributions that are distributed by Phoenix Agencies, 2023
Note: Mid-term Targets based on 5-year plan 2020-25 and assuming 3% return on investments

AM&C: Private Credit (Business and Consumer)

Updated
targets to be
published
September 9

Phoenix-Gama

100% ownership following tender offer in 2023
(continues to report with publicly traded bonds);
building platform for growth (e.g., balance
sheet, governance, infrastructure, capabilities);
based on Gama's broad SME relationships
Israel rating updated to Aa3.il with positive
outlook, supporting efficient financing

Phoenix Construction Finance

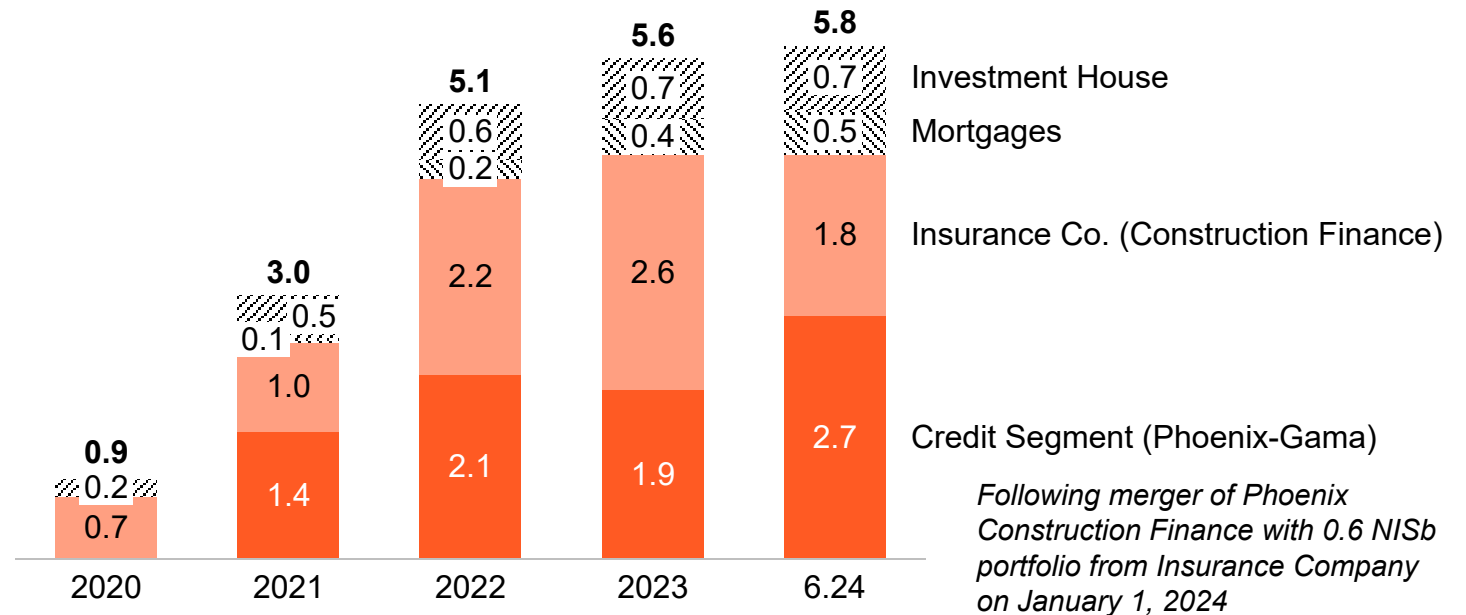
Merged into Phoenix-Gama in January 2024,
creating synergies, economies of scale &
expertise to be realized in 2024-25

Phoenix Consumer Credit

Built 2022-23, launching in 2024

Group Credit Activities

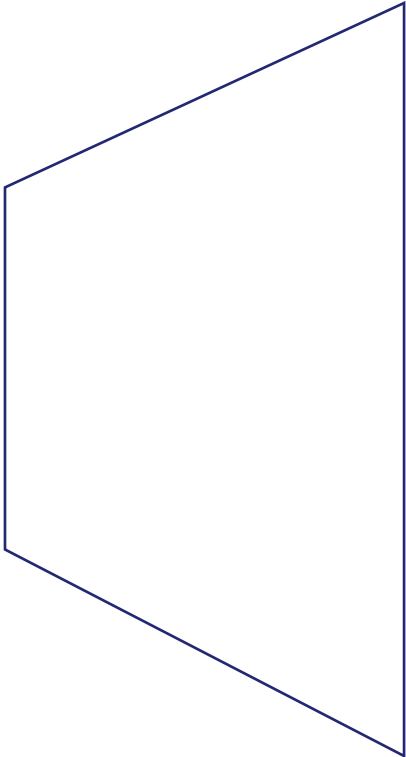
NISb



Phoenix Financial (formerly Phoenix Holdings) has several credit activities - Gama is the primary platform and is included in the Credit Segment, but in addition several other activities provide credit from corporate account (Nostro) funds or invest in fixed income instruments and are not included in the Credit Segment



Agenda

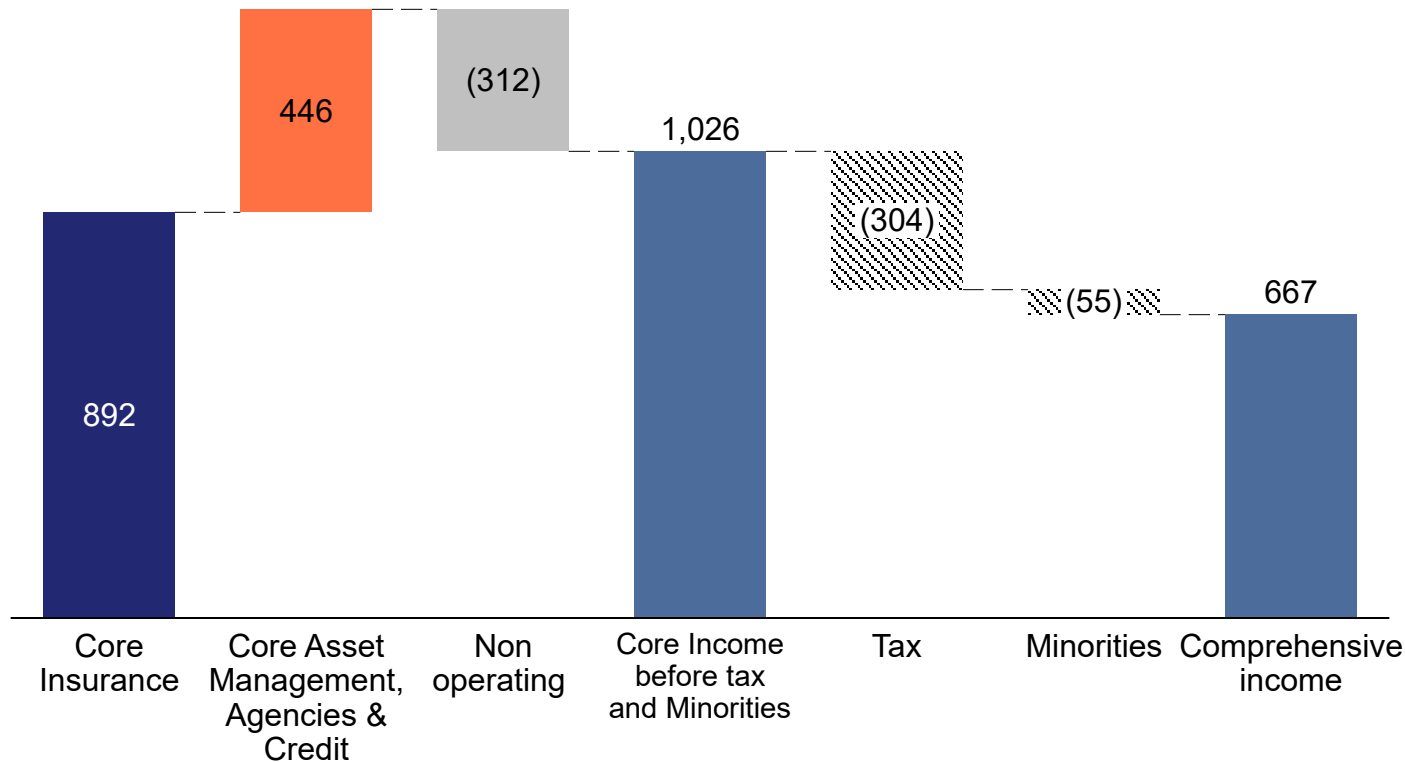
1. Highlights
 2. Strategy & Targets
 - 3. Financial Results**
 4. Segment Breakdown
- Appendix
- Glossary
- Disclaimer
- 



Income by Source H1 2024

Core Income Breakdown Before Tax (Comprehensive)

H1 2024, NISm



H1-23	589	348	(571)	366	(15)	(53)	298
Difference	303	98	259	660	(289)	(2)	369

Breakdown Before Tax – By Segment

NISm

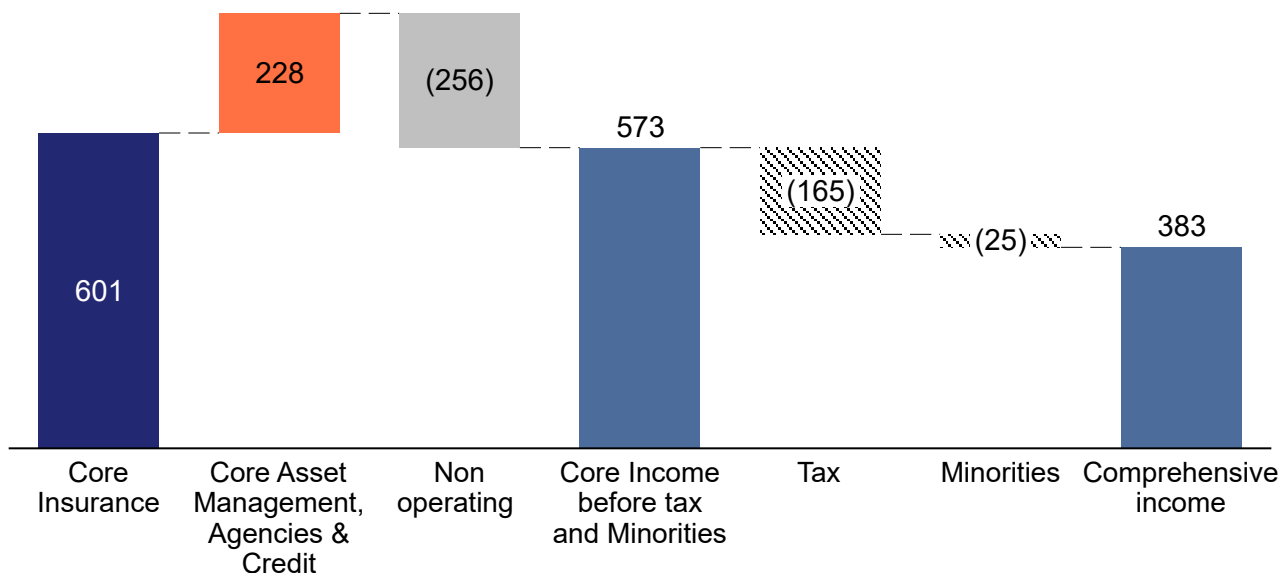
	H1/24	H1/23	Difference
P&C	437	224	213
Health	198	95	103
Life & Savings	107	66	41
Other Equity Returns	150	204	(54)
Core Insurance	892	589	303
Retirement (Pension & Provident)	56	44	12
Investment House & Wealth	159	120	39
Distribution (Agencies)	156	142	14
Credit	76	55	21
Other	(1)	(13)	12
Core Asset Management & Credit	446	348	98
Investment Income (*)	(556)	(566)	10
P&C	(26)	(40)	14
Health	2	3	(1)
Life	(241)	(170)	(71)
Other Equity Returns	(281)	(372)	91
Retirement (Pension & Provident)	(9)	0	(9)
Distribution (Agencies)	(1)	13	(14)
Interest	485	(103)	588
P&C	102	(5)	107
Health	79	(81)	160
Life	304	(17)	321
Special Items	(241)	98	(339)
P&C	(6)	(6)	0
Health	(20)	56	(76)
Life	(212)	38	(250)
Other Equity Returns	10	(13)	23
Retirement (Pension & Provident)	0	16	(16)
Investment House & Wealth	(8)	(9)	1
Distribution (Agencies)	0	0	0
Credit	(5)	0	(5)
Other	0	16	(16)
Non-operating Income	(312)	(571)	259



Income by Source Q2 2024

Core Income Breakdown Before Tax (Comprehensive)

Q2 2024, NISm



Q2-23	293	182	(241)	234	12	(29)	217
Difference	308	46	(15)	339	(177)	4	166

Breakdown Before Tax – By Segment

NISm

	Q2/24	Q2/23	Difference
P&C	263	113	150
Health	163	59	104
Life & Savings	48	33	15
Other Equity Returns	127	95	32
Core Insurance	601	300	301

Retirement (Pension & Provident)	26	23	3
Investment House & Wealth	81	63	18
Distribution (Agencies)	82	76	6
Credit	40	27	13
other	(1)	(7)	6
Core Asset Management & Credit	228	182	46

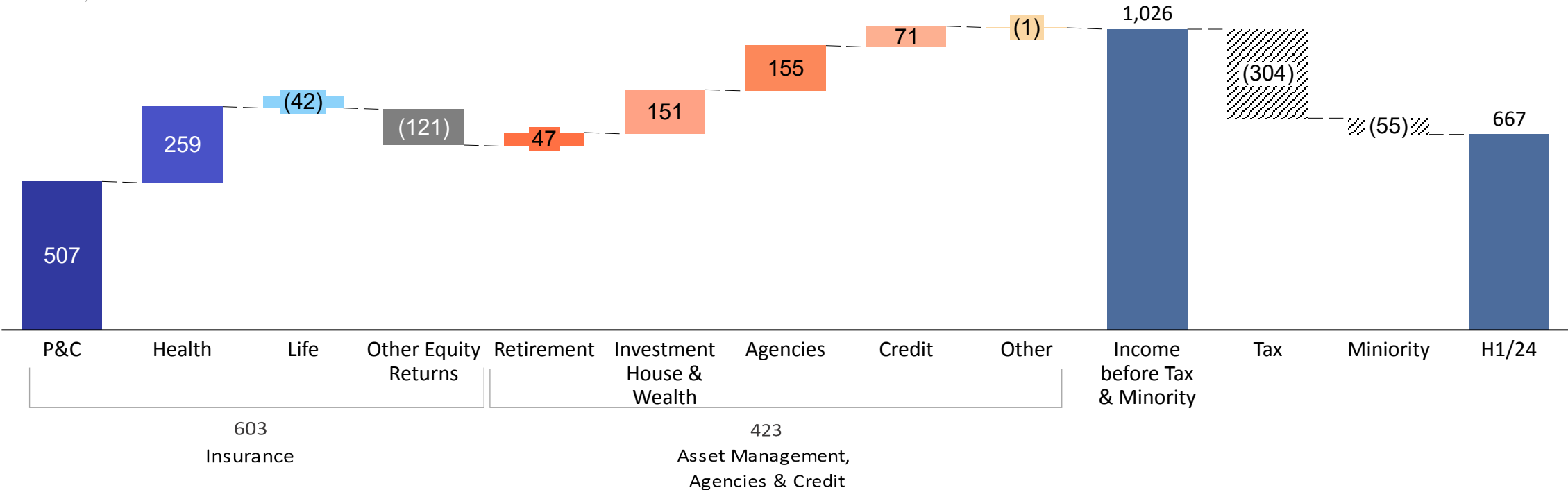
Investment Income (*)	(669)	(116)	(553)
P&C	(63)	14	(77)
Health	(39)	(12)	(27)
Life	(169)	(45)	(124)
Other Equity Returns	(389)	(80)	(309)
Retirement (Pension & Provident)	(10)	1	(11)
Distribution (Agencies)	1	6	(5)
Interest	596	(253)	849
P&C	60	(23)	83
Health	196	(187)	383
Life	340	(43)	383
Special Items	(183)	121	(304)
P&C	(4)	(7)	3
Health	1	63	(62)
Life	(178)	49	(227)
Other Equity Returns	0	(13)	13
Retirement (Pension & Provident)	0	16	(16)
Investment House & Wealth	(2)	(3)	1
Distribution (Agencies)	0	0	0
Credit	0	0	0
Other	0	16	(16)
Non-operating income	(256)	(248)	(8)



Income by Segment H1 2024

Segment Income Breakdown Before Tax (Comprehensive)

H1 2024, NISm



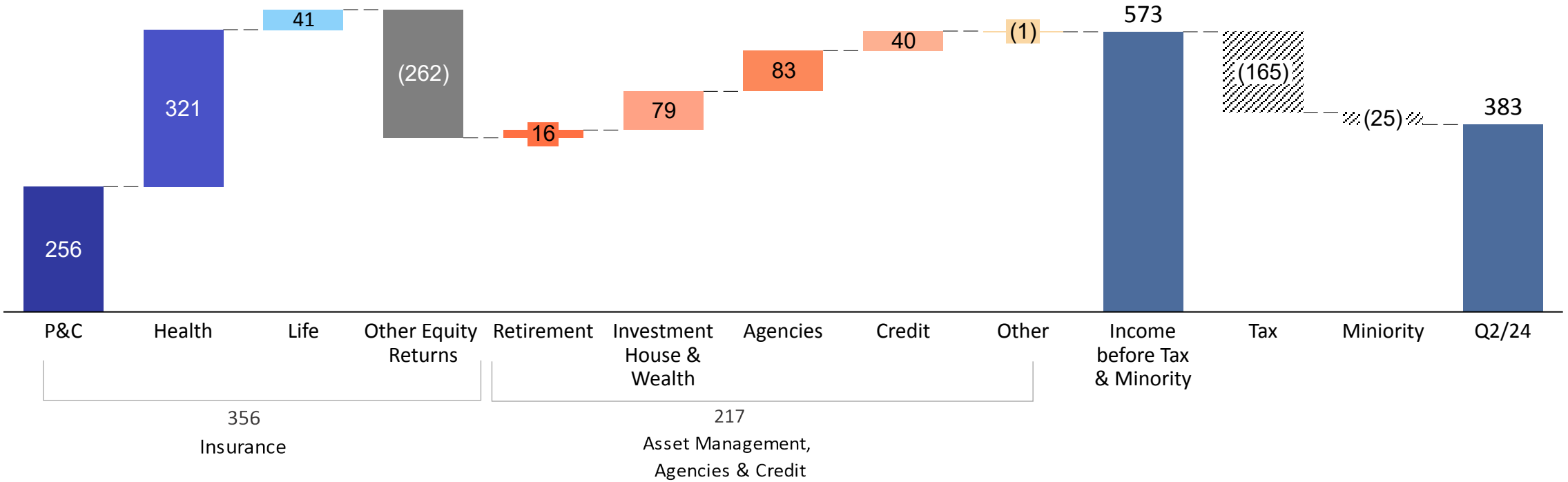
H1/23	173	73	(83)	(181)	60	111	155	55	3	366	(15)	(53)	298
Difference	334	186	41	60	(13)	40	-	16	(4)	660	(289)	(2)	369



Income by Segment Q2 2024

Segment Income Breakdown Before Tax (Comprehensive)

Q2 2024, NISm



Q2/23	97	(77)	(6)	2	40	60	82	27	9	234	12	(29)	217
Difference	159	398	47	(264)	(24)	19	1	13	(10)	339	(177)	4	166



Strong Balance Sheet

Phoenix Holdings NISm	31/12/2023	30/06/2023	30/06/2024	Difference
Cash	3,053	2,713	2,660	-393
Intangible Assets	3,598	3,326	3,840	242
Deferred acquisition costs	2,686	2,655	2,774	87
Investments in associates	1,652	1,641	1,997	345
Investment property - other	1,239	1,186	1,268	29
Credit for purchase of securities	3,700	3,489	4,445	745
Other Assets	8,326	7,886	8,462	136
Other Financial Investments	30,771	30,954	30,319	-453
Assets for yield-dependent contracts	104,770	101,744	104,901	132
Total Assets	159,795	155,593	160,666	871
Financial liabilities	15,576	14,413	14,942	-634
Liabilities in respect of non-yield-dependent insurance contracts and investments contracts	25,597	25,523	26,074	477
Liabilities in respect of yield-dependent insurance contracts and investments contracts	102,973	100,075	103,512	539
Other Liabilities	4,753	5,079	4,940	186
Total equity	10,895	10,503	11,198	303
Total equity and liabilities	159,795	155,593	160,666	871

Financial Liabilities (NISm)

	Bonds and Loans				31/12/2023
	30/06/2024				
	CPI linked	Floating interest	Fixed interest	Total	
Holdings Solo*	934	397	546	1,877	1,896
Insurance					
Tier 1 capital	367	-	-	367	218
Tier 2 capital	763	492	2,845	4,101	4,067
Tier 3 capital	-	-	-	-	399
Insurance Total	1,130	492	2,845	4,468	4,684
Retirement	-	475	-	475	-
Credit	-	1,560	215	1,775	1,438
Agencies	-	366	-	366	379
Investment House & Wealth	-	599	-	599	263
AM&C Total	-	2,999	215	3,214	2,080
Total bonds and loans	2,064	3,889	3,606	9,559	8,661
Exposure Ratio	22%	41%	38%	100%	100%
Derivatives, Repo & Other (Nostro)**				3,247	2,921
Derivatives, Repo & Other (Unit linked)**				337	2,240
Credit cards liabilities (Gama)				1,799	1,755
Total				14,942	15,576

Net financial debt exposure includes financial assets & only some of the financial liabilities (see 2024 H1 Financial Statements Section – Section 5.7.2 in the BOD Report)

Liabilities include use of derivatives opposite relevant financial assets for operational purposes (e.g., Insurance, Investment House) and Gama financing for credit portfolio and improved capital structure

* Mainly offset against Insurance Tier 1 capital

** For more details, see 3M/24 Financial Reports (Note 5)



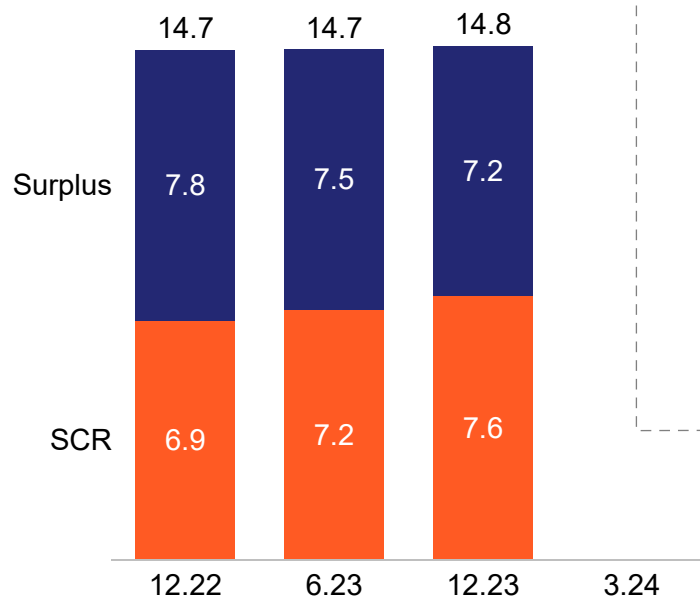
Active Solvency & Capital Management

Economic Capital & Solvency (Insurance Company, NISb)

Solvency ratio¹

With transitionals	211%	205%	194%	191%
Without transitionals	149%	153%	152%	

BOD dividend threshold 111% 115% 115% 118%



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 does not include group equity outside Insurance Company; significant additional group capital resources held under Phoenix Financial (formerly Phoenix Holdings)

Quarterly publication of Solvency ratio with one quarter delay; full breakdown for Q2 and Q4, with only transitional headline figure for Q1 and Q3

Changes in Solvency Ratio

191% with transitional measures estimated for March 31, 2024 (after dividend distribution of 250 NISm to Phoenix Financial in August 2024)

Insurance Company BOD dividend threshold raised to 118% without transitionals as of June 30, 2024

Cashflow and Liquidity (Holding Company)

Insurance subsidiary dividend payout updated to 40-60% of comprehensive income, in line with solvency target range

AM&C 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 1.1 NISb (trading on Tel-Bond 40 index).

Insurance Company with international ratings (Moody's A2, S&P A-)

Moved 300 NISm Construction Finance, optimizing capital from Insurance to Credit

Accounting Income

IFRS 17 & IFRS 9 implementation in 2025, expected to reduce volatility

Dynamic management of market exposures

¹ Including dividend distributions from Phoenix Insurance to Phoenix Financial (formerly Phoenix Holdings)



Agenda

1. Highlights
 2. Strategy & Targets
 3. Financial Results
 - 4. Segment Breakdown**
- Appendix
- Glossary
- Disclaimer
- 

Continued growth and profitability despite challenging environment & high theft frequency

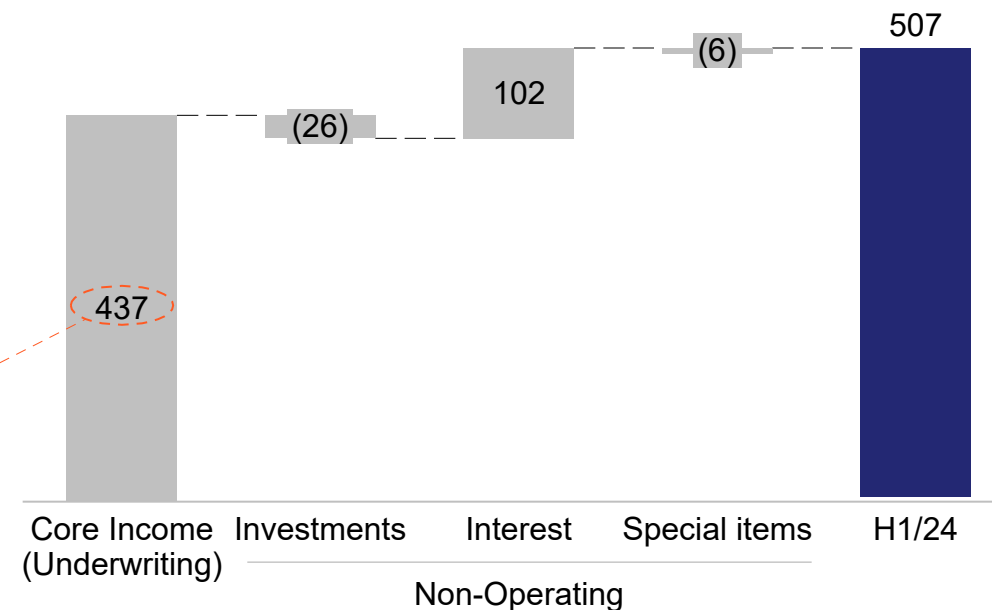
Optimized use of machine learning for motor underwriting

Positive secondary impact of **interest rates**

Core Income (Before Tax, Underwriting)	H1/23	H1/24	Q2/23	Q2/24
Compulsory Motor	95	80	65	65
Motor Property	(22)	143	(16)	58
Loss Ratio (MP)	86%	68%	88%	71%
Property & Other	57	99	31	37
Liability	94	115	33	103
Total	224	437	113	263

Comprehensive Income Before Tax

NISm



	H1/23	224	(40)	(5)	(6)	173
Difference		213	14	107	-	334
	Q2/24	263	(63)	60	(4)	256
	Q2/23	113	14	(23)	(7)	97
Difference		150	(77)	83	3	159

Increase in underwriting profit

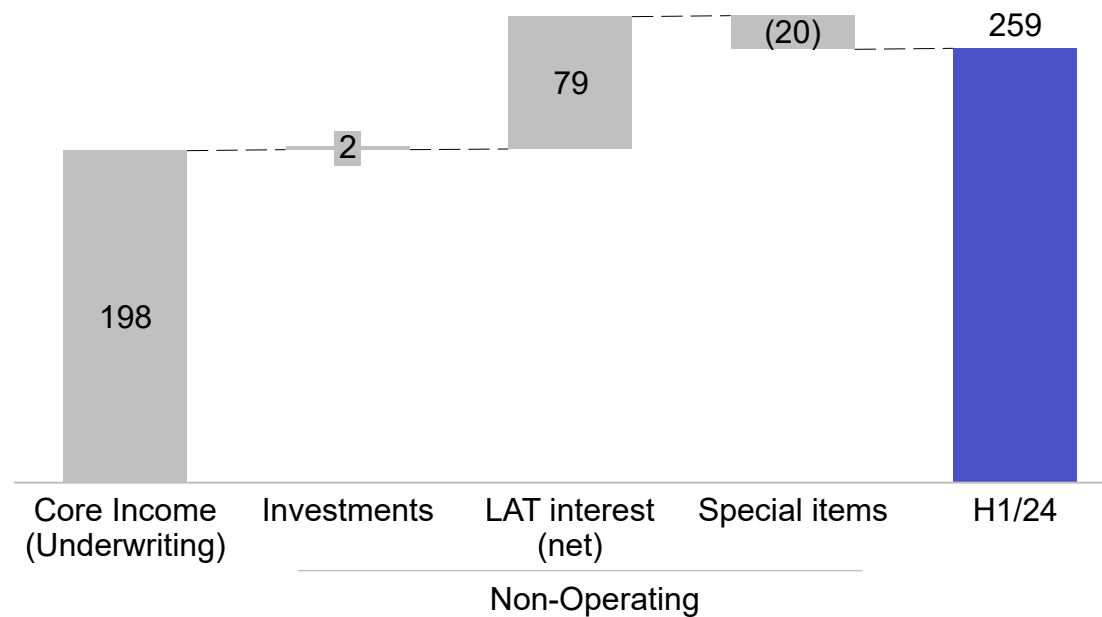
Positive impact from LAT reserves mainly due to increase in interest rates (no LAT reserve remaining at end of Q2)

Maccabi HMO collective LTC agreement ended December 2023

Starting implementation of health sector reform during 2024

Comprehensive Income Before Tax

NISm



H1/23	95	3	(81)	56	73
Difference	103	(1)	160	(76)	186
Q2/24	163	(39)	196	1	321
Q2/23	59	(12)	(187)	63	(77)
Difference	104	(27)	383	(62)	398

Underwriting profit improvement

Negative non-operating effects

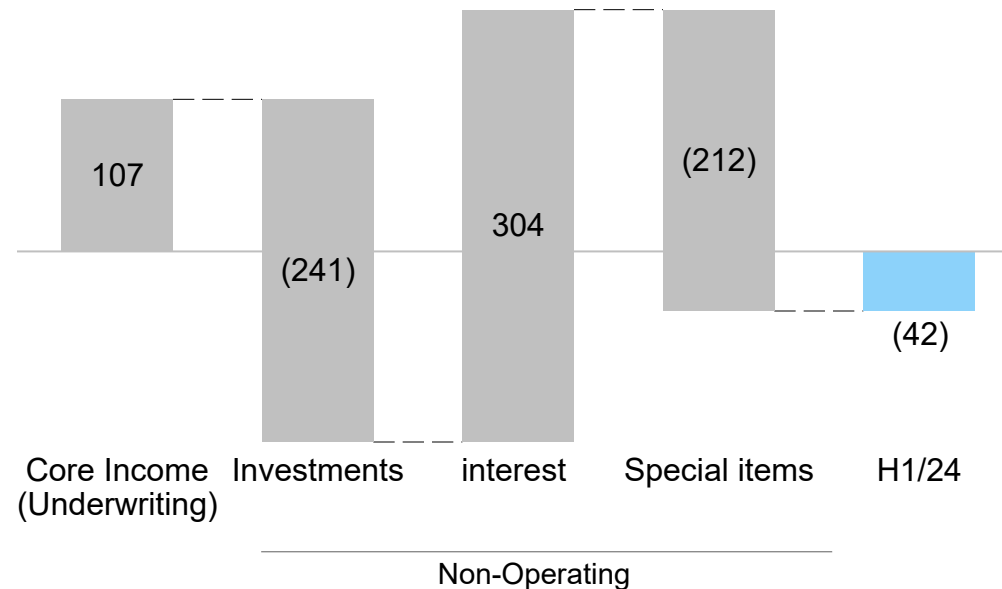
mainly due to update of mortality tables (special items) and investment profit above 3%, partially offset by interest rate effects (K factor)

Variable management fee deficit of 228 NISm as of publication date

Continued inflows from investment policies

Comprehensive Income Before Tax

NISm



H1/23	66	(170)	(17)	38	(83)
Difference	41	(71)	321	(250)	41
Q2/24	48	(169)	340	(178)	41
Q2/23	33	(45)	(43)	49	(6)
Difference	15	(124)	383	(227)	47

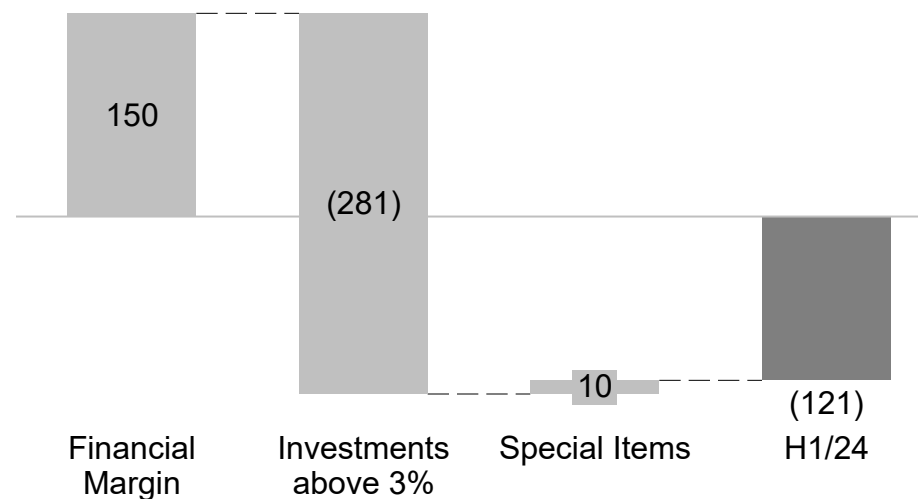
Other Equity Returns (Insurance)

150 NISm financial margin,
54 NISm decrease due to
changes in CPI compared to
H1 2023

Negative capital market
effects (below 3% real yields)
of 281 NISm

Comprehensive Income Before Tax

NISm



H1/23	204	(372)	(13)	(181)
Difference	(54)	91	23	60
Q2/24	127	(281)	10	(121)
Q2/23	95	(80)	(13)	2
Difference	32	(201)	23	(123)

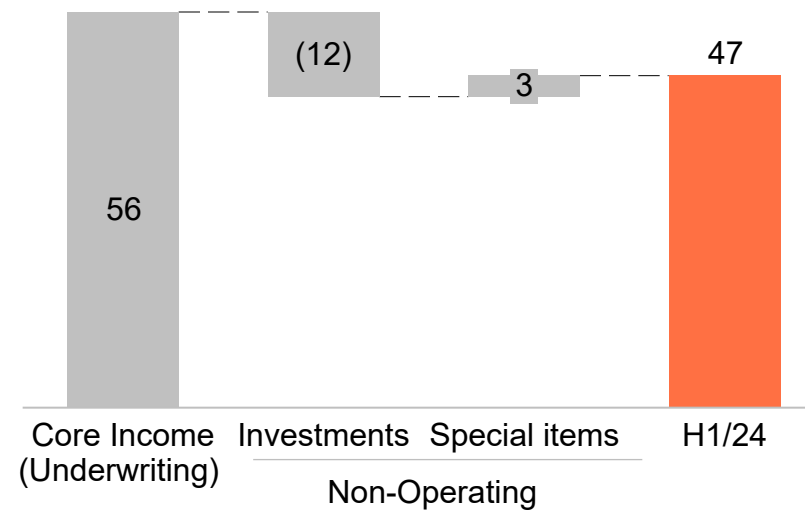
Continued organic growth

Focus on profitability

including higher margin / efficient activities

Comprehensive Income Before Tax

NISm



H1/23	44	-	16	60
Difference	12	(12)	(13)	(13)
Q2/24	26	(10)	-	16
Q2/23	20	1	19	40
Difference	6	(11)	(19)	(24)





Distribution (Agencies, Planning, Benefits)

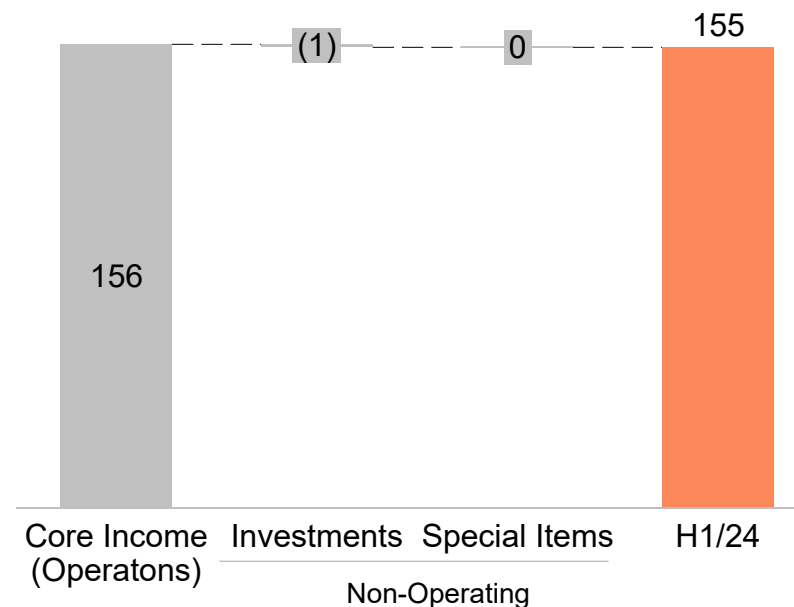
Continued organic growth, however growth rate impacted by slower pace of hiring in the market (including in tech sector)

Accelerated value creation under reorganized structure with synergies

Assessing interest from international investors to **unlock & create value** going forward

Comprehensive Income Before Tax

NISm



H1/23	142	13	-	155
Difference	14	(14)	-	-
Q2/24	82	1	-	83
Q2/23	76	6	-	82
Difference	6	(5)	-	1

Credit (Primarily Phoenix-Gama)



Synergetic merger of Phoenix Construction Finance

in January 2024, following successful take-private tender offer for Gama in 2023

Limited growth in credit portfolio due to market conditions

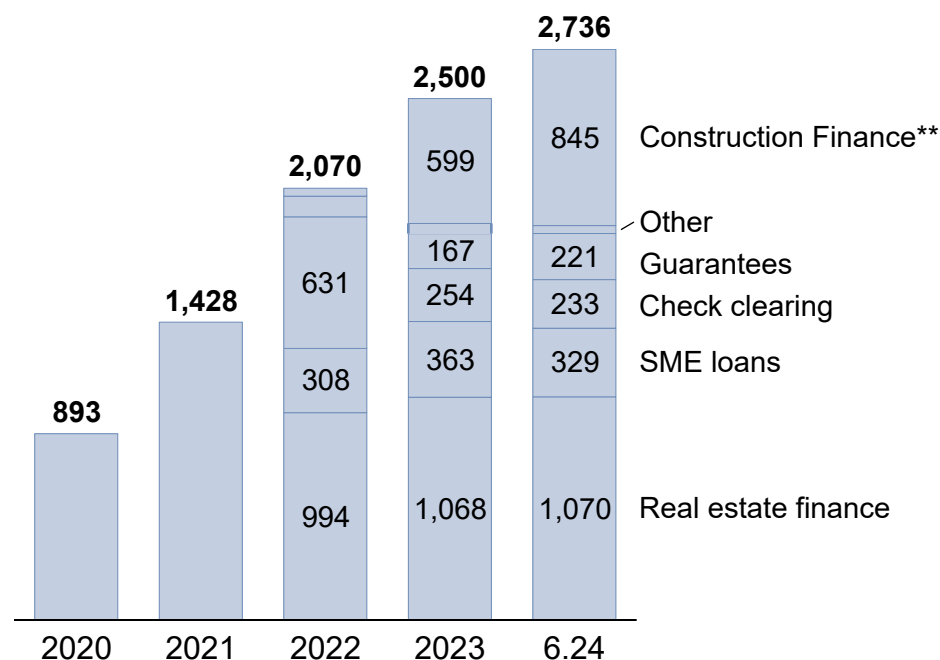
Continued improvement in pre-tax income

Strong balance sheet with 31% Equity-to-Assets ratio*

Consumer credit activity launch in 2024, will be merged into Gama, included in Credit Segment results

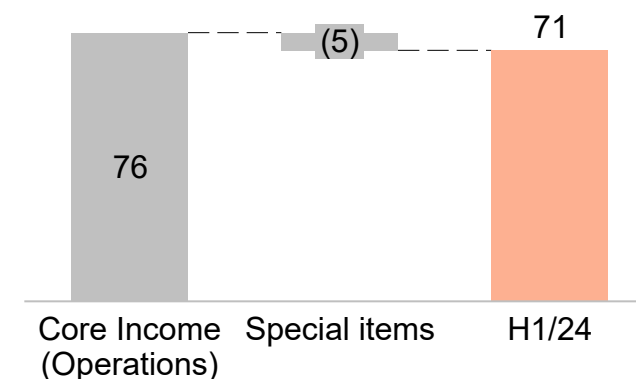
Credit Portfolio

NISm, without credit card activity



Comprehensive Income Before Tax

NISm



H1/23	55	-	55
Difference	21	(5)	16
Q2/24	40	-	40
Q2/23	27	-	27
Difference	13	-	13

* Not including credit card & short-term transactions; 18% Equity-to-Assets including these transactions

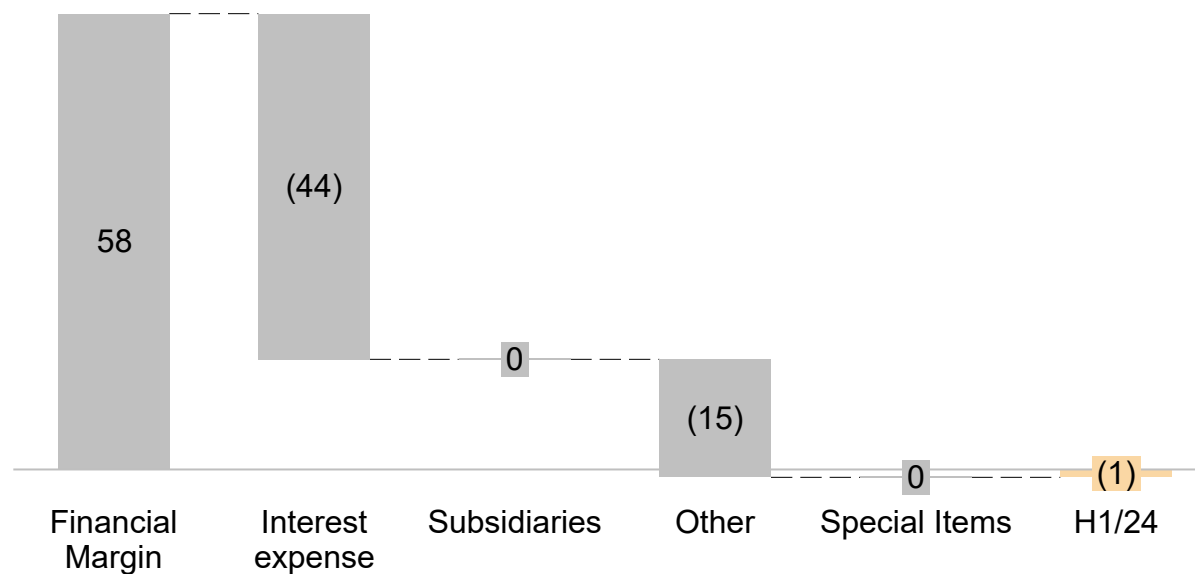
** Construction Finance merger on January 1, 2024

Note: Segment income includes Gama, Consumer Credit, and related amortization

Segment includes Phoenix Financial (formerly Phoenix Holdings) solo profits (including RT1 holding) as well as other items

Comprehensive Income Before Tax

NISm



H1/23	48	(40)	(1)	(20)	16	3
Difference	10	(4)	1	5	(16)	(4)
Q2/24	33	(29)	-	(5)	-	(1)
Q2/23	27	(22)	-	(12)	16	9
Difference	6	(7)	-	7	(16)	(10)



Agenda

1. Highlights
2. Strategy & Targets
3. Financial Results
4. Segment Breakdown

Appendix

Glossary

Disclaimer





Phoenix Financial – Highlights

1

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

Strong long-term demographic & wealth trends with high compulsory savings rates, potential for greater penetration, and macro resilience

2

Strong market position with distinctive growth & performance through the cycle

Leading financial services group with over \$120b AUM (including multi-line insurance, asset management, distribution, & credit), delivering best-in-class average 15% ROE and 19% AUM CAGR over the past 5 years

3

Creating and unlocking value driven by diversified activities with untapped potential

Significant share of income generated by Asset Management and Credit activities (recurring fee-based financial services businesses, cash-generative, capital-light), with plan to unlock value of assets currently held at book value

4

Proven value creation strategy with focus on growth & competitive advantage

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

5

Leading financial performance & organic capital generation, driving strong balance sheet & financial resilience

Consistent growth in shareholder equity with a Solvency ratio of 209% (with transitional measures), at least 30% dividend distribution policy, and international insurance rating

6

Experienced & aligned leadership team backed by strong governance

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



Investment Returns – Explanation

Reconciliation of investment returns above / below 3% real returns with financial statements

NISm

	H1-24	H1-23	2023
<u>P&L Items from Financial Statements</u>			
Investment income	7,591	5,289	9,910
Share in profits of equity-accounted investees	40	43	42
Total components of net other comprehensive income	31	297	306
Tax effect	28	141	147
Subtotal	7,690	5,770	10,404
<u>Less:</u>			
Investment gains (losses) relating to yield-dependent policies	6,796	4,803	8,531
Investment gains (losses) relating to investment services & credit	226	168	349
Subtotal	7,021	4,971	8,881
Corporate account (Nostro) total investment income	669	799	1,526
Corporate account (Nostro) investment income assuming 3% real returns	1,225	1,365	2,291
Corporate account (Nostro) investment income above (below) 3% real returns	(556)	(566)	(765)



Agenda

1. Highlights
2. Strategy & Targets
3. Financial Results
4. Segment Breakdown

Appendix

Glossary

Disclaimer



Adjusted EBITDA	Adjusted EBITDA - calculated as income before finance, taxes, depreciation and amortization in the relevant areas of activity; adjustments as detailed below: Investment House - IFRS 16 adjustment and special items Retirement (Pension and Provident) - IFRS 16 adjustment and amortization of DAC and special items Distribution (Agencies) - IFRS 16 adjustment and special items Credit - IFRS 16 adjustment, financing expenses, credit provisions, and special items
AM	Asset Management
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
Core Income	Income from operations not including investment yields & variable fees above/below 3% real yields, interest rate effects, and special items
Core ROE	Core income as a percent of total equity
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 underlying 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
Insurance Core Income	Core Income from insurance activities
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
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
Non-Operating Income	Impact on income of investment yields & variable fees above/below 3% real yields, interest rate effects, and special items
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
Services Core Income	Core Income from Services activities including asset management, distribution, and credit
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



Agenda


1. Highlights
2. Strategy & Targets
3. Financial Results
4. Segment Breakdown

Appendix

Glossary

Disclaimer





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