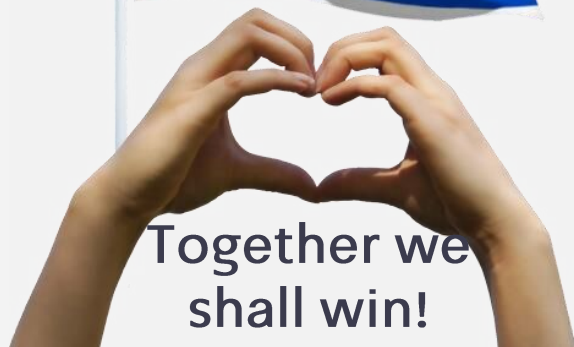




Menora Mivtachim Holdings

Analyst Presentation
For the period ended December 31, 2023



Together we
shall win!



General clarifications

This presentation includes only partial information regarding the Group's results for the period ended December 31, 2023 and was prepared solely for the sake of brevity and convenience.

The presentation does not include the full information needed by an investor to make a decision on investing in the Company's securities. Furthermore, this presentation does not constitute an offer to purchase the Company's securities or an invitation to receive such bids.

The presentation is not intended to substitute the need to review the Company's reports to the public, including its periodic and quarterly reports and other publications promulgated by the Company.

Glossary of Terms



Underwriting income / operating income

The operating results, which include stating a real normative return of 3% (annualized) in respect of the liability component that is not backed by Hetz bonds, including for the purpose of calculating variable management fees



Investment income

The difference between the actual return achieved and the return stated in the underwriting income



Interest

Effects of changes in the risk-free interest rate curve and the illiquidity premium and a change in the fair value of the illiquid assets relative to their amortized cost in the books of accounts



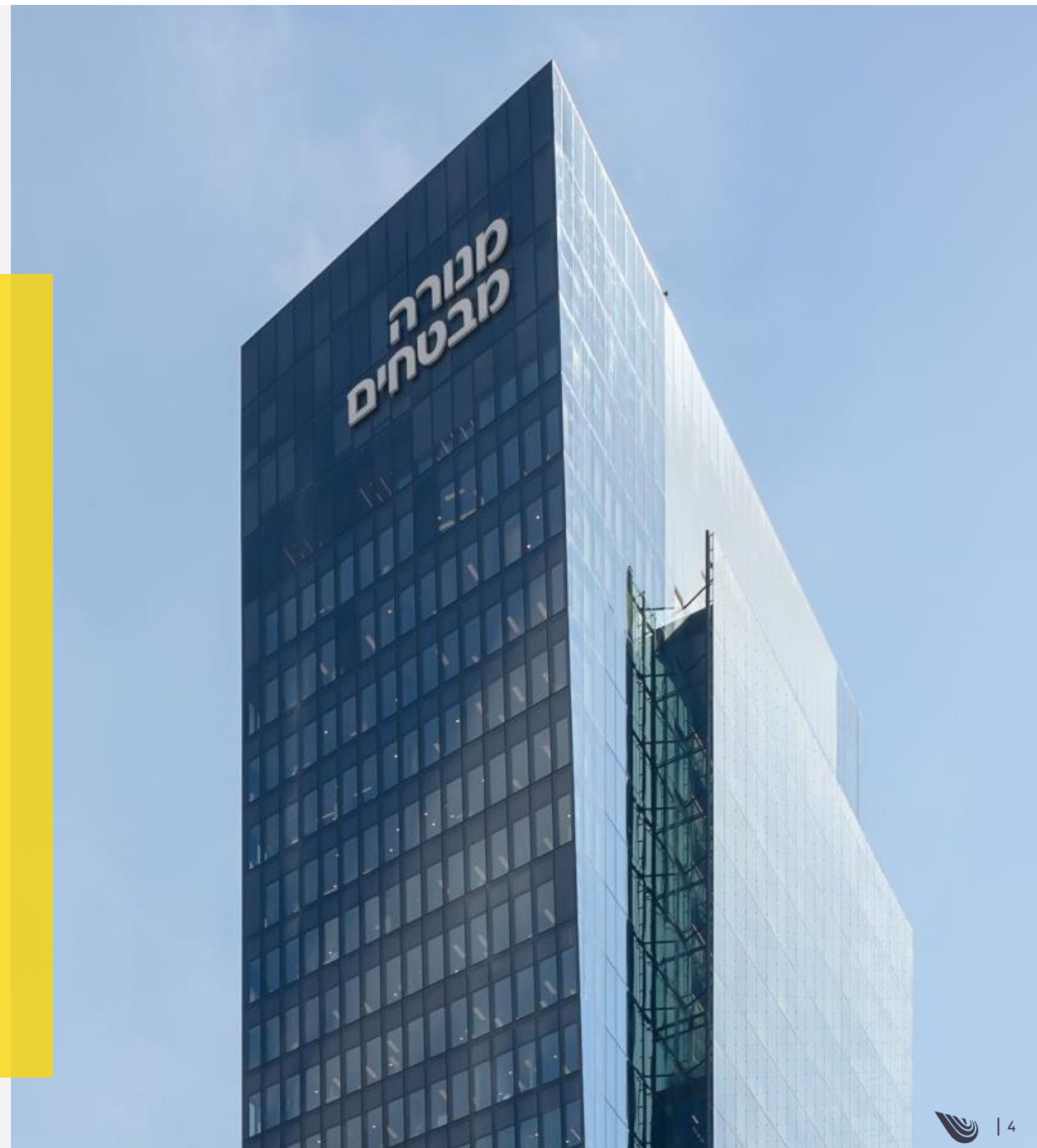
Special items

Model revisions and actuarial assumptions as well as one-time effects arising from regulation and other significant events outside the ordinary course of business

01 Key Points

02 Operating results highlights

03 Details of changes in income by segment



Key data

For the year

27.8

NIS billion

2022

30.3

NIS billion

2023

Premiums and
contributions
towards benefits

777

NIS million

2022

1,005

NIS million

2023

Underwriting
income, pre-tax

410

NIS million

2022

709

NIS million

2023

Comprehensive
income, after tax
attributable to the shareholders

7.5%

2022

12.0%

2023

Return on equity

For the
10–12
quarter

7.3

NIS billion

2022

7.8

NIS billion

2023

Premiums and
contributions
towards benefits

239

NIS million

2022

314

NIS million

2023

Underwriting
income, pre-tax

191

NIS million

2022

174

NIS million

2023

Comprehensive
income, after tax
attributable to the shareholders

13.9%

2022

11.8%

2023

Return on equity

Key data

11.2%

CAGR
(2018–2023)

315

NIS billion
December 31, 2023

Assets under management

11.4%

CAGR
(2018–2023)

6.4

NIS billion

Shareholders equity

2.5

NIS
billion

154.5%

Net of the Transitional
Provisions ⁽¹⁾

Excess capital

250

NIS million
Dividend declared and
distributed for 2023 ⁽²⁾

Dividend

Company's rating – Aa2
Insurer's rating – Aa1

Rating

(1) Menora Insurance – without applying the Provisions for the Transitional Period and adjusting the stock scenario, including equity transactions occurring subsequent to the calculation date, as of June 30, 2023. The solvency ratio including the Transitional Period is 176.7%.

(2) A dividend of NIS 75 million for 2023 was distributed in August 2023, with an additional dividend of NIS 175 million being declared in March 2024.

Key points



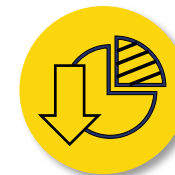
Leaders in pension

The largest and most profitable pension company with approx. NIS 222 billion under management



Leaders in P&C insurance

P&C group with excess profitability relative to industry over time



Low exposure to individual long-term care and executive insurance

The Group has low exposure compared to its competitors (products with significant insurance risk and onerous capital requirements)



Substantial excess capital and solvency

Solvency ratio ⁽¹⁾ of 154.5% which enables stability in dividend distribution and growth potential



Diversified income mix and structure

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



Stable ownership and management structure over time

Long-term strategic vision

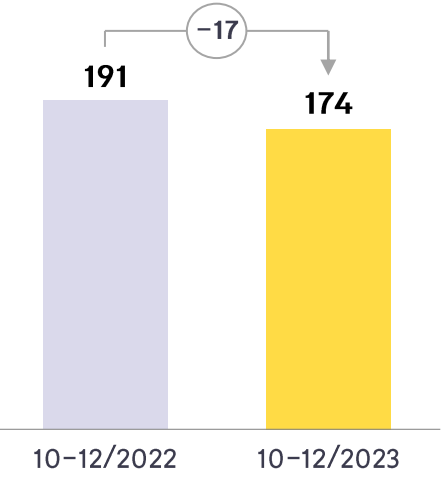
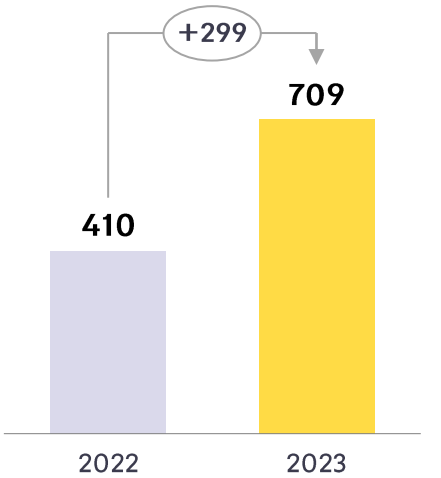
(1) Menora Insurance – without applying the Provisions for the Transitional Period and adjusting the stock scenario, including equity transactions occurring subsequent to the calculation date, as of June 30, 2023. The solvency ratio including the Transitional Period is 176.7%

Operating results highlights

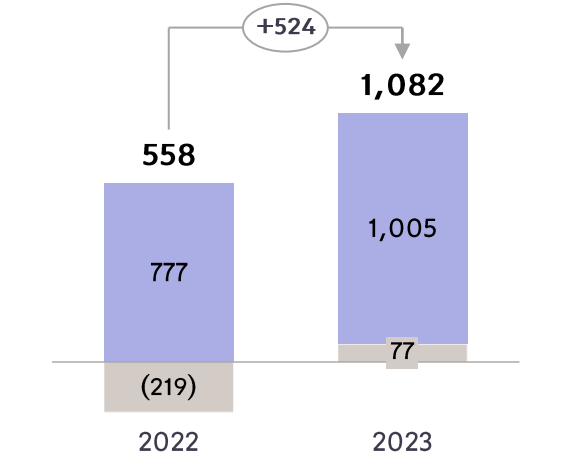
NIS million

Growth in profitability

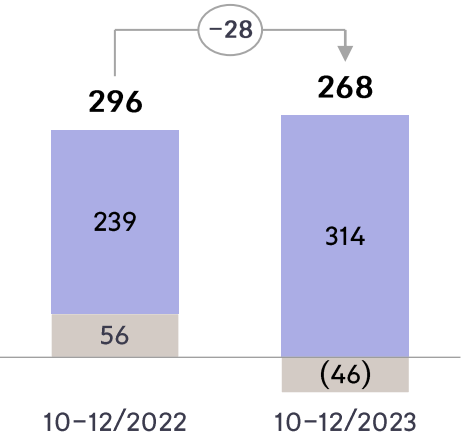
Comprehensive income, after tax
attributable to the shareholders



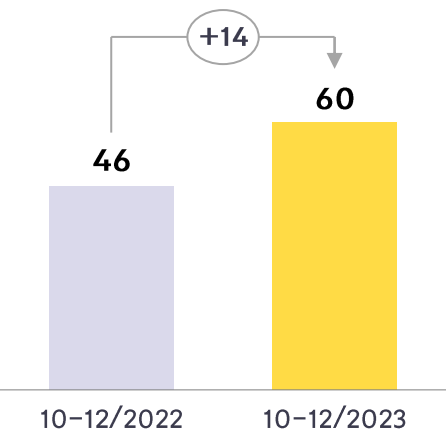
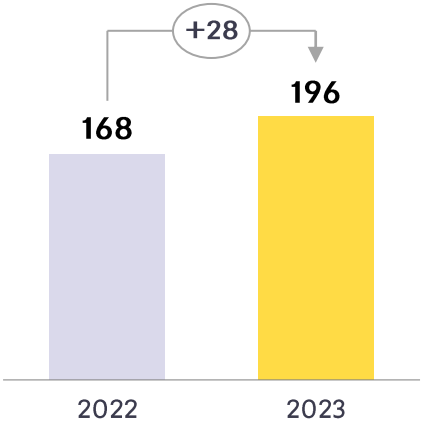
Comprehensive income before tax



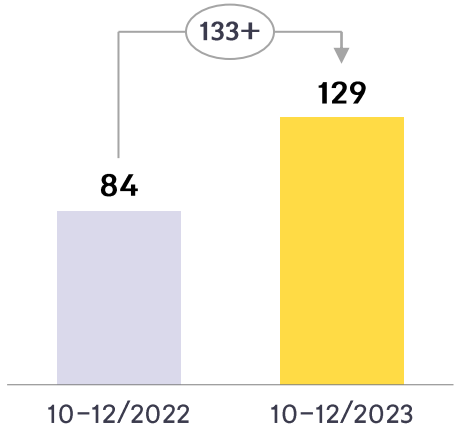
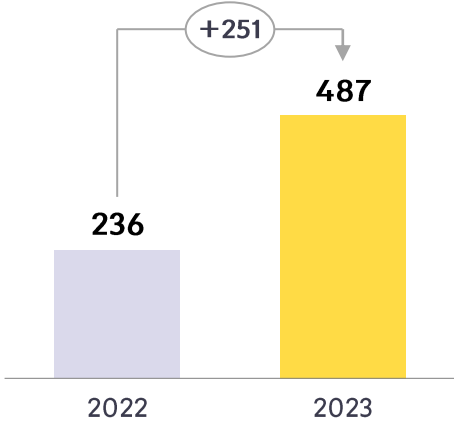
Underwriting income Other income (loss)



Comprehensive income, before tax - pension



Comprehensive income, before tax - P&C segment



Underwriting income

NIS million

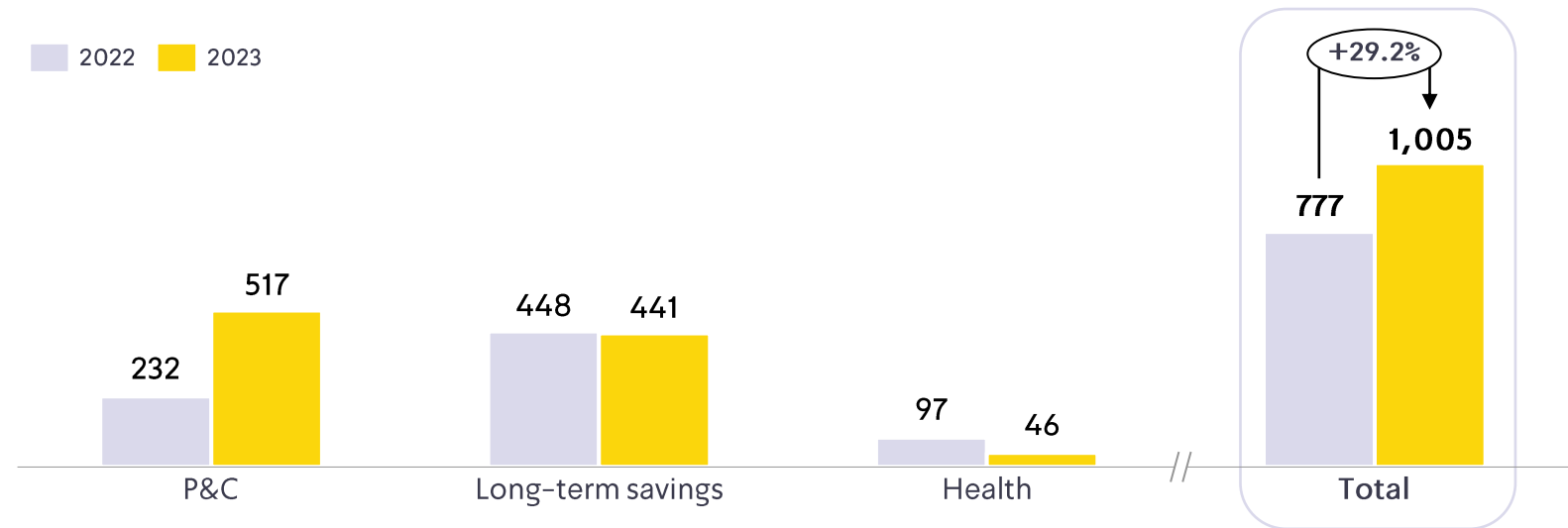
Substantial improvement in underwriting income

1,005

For 2023

Increase of approx. NIS 227 million
compared to corresponding period last year

2022 2023

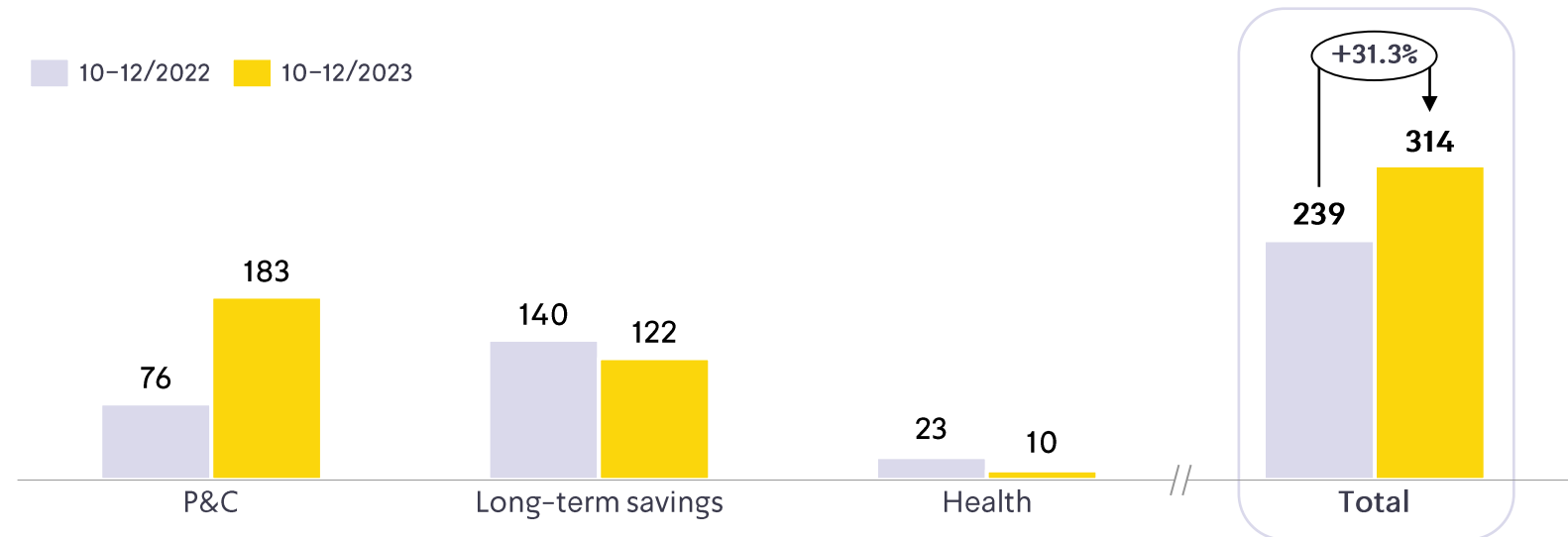


314

10-12/2023

Increase of approx. NIS 75 million
compared to corresponding quarter last year

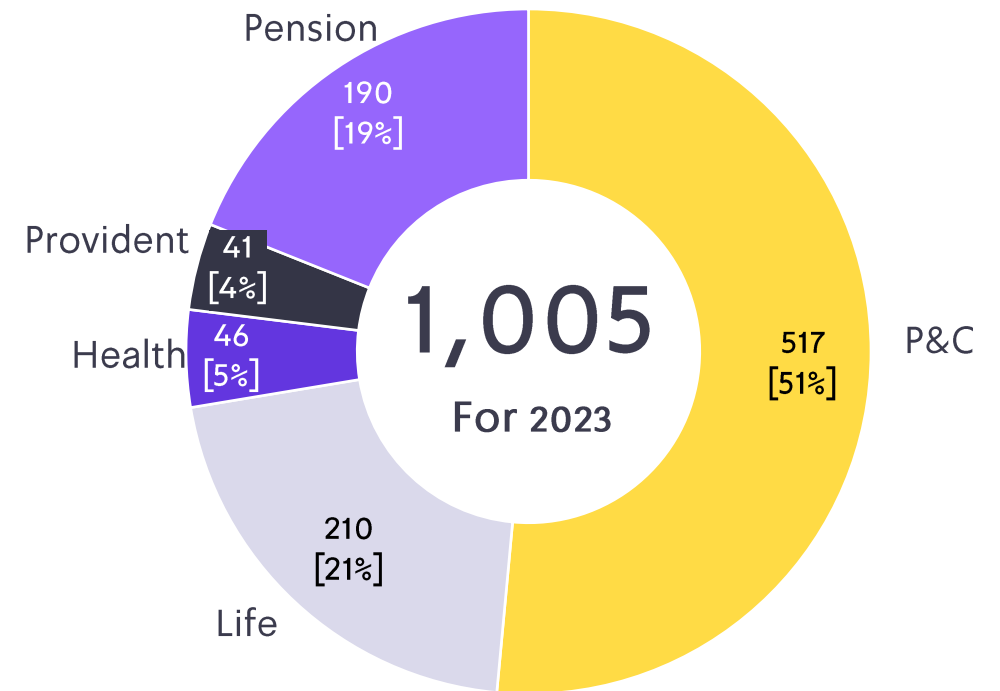
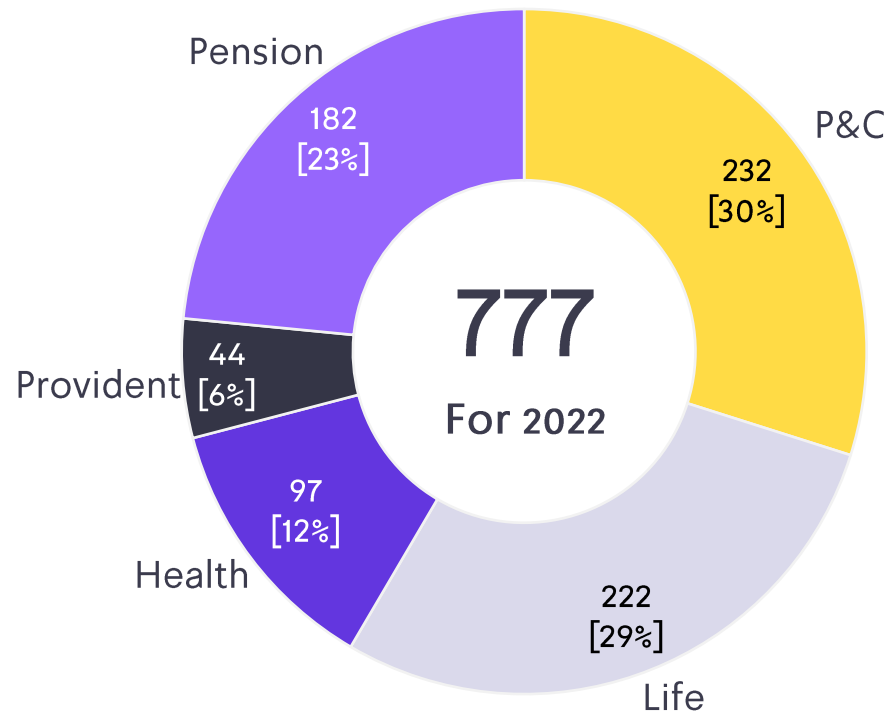
10-12/2022 10-12/2023



Underwriting income

NIS million

Mix of underwriting income by segment

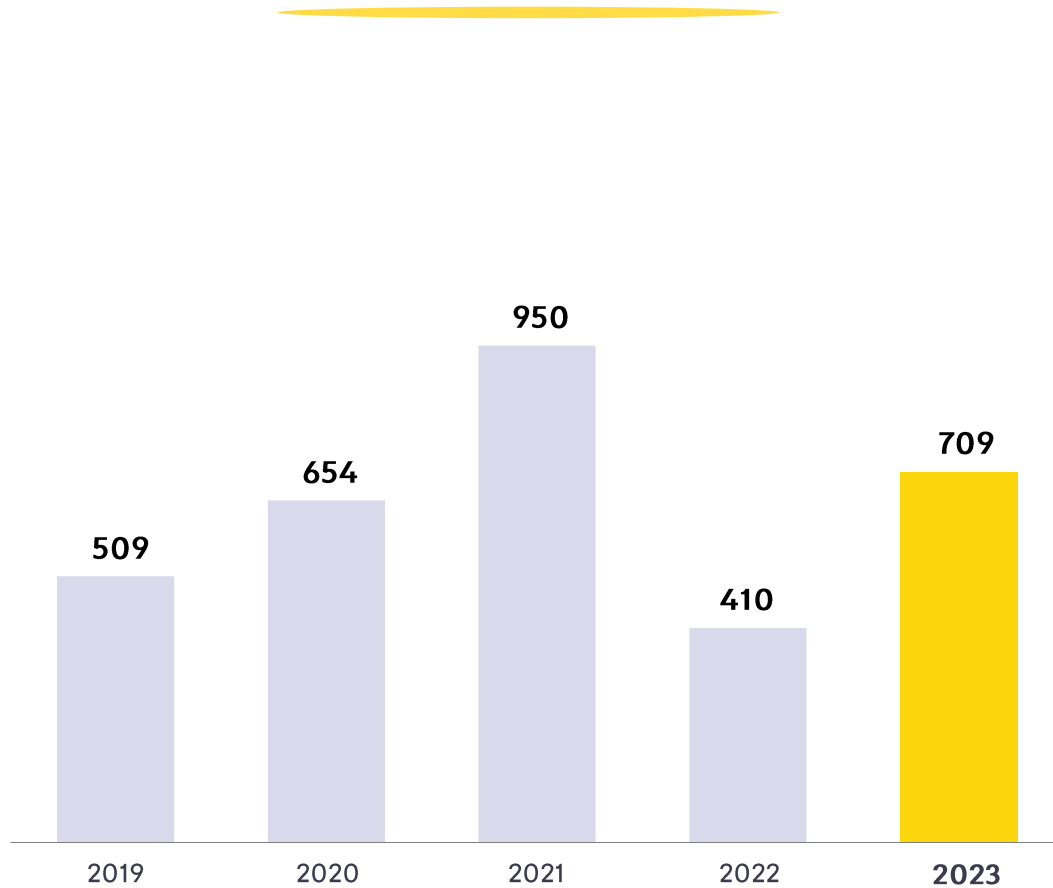


Profitability and shareholders' equity

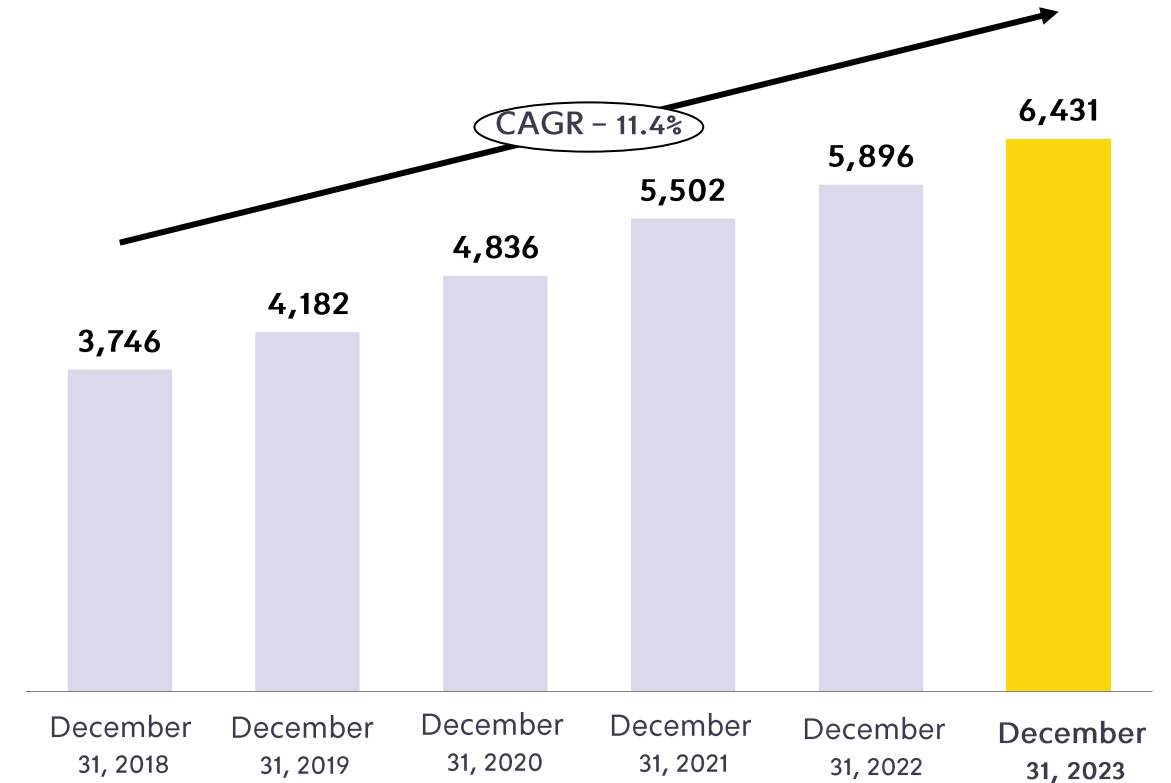
NIS million

Development of comprehensive income after tax attributable to the shareholders and equity over the past 5 years

Consistent profitability over time

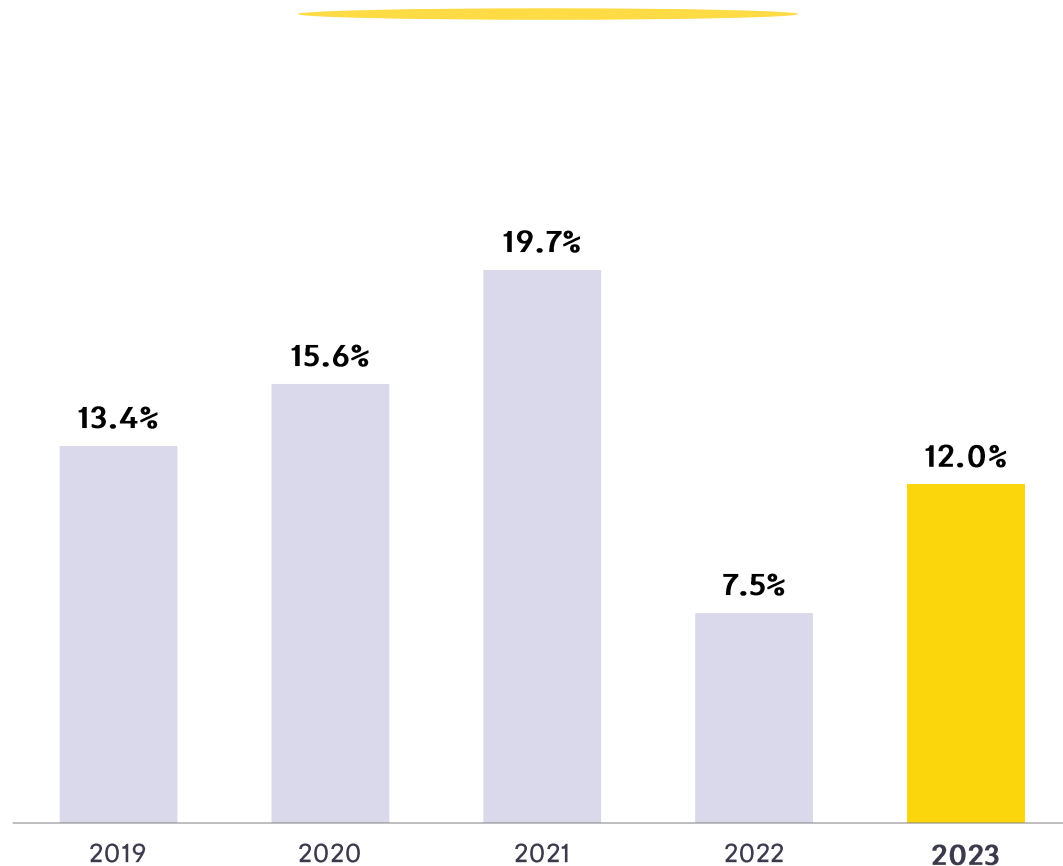


Shareholders' equity – average annual growth of approx. 11.4%

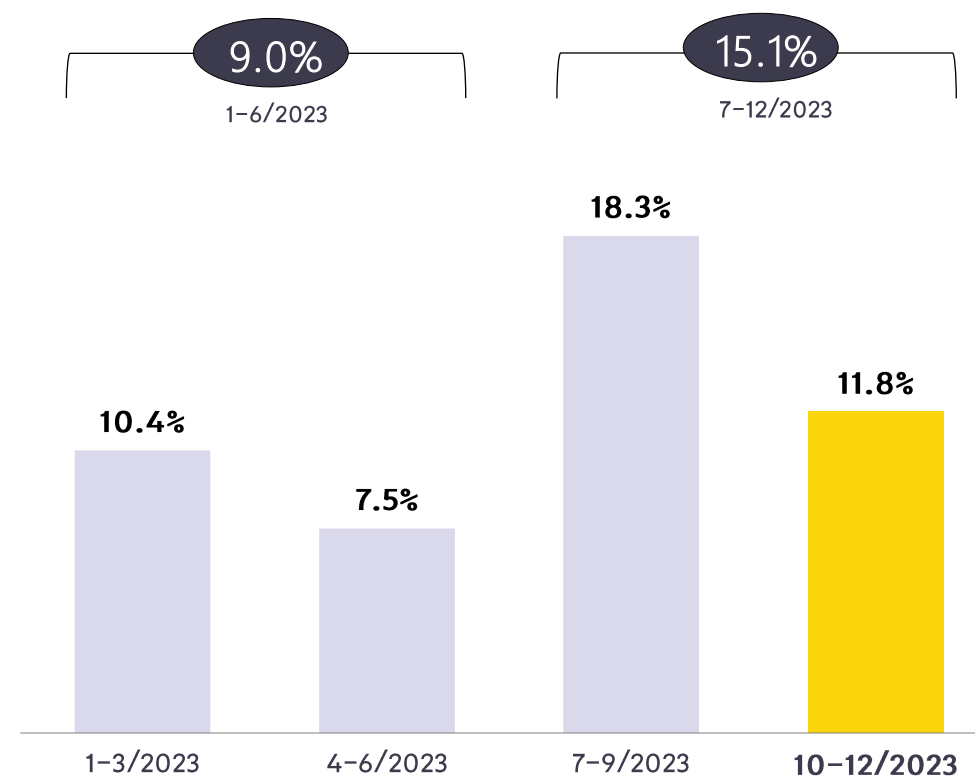


Return on equity

Average return on equity of approx. **13.6%**
in the past 5 years



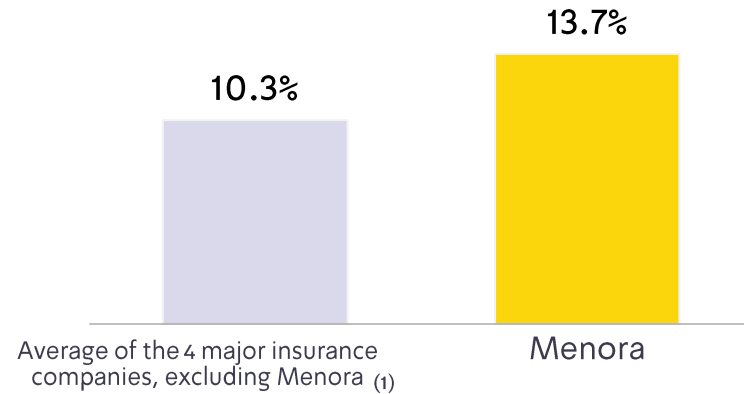
Return on equity of approx. **12%**
in 2023



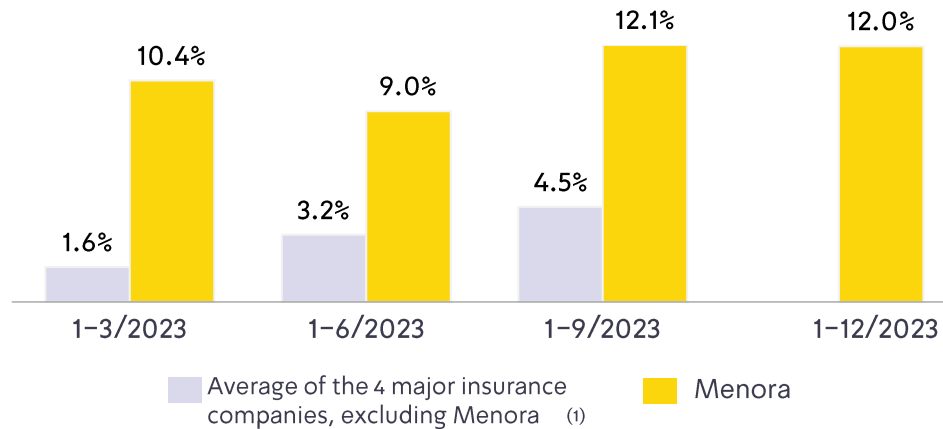
Return on equity and stock's return

Shareholders receive an excess return relative to the market

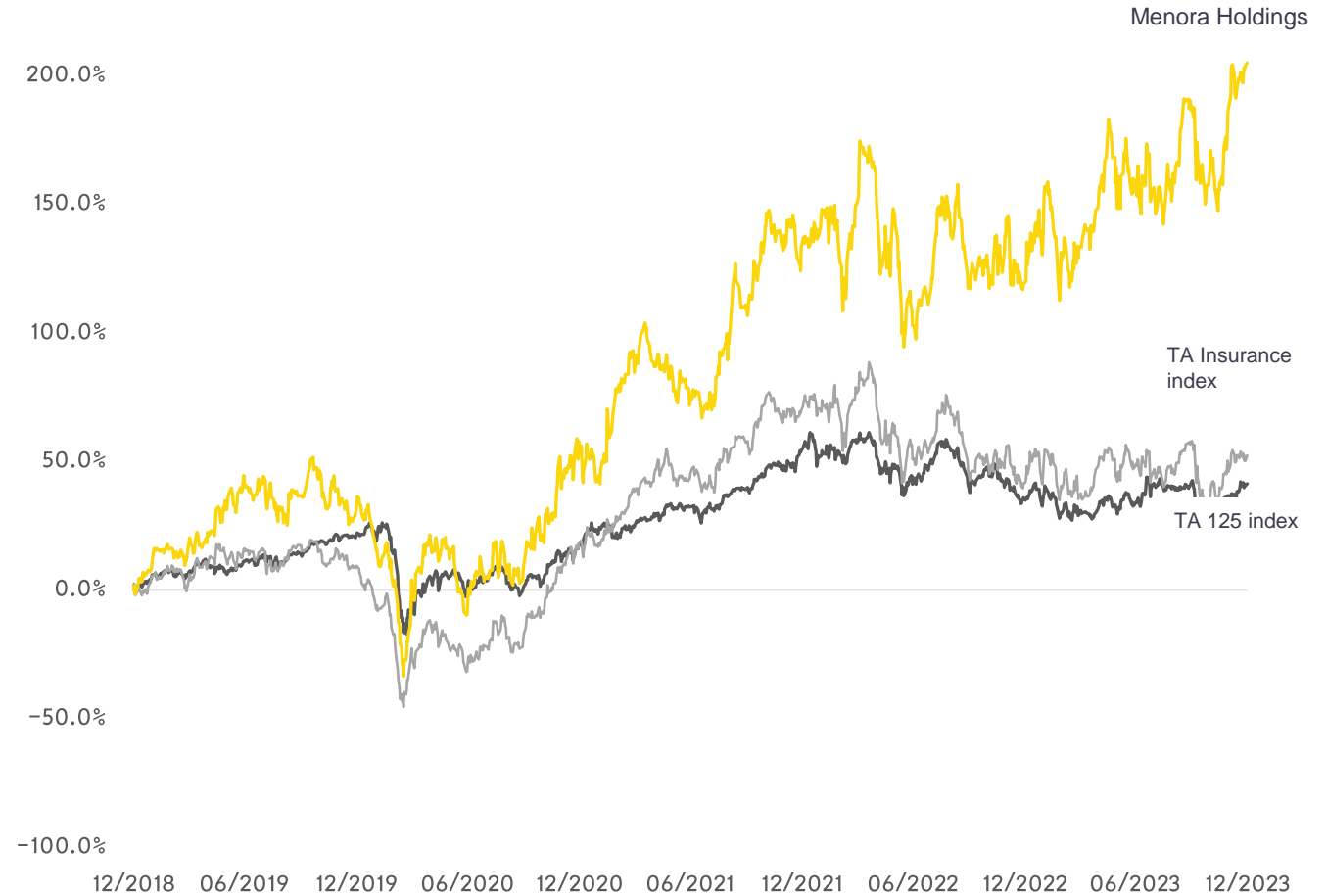
Average return on equity
in 2019–9.2023



Return on equity
for 2023



Stock returns compared to market
over the past 5 years



(1) Average of 4 companies including The Phoenix, Harel, Migdal and Clal

Dividend distribution policy and solvency ratio

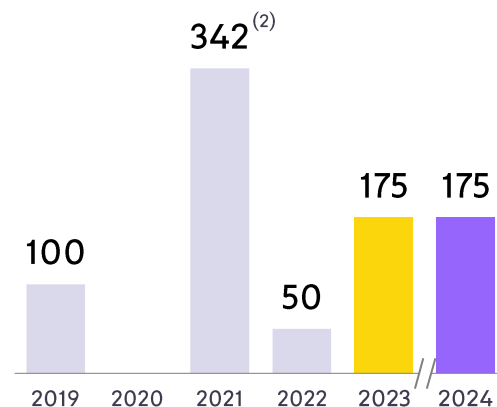
Highest dividend distribution policy in the industry

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

NIS **250** million dividend for 2023



- > **NIS 100 million**
in dividend distributed in March 2023 for 2022 profits
- > **NIS 75 million**
in dividend distributed in August in 2023 for 2023 profits
- > **NIS 175 million**
in dividend declared in March 2024 for 2023 profits



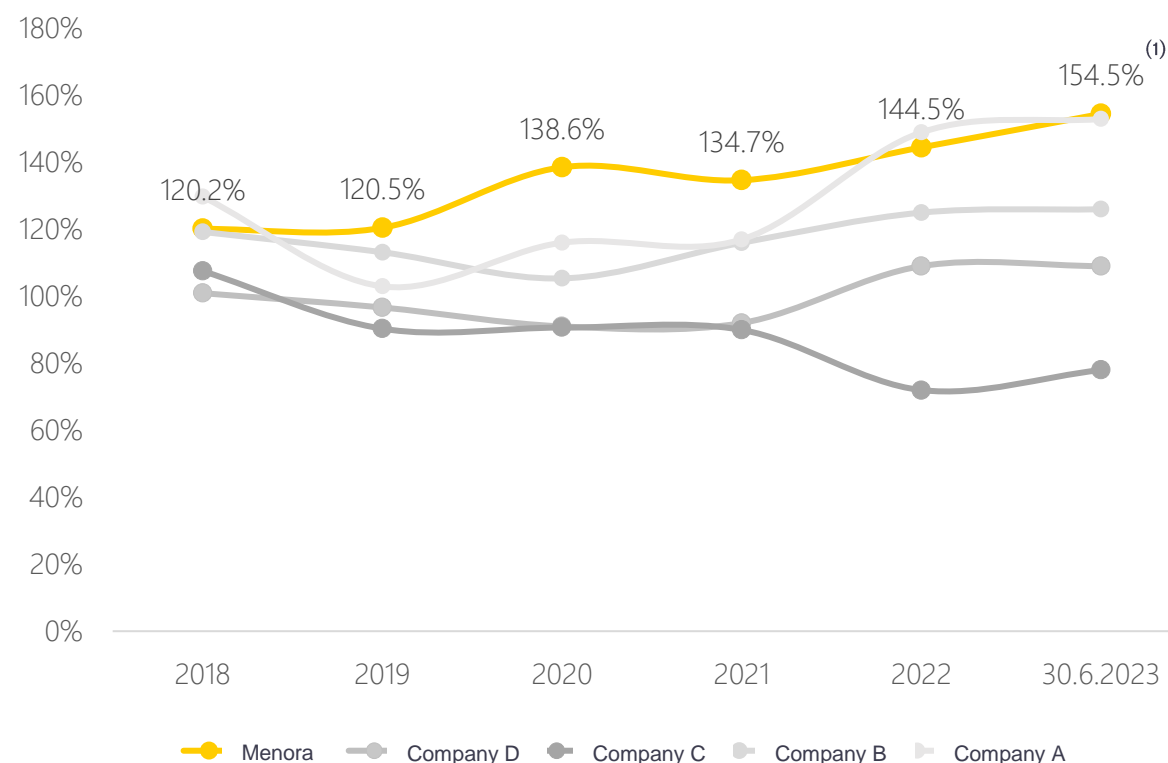
Rating of the Company's bonds – Aa2 with a stable outlook
Insurer Financial Strength Rating (IFS) – Aa1 with a stable outlook

(1) Including equity transactions occurring subsequent to the calculation date

(2) Including dividend in kind

(3) Companies A-D refer to the other four major insurance groups

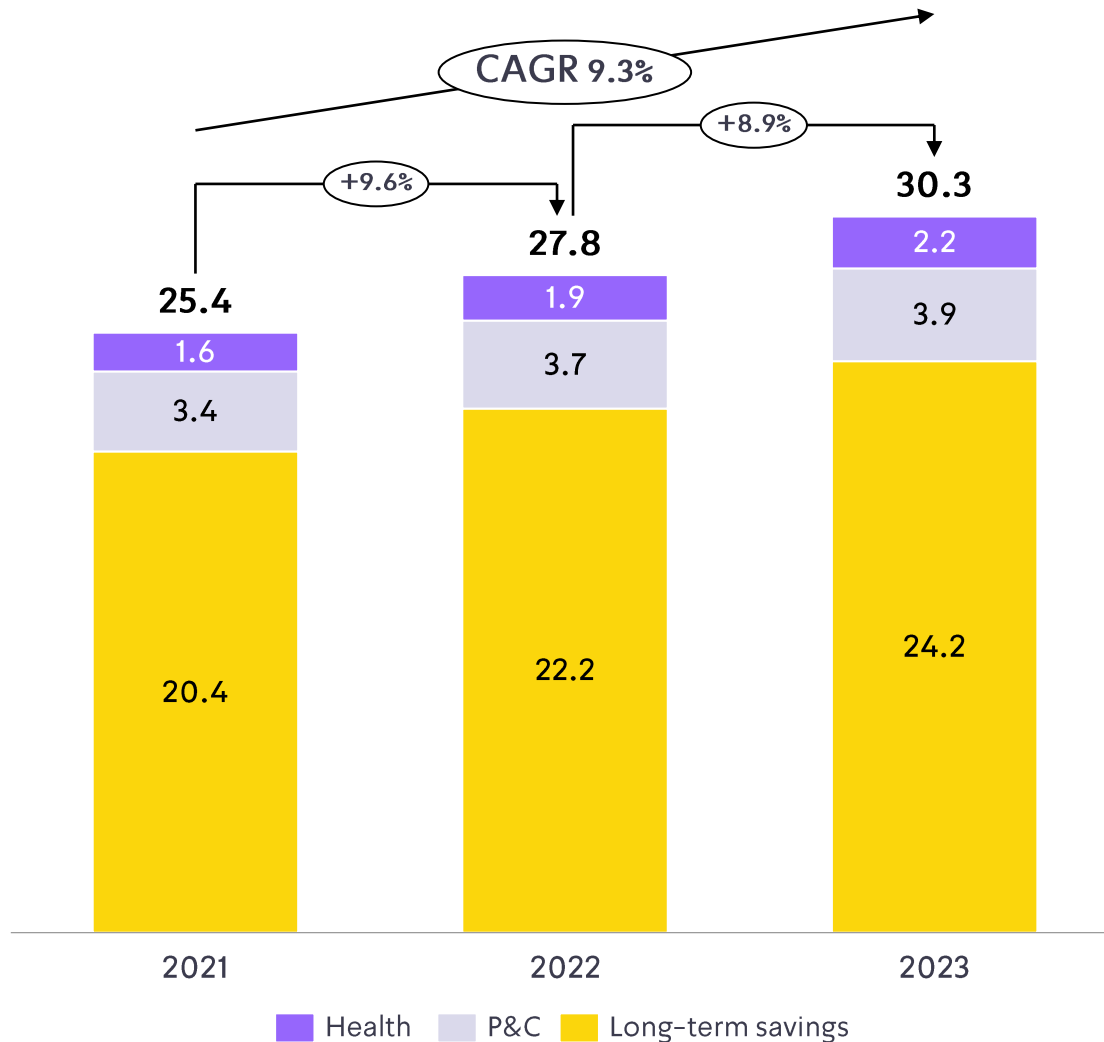
Development of the solvency ratio in recent years⁽³⁾



Premiums and contributions towards benefits

NIS billion

Development of gross premiums and contributions towards benefits by segment in 2021–2023



Average annual growth of approx. **9.3%**

in 2023 growth of approx. 8.9% and in 2022 – approx. 9.6%

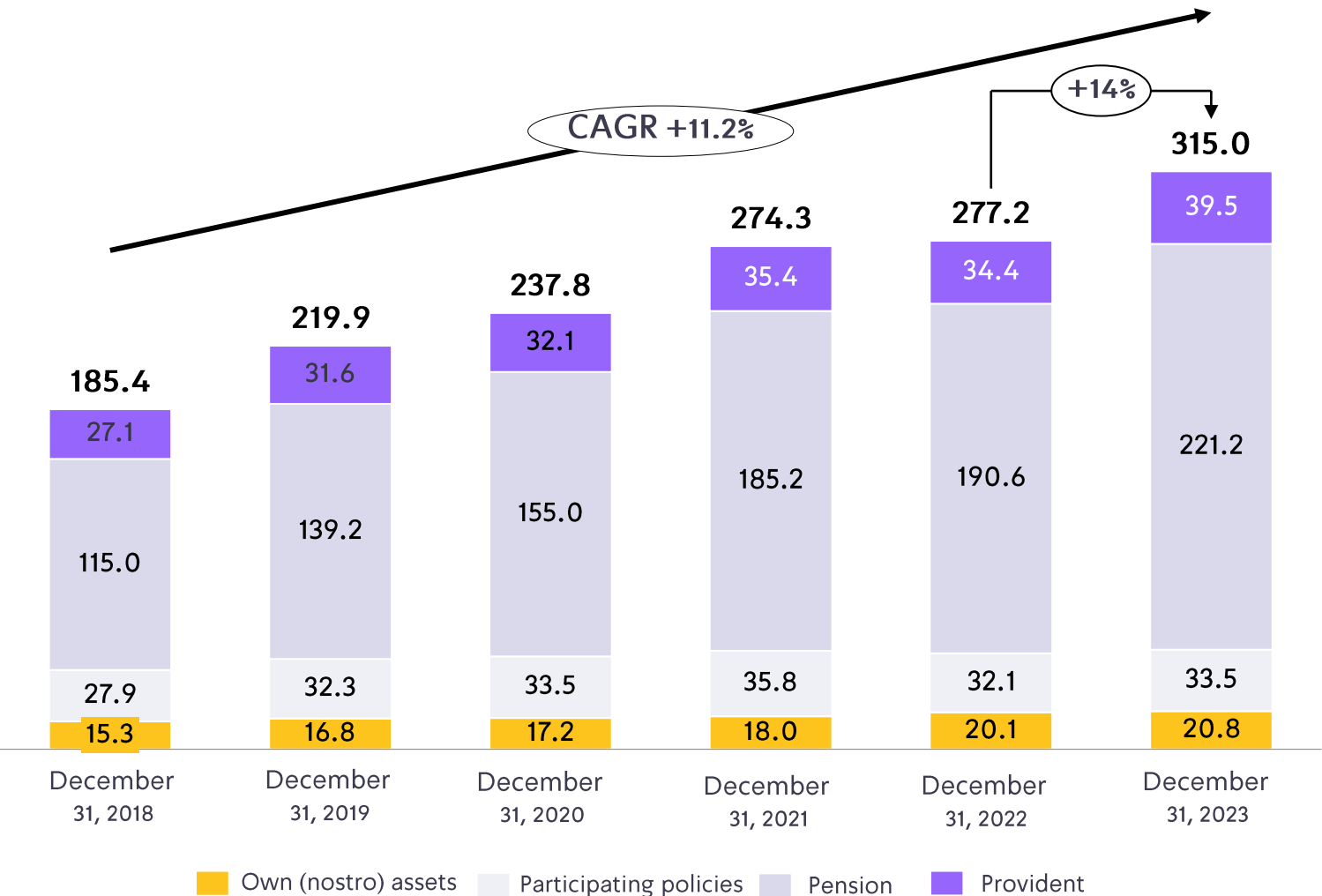
Assets under management

NIS billion

Development of assets under management by segment in 2018–2023

Double-digit average annual growth rate of **11.2%**

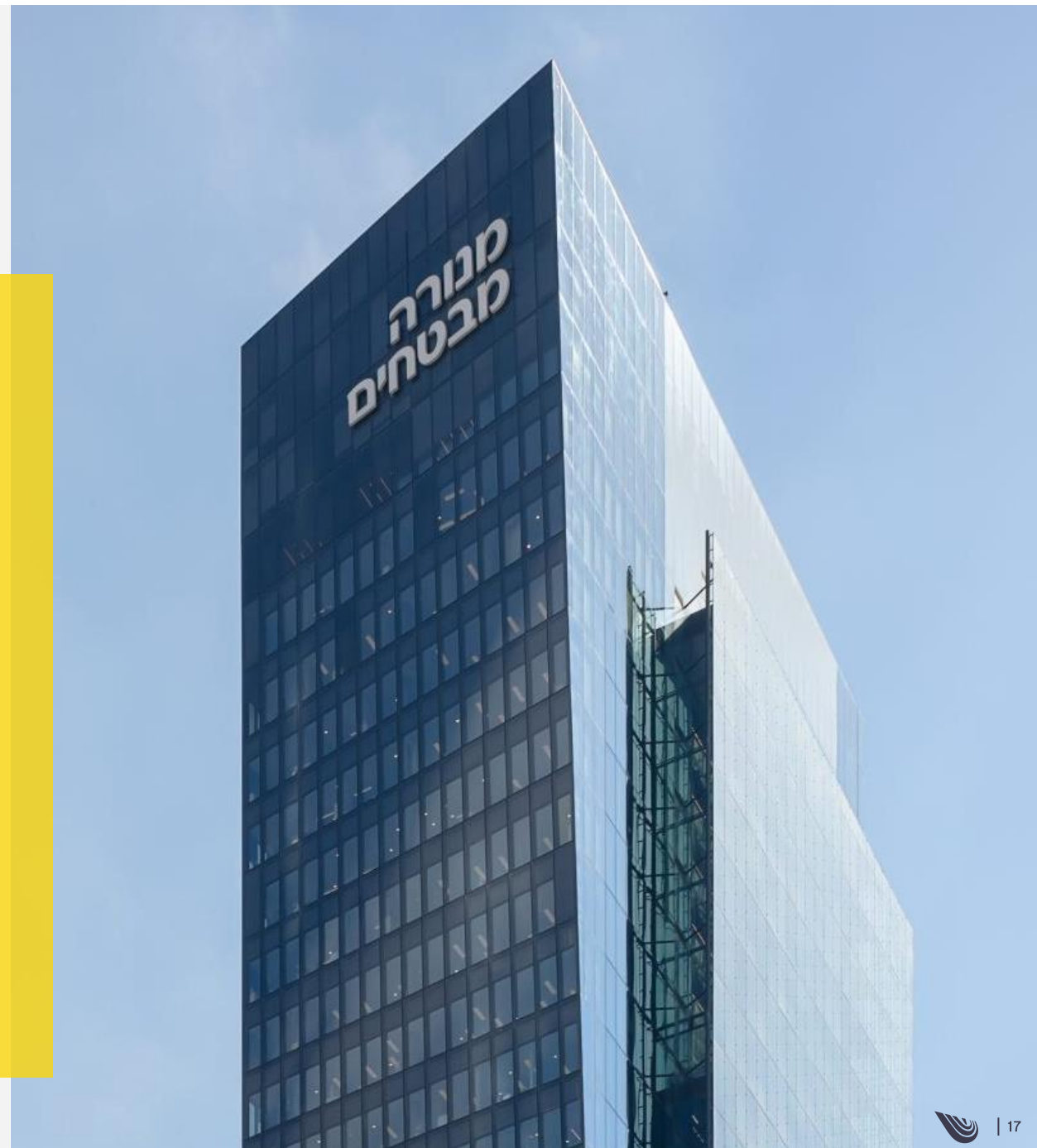
In 2023 – an increase of **14%**
compared to last year



01 Key Points

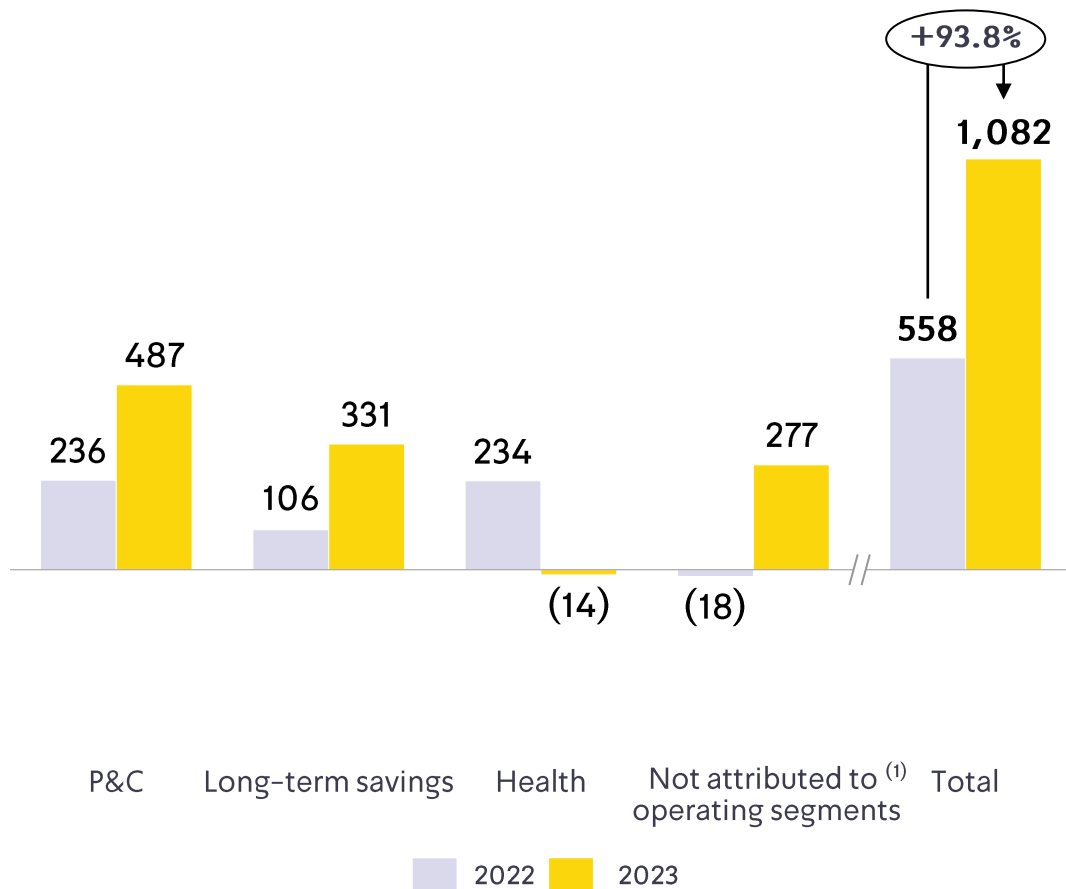
02 Operating results highlights

03 Details of changes in
income by segment

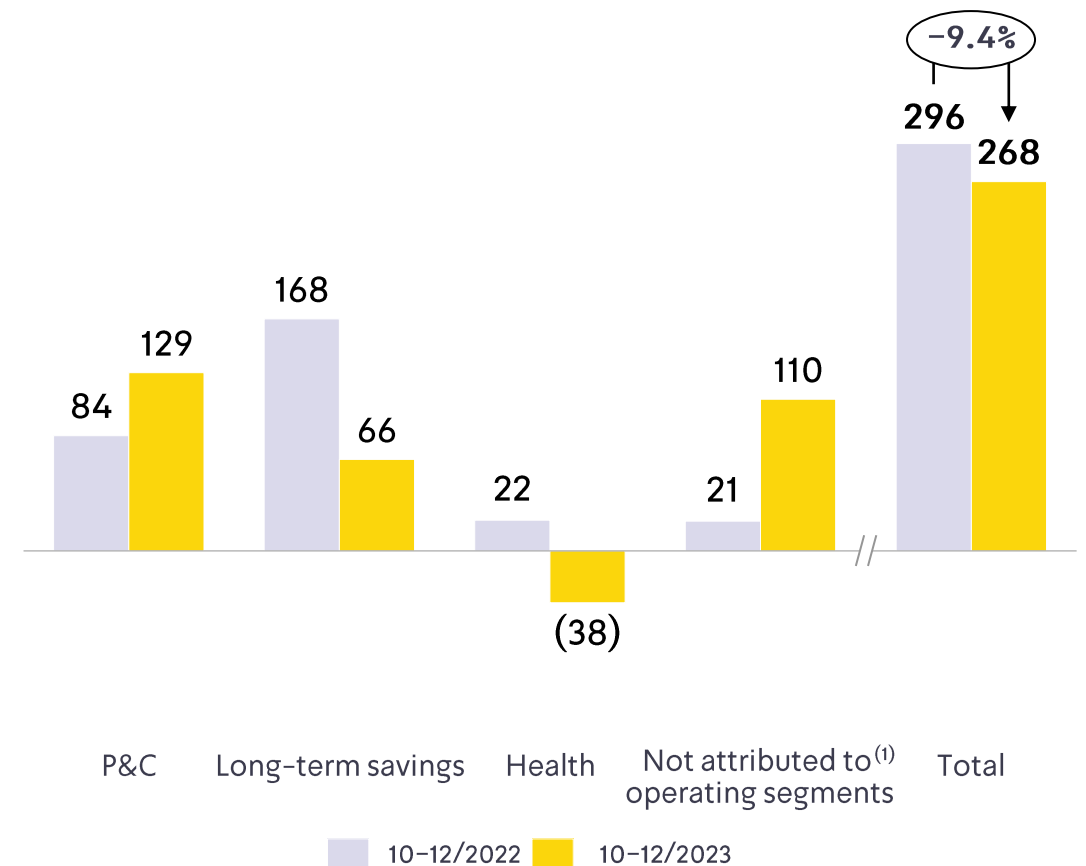


Profit (loss) before tax NIS million

For the 1–12 period
Increase of approx. NIS 524 million
 compared to corresponding period last year



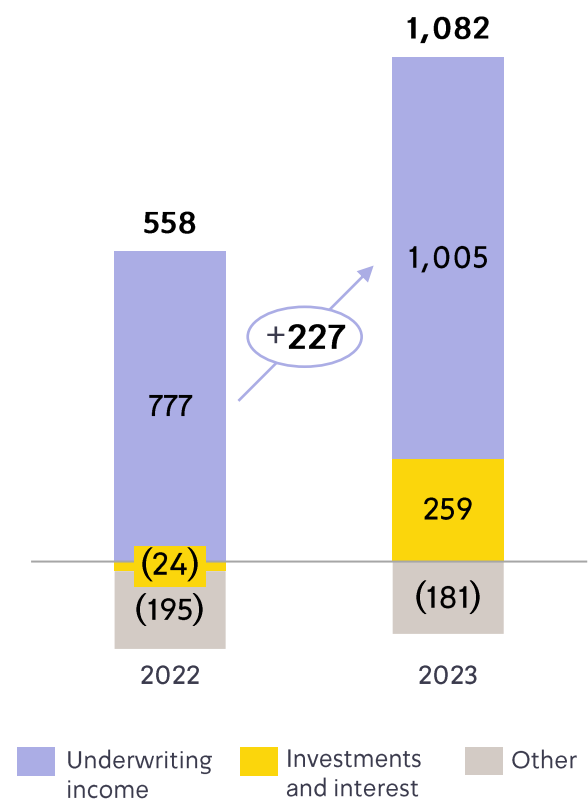
For the 10–12 quarter
Decrease of approx. NIS 28 million
 compared to corresponding quarter last year



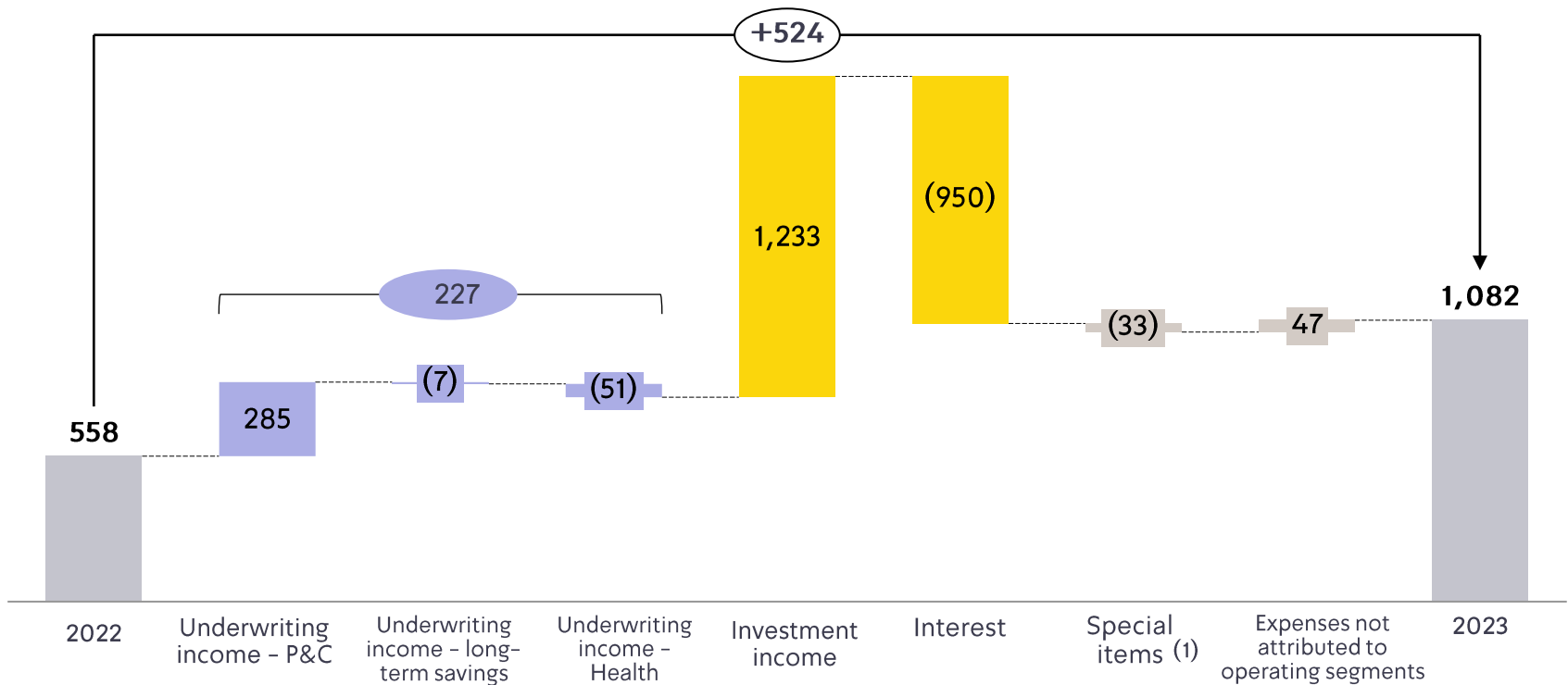
(1) Mainly capital activity (investments) and held and included companies such as: credit activity, agencies, real estate

Analysis of pre-tax income

NIS million



Pretax income changes
2023 compared to corresponding period last year

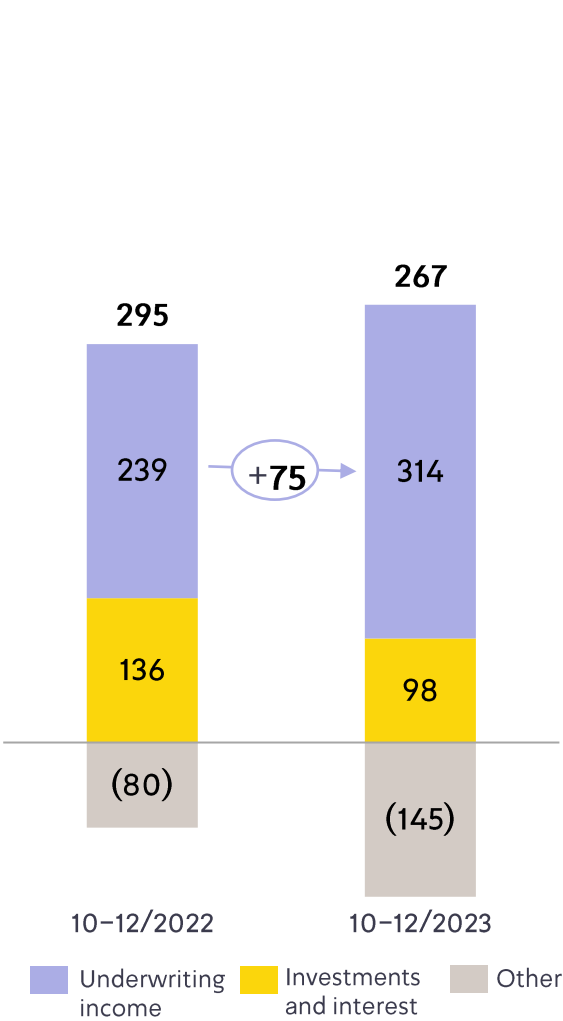


2023	517	441	46	145	114	(138)	(43)
2022	232	448	97	(1,088)	1,064	(105)	(90)

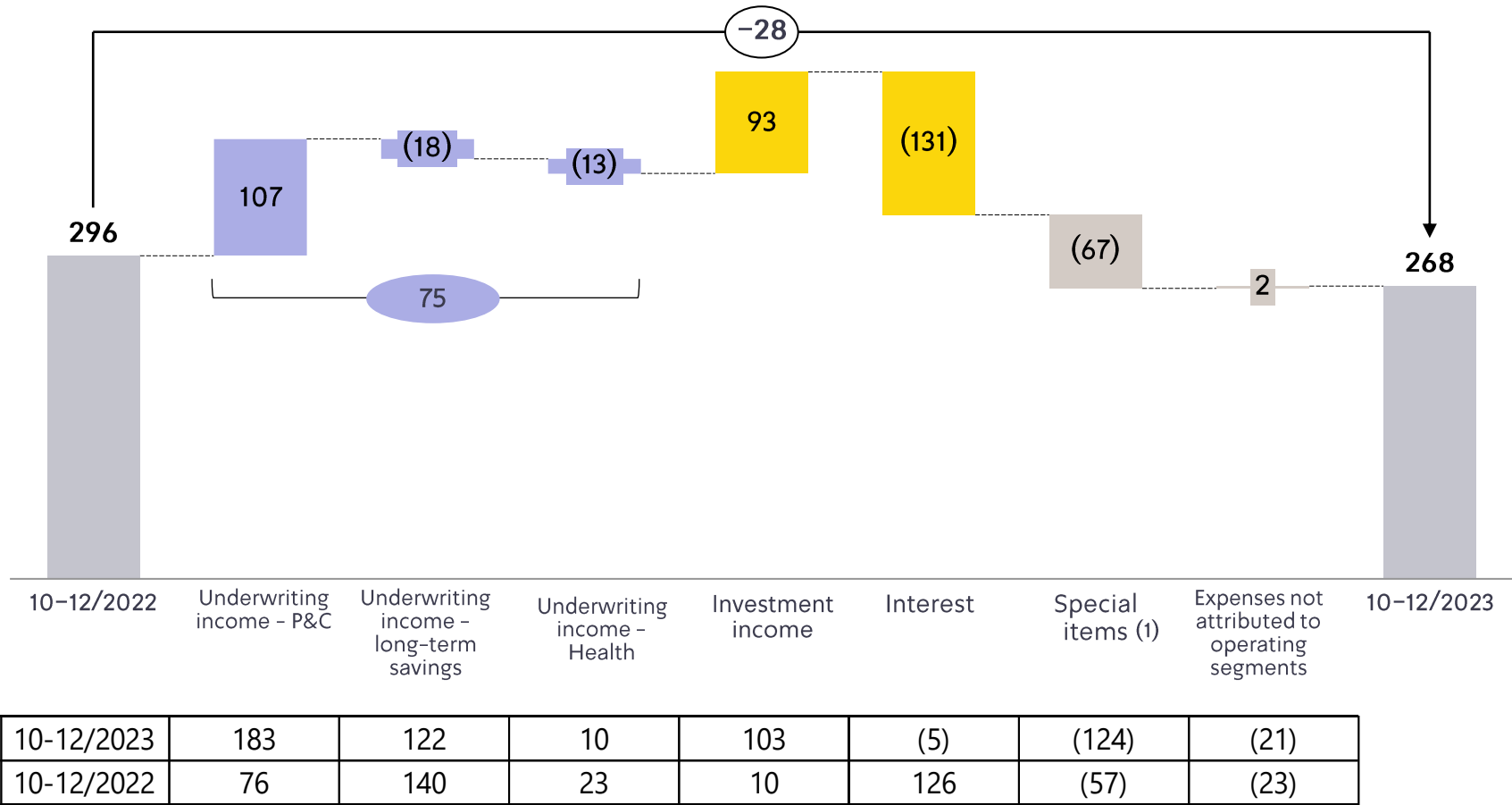
(1) Special items in 2023 mainly include negative effect due to morbidity and cancellations studies in health insurance, totaling NIS 89 million (of which approx. NIS 77 million in individual long-term care) as well as the effect of the Iron Swords War totaling approx. NIS 42 million.
In the corresponding period last year - including the negative effects of studies in life insurance and health insurance totaling approx. NIS 162 million and NIS 76 million, respectively (of which NIS 137 million with respect to revised mortality tables) against the effect of assuming control over ERN, totaling NIS 108 million and revision of the P&C insurance actuarial model totaling NIS 25 million.

Analysis of pre-tax income

NIS million



Pretax income changes
Q4 2023 compared to corresponding period last year

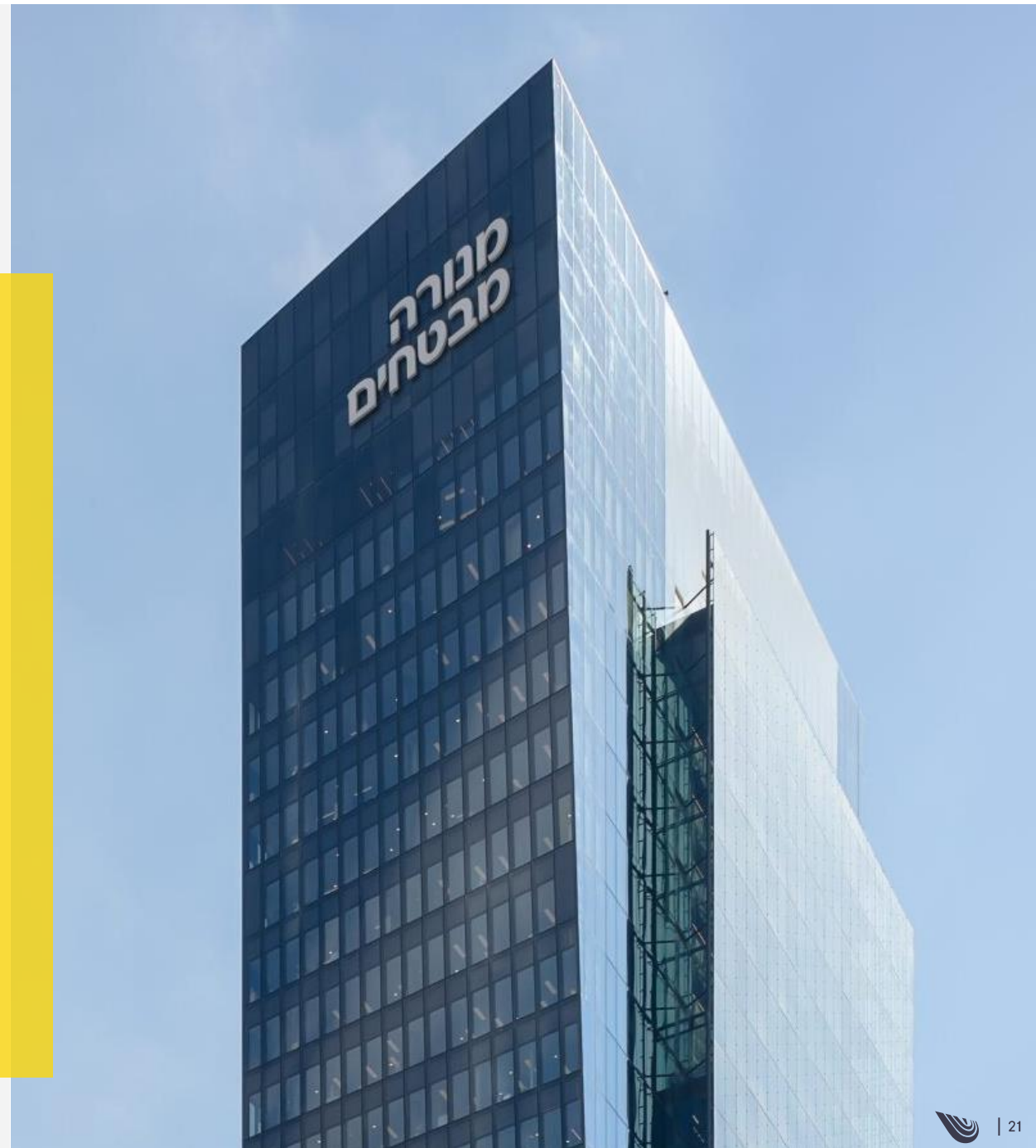


(1) Special items in the 10-12/2023 quarter mainly include negative effect due to morbidity and cancellations studies in health insurance, totaling NIS 75 million (of which approx. NIS 77 million in individual long-term care) as well as the effect of the Iron Swords War totaling approx. NIS 42 million and in the corresponding quarter last year - including the negative effects of studies in life insurance and health insurance totaling approx. NIS 9 million and NIS 48 million, respectively

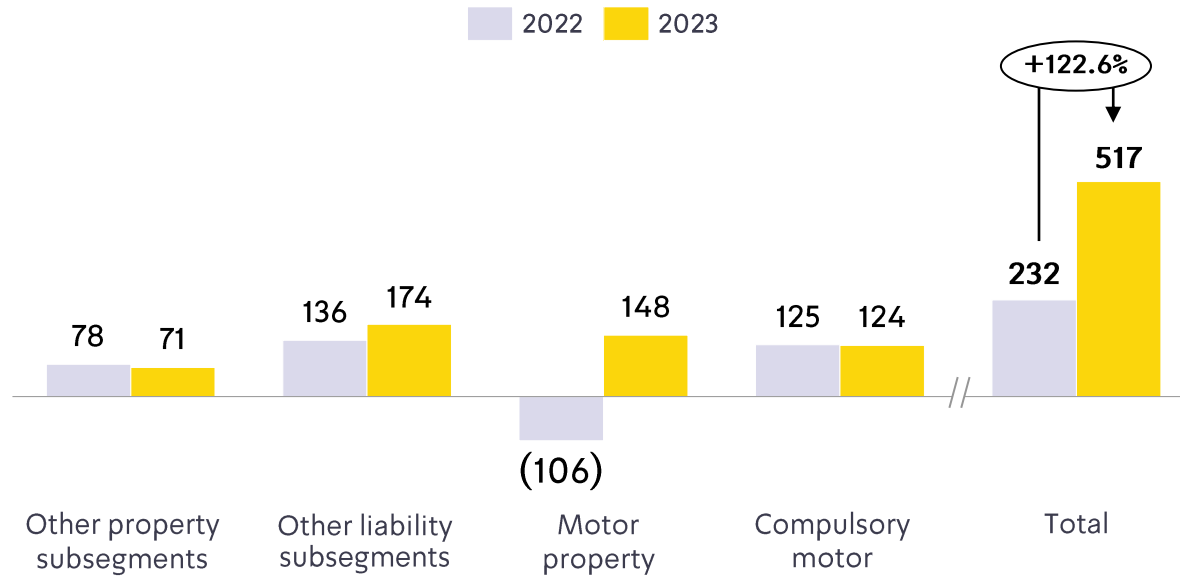
01 Key Points

02 Operating results highlights

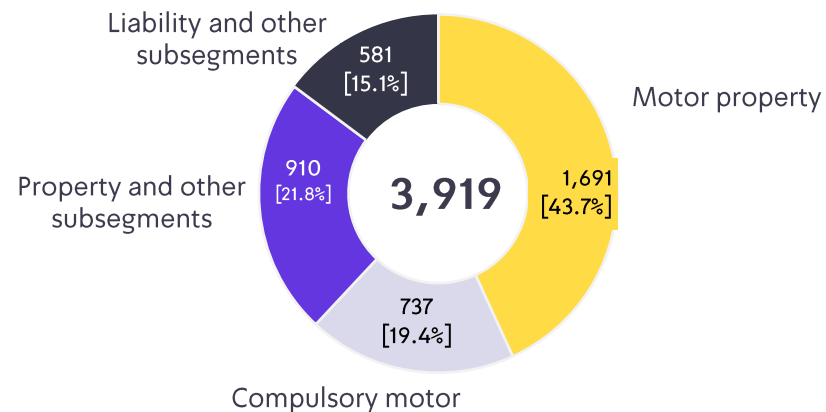
03 Details of changes in
income by segment



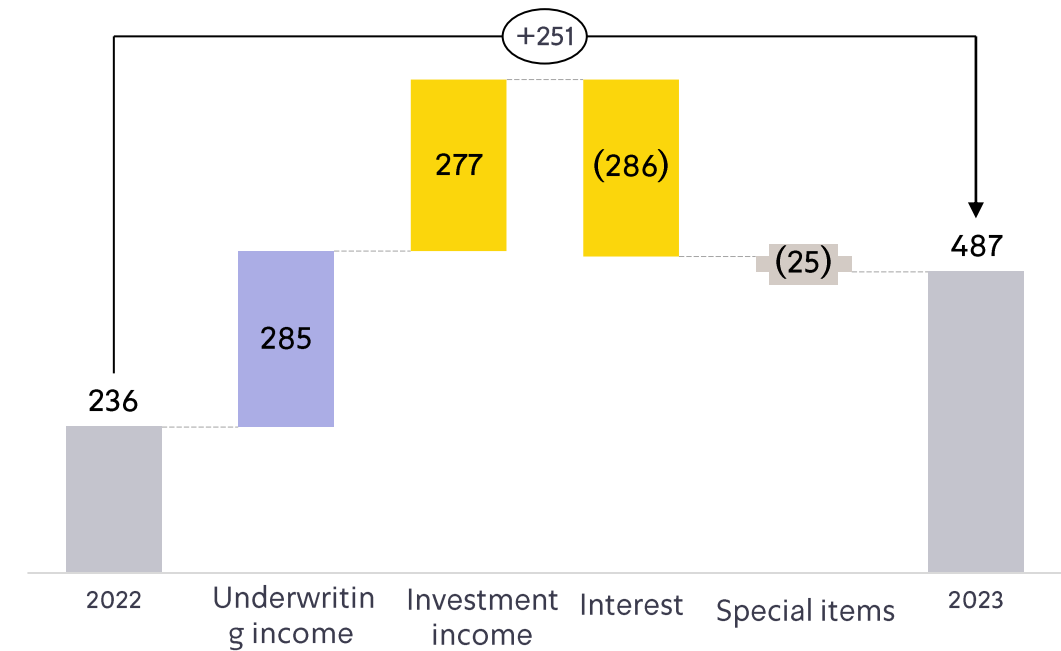
Composition of underwriting income by segment



Composition of premiums by segment for 2023

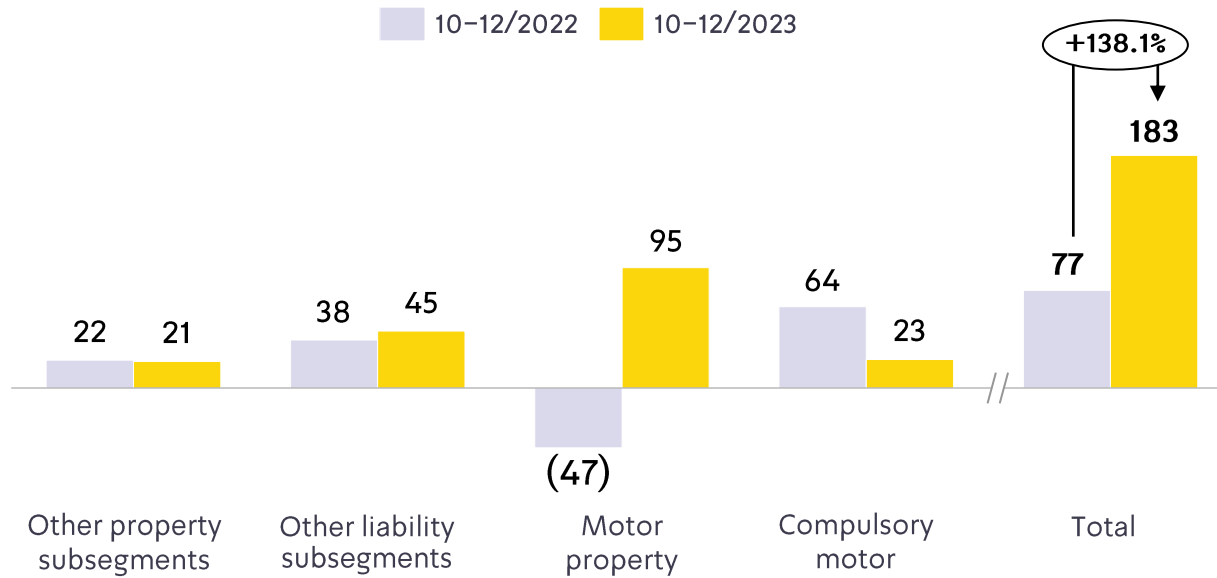


Pretax income for 2023 compared to corresponding period last year

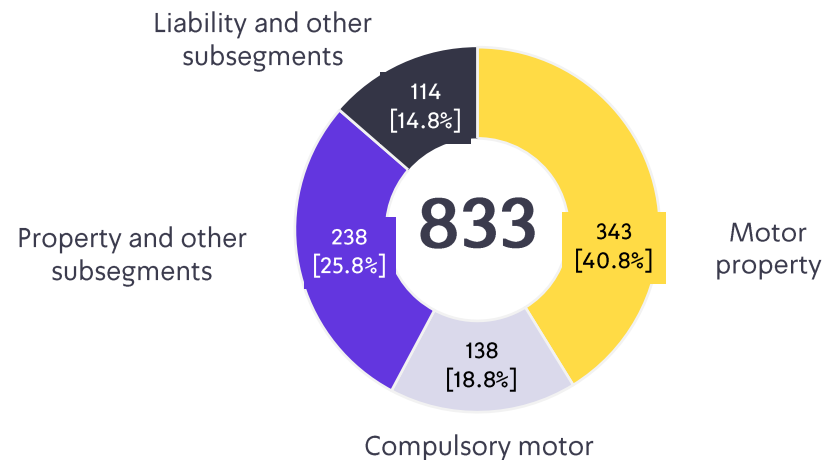


2023	517	(42)	12	0
2022	232	(319)	298	25

Composition of underwriting income by segment

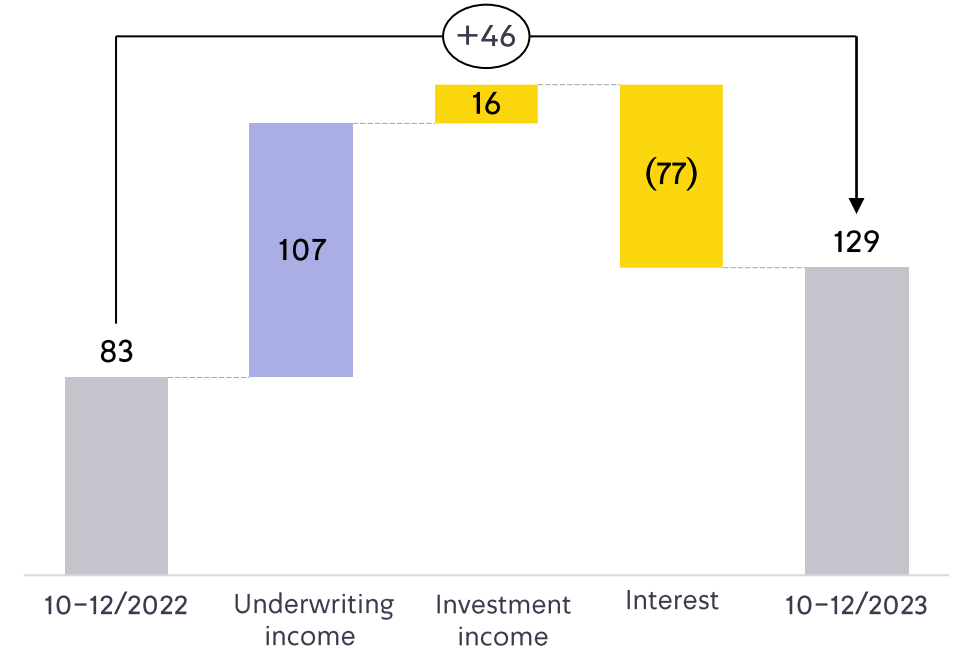


Composition of premiums by segment for the 10-12/2023 quarter



Pretax income in the 10-12/2023 quarter

Compared to corresponding quarter last year



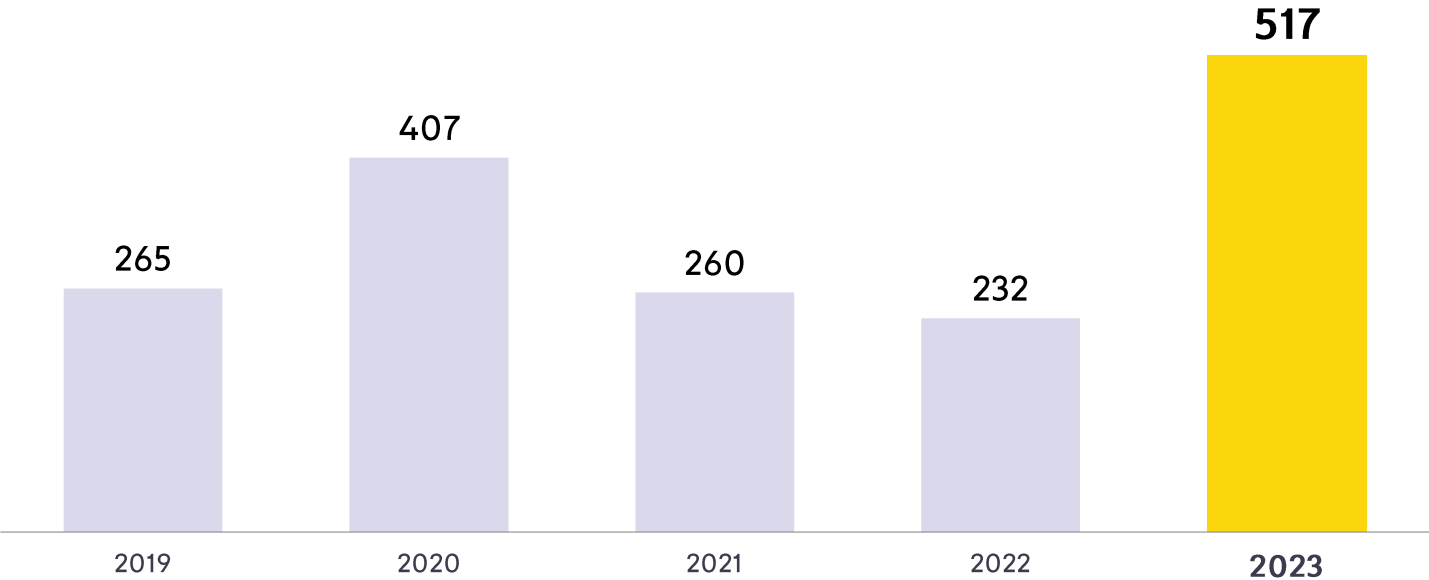
10-12/2023	183	(1)	(53)
10-12/2022	76	(17)	24

P&C insurance

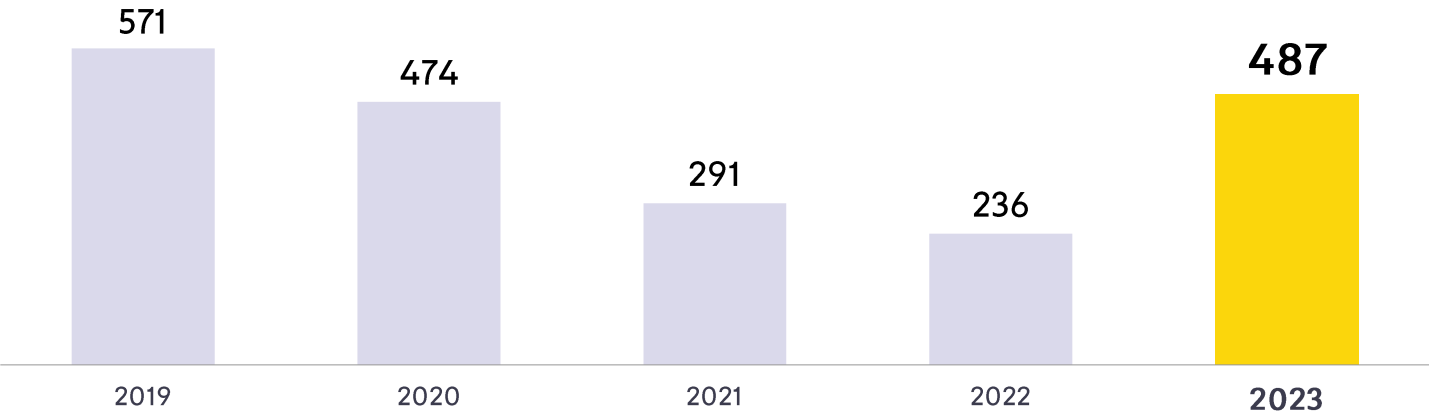
NIS million

Development of income in the past 5 years

Underwriting income before tax
2019–2023



Pretax income for
2019–2023

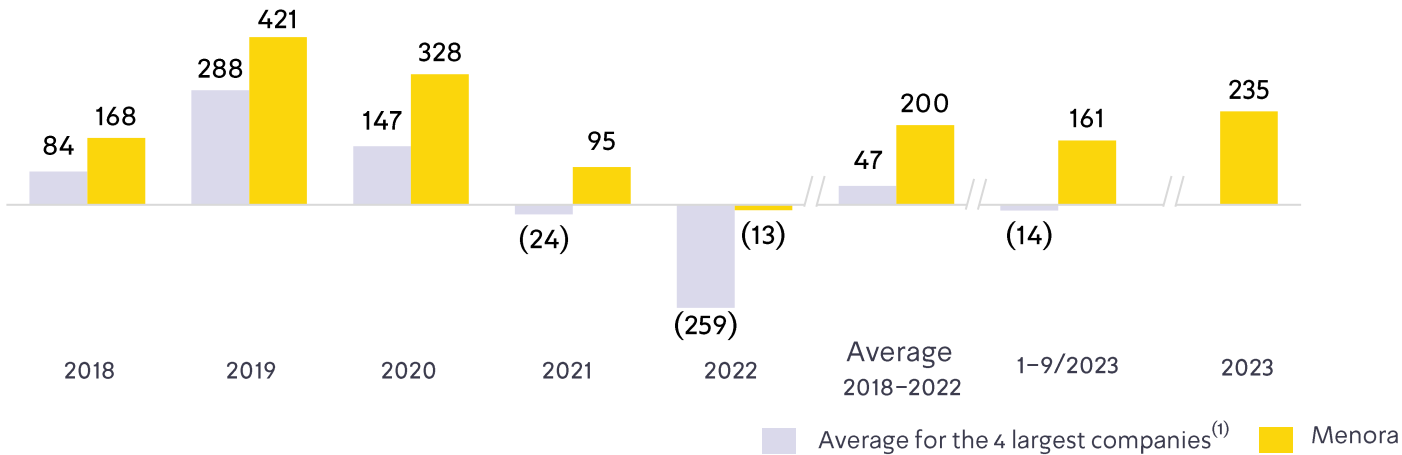


Compulsory motor insurance (compulsory and property)

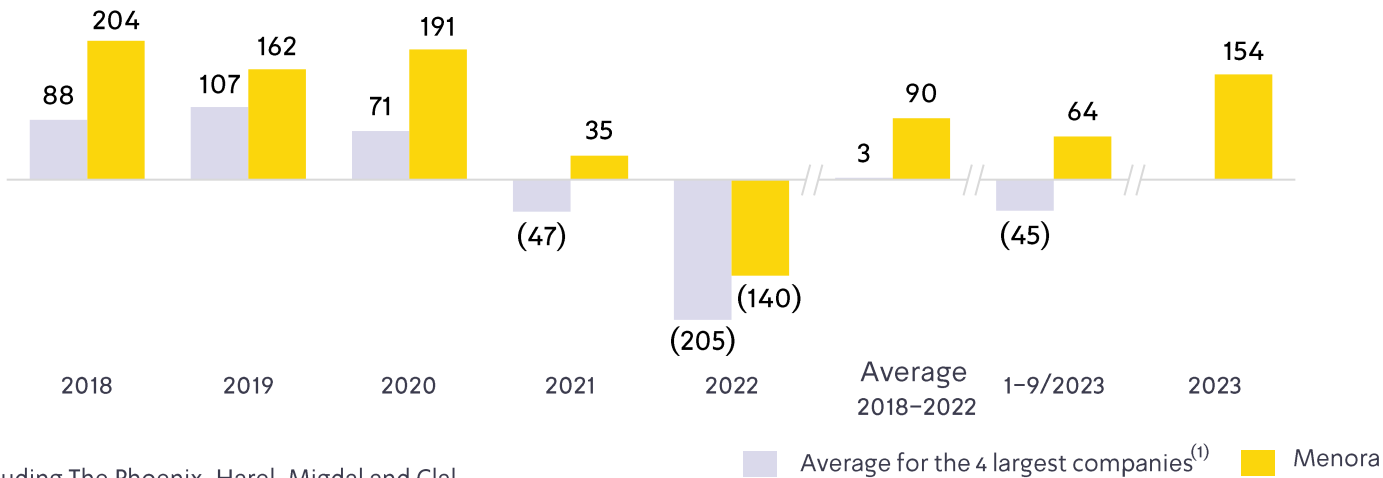
NIS million

Stable profitability over time and positioning as a market leader

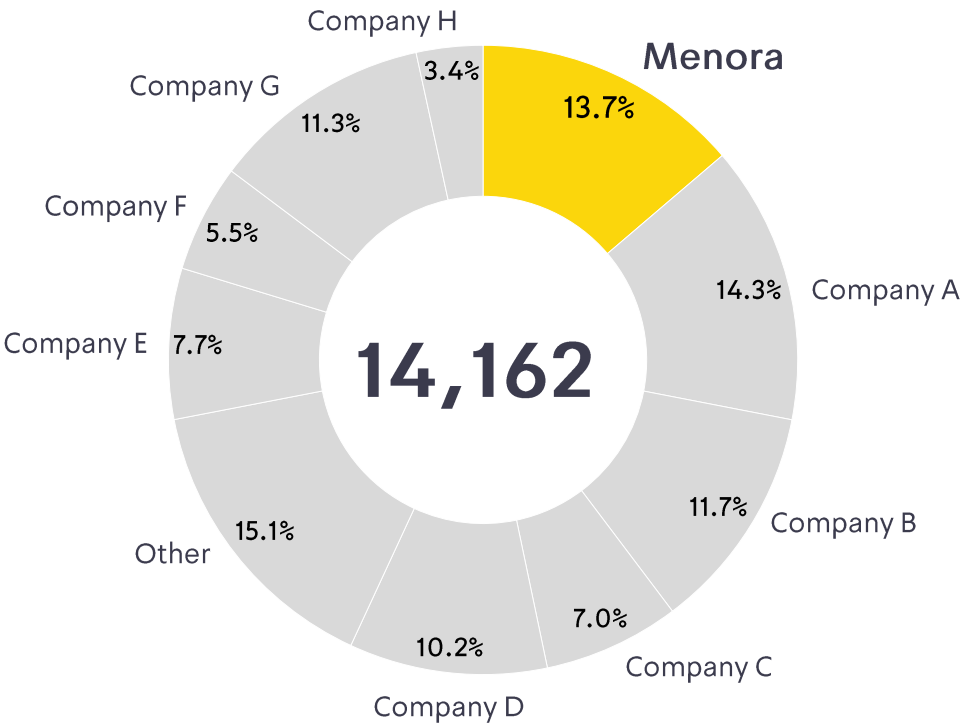
Profitability of compulsory motor and motor property over time



Profitability of motor property over time



Market share of compulsory motor and property subsegments – gross premiums in 1-9/2023



14,162

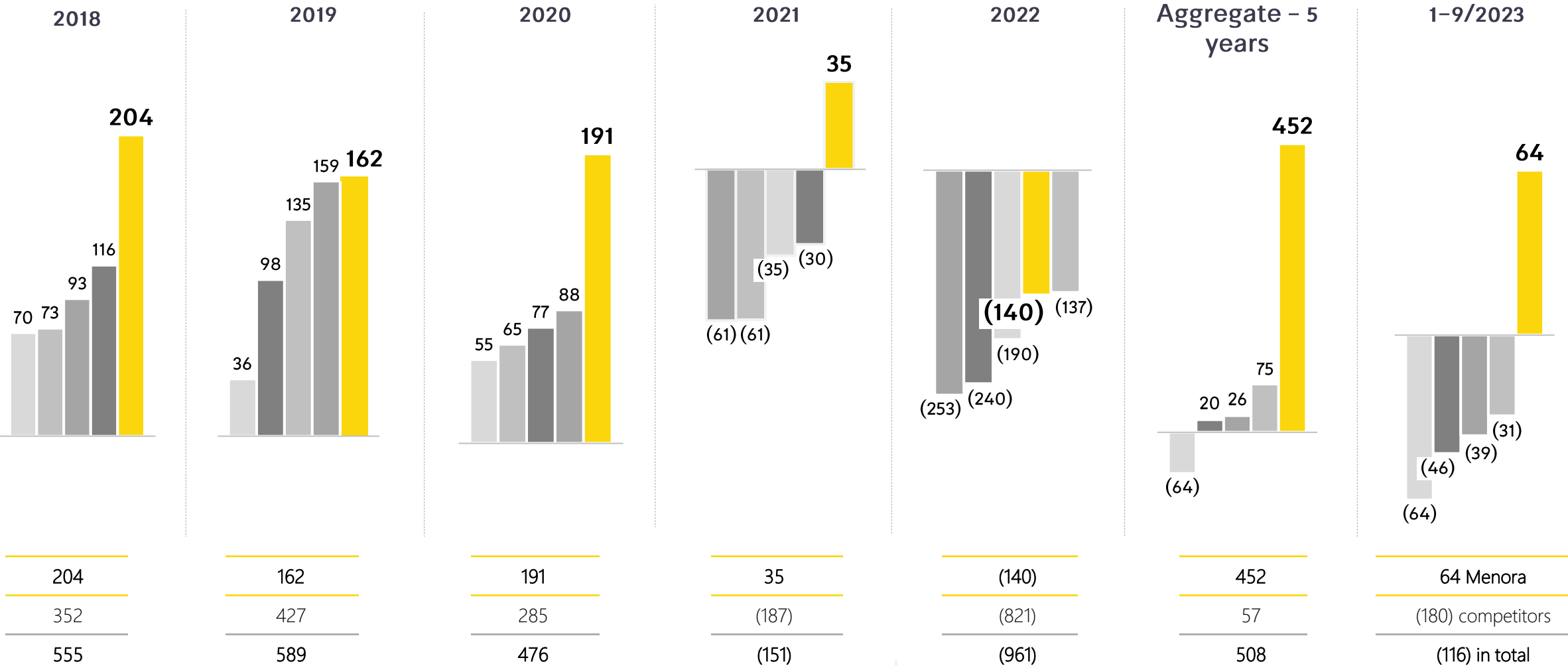
* Companies A-H are: The Phoenix, Harel, Migdal, Clal, Shlomo, Ayalon, Direct Insurance and weSure

(1) Including The Phoenix, Harel, Migdal and Clal

Comparison to market – Motor property

NIS million

2018–9/2023: Excess profitability relative to industry over time with a cumulative profit of approx. NIS 452 million, which constitutes approx. 89% in this period among the comparison group

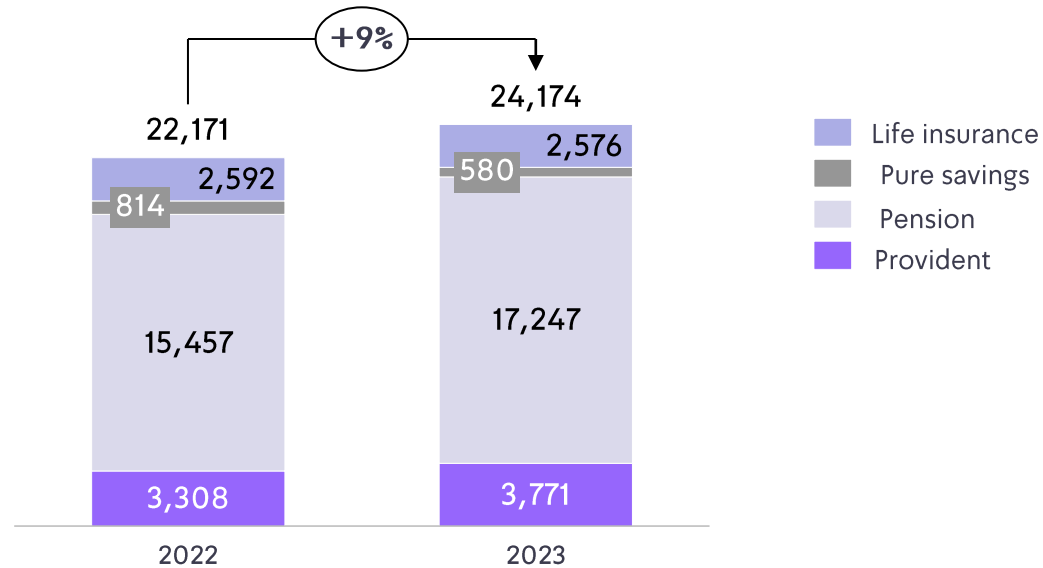


* Companies A-D refer to the other four major insurance groups

Long-term savings

NIS million

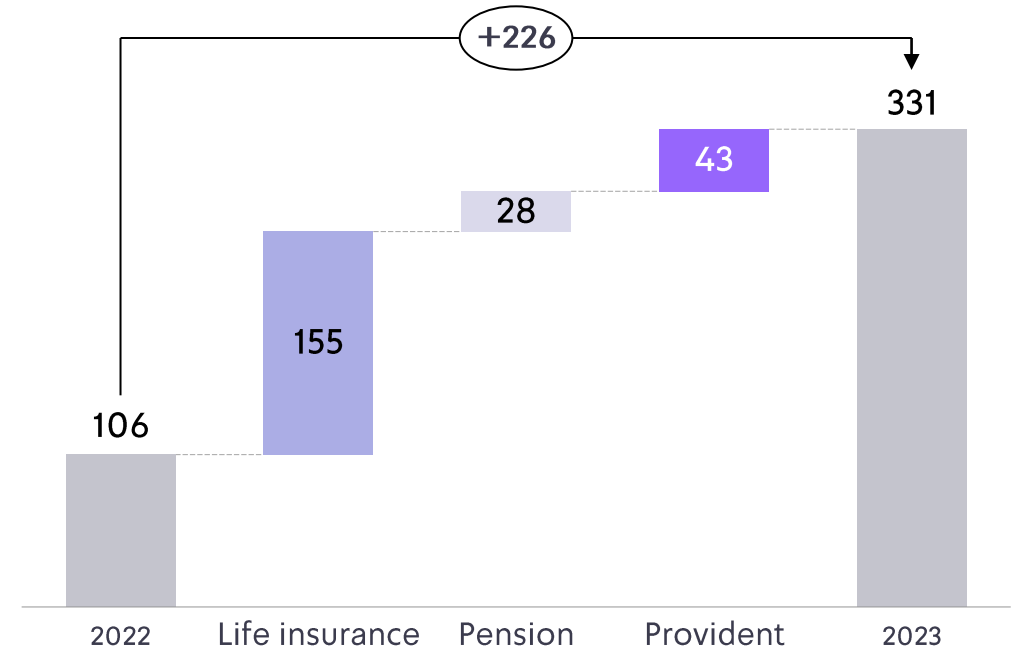
Composition of premiums and contributions towards benefits by segment



Composition of life insurance premiums

	1-12/2022	1-12/2023	Change
Individual insurance risk coverage policies (mostly mortality risk)	645	722	12.0%
Policies with a savings component	1,907	1,812	(5.0%)
Collective policies without a savings component	40	41	4.2%
Total	2,592	2,576	(0.6%)

Pretax income changes 2023 compared to corresponding period last year



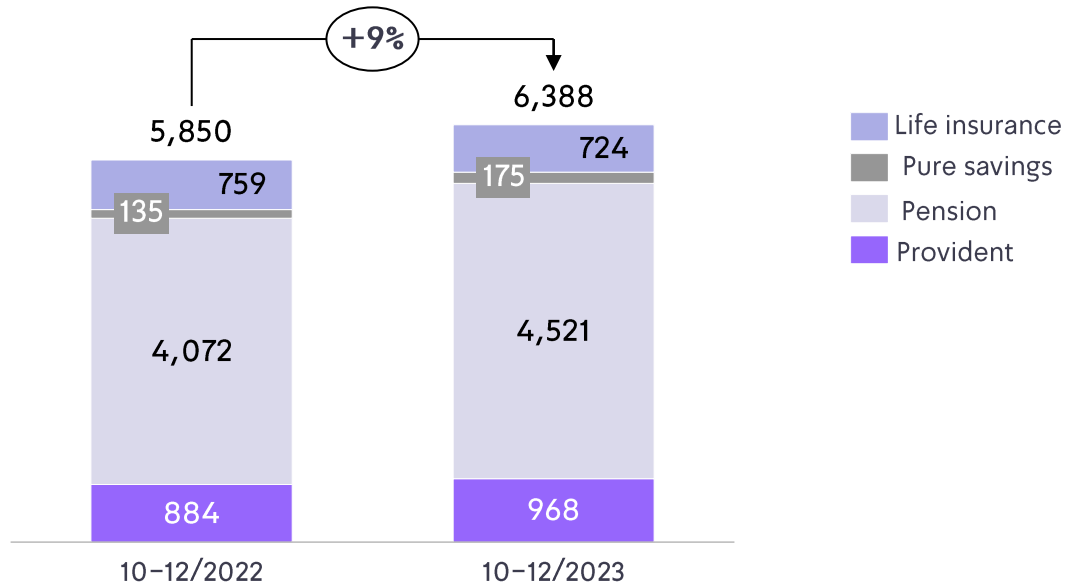
2023	(1) 103	196	33
2022	(52)	168	(10)

(1) Include the effect of the Iron Swords War totaling approx. NIS 42 million

Long-term savings

NIS million

Composition of premiums and contributions towards benefits by segment

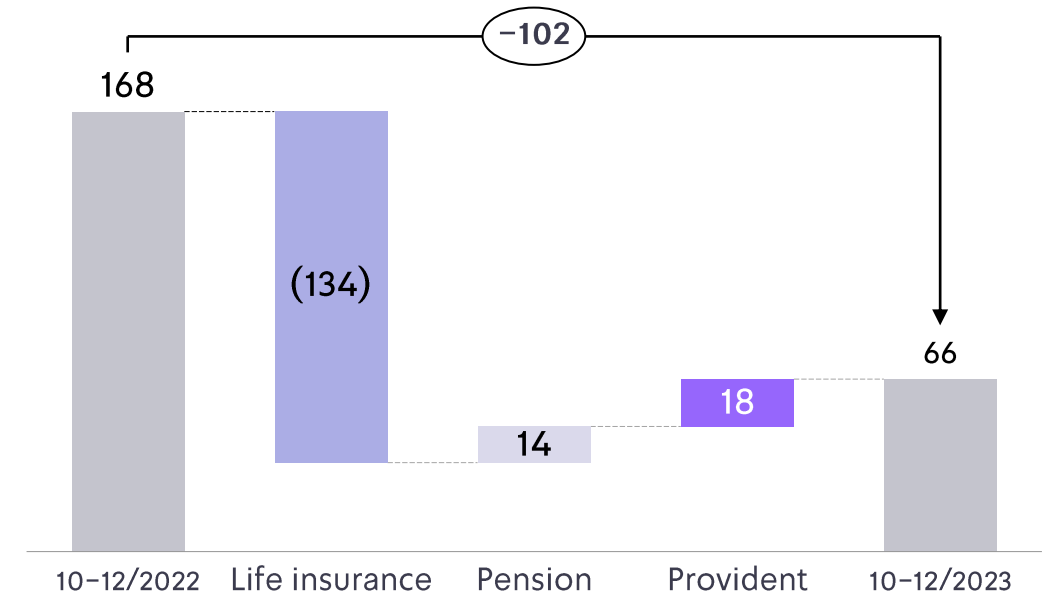


Composition of life insurance premiums

	10-12/2022	10-12/2023	Change
Individual insurance risk coverage policies (mostly mortality risk)	171	196	14.7%
Policies with a savings component	579	519	(10.3%)
Collective policies without a savings component	10	9	(8.5%)
Total	759	724	(4.6%)

Pretax income changes

Q4 2023 compared to corresponding period last year



10-12/2023	(1) (10)	60	16
10-12/2022	125	46	(2)

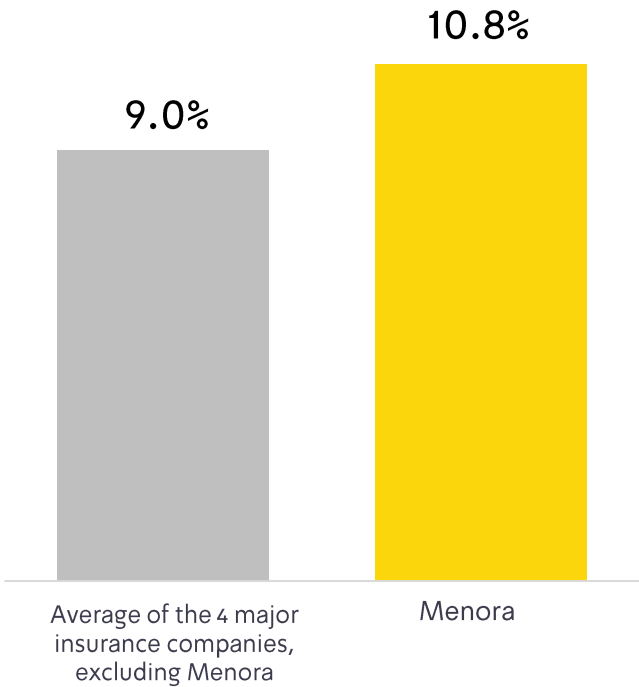
(1) Include the effect of the Iron Swords War totaling approx. NIS 42 million

Life insurance

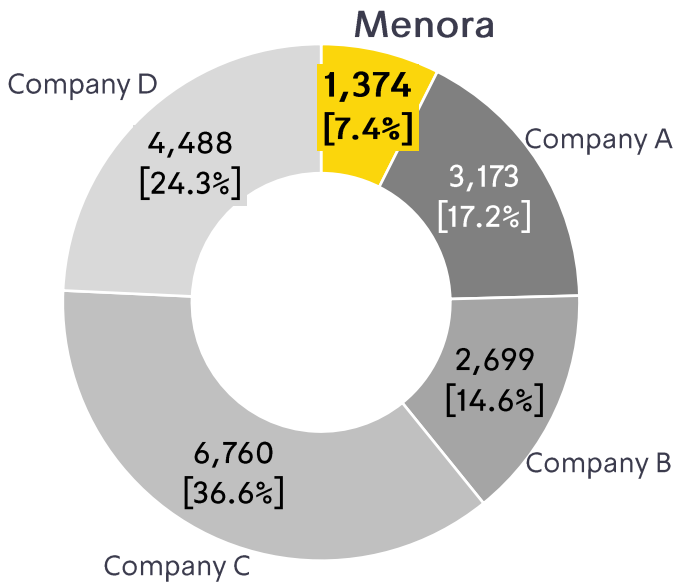
NIS million

Substantial growth in life insurance and low exposure to executive insurance and the capital market

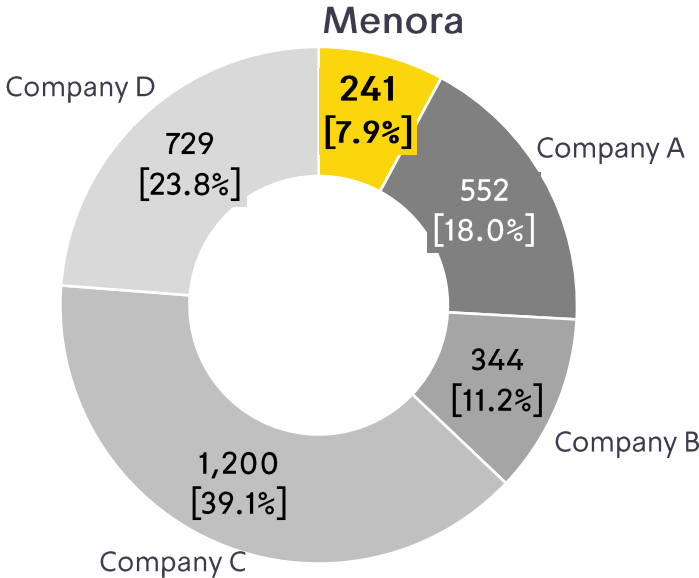
Growth rates in life insurance premiums
in 1-9/2023
compared to the corresponding period last year



Low exposure to executive insurance ⁽¹⁾



Low exposure to the capital market
Low negative fees balance compared to the industry
September 30, 2023

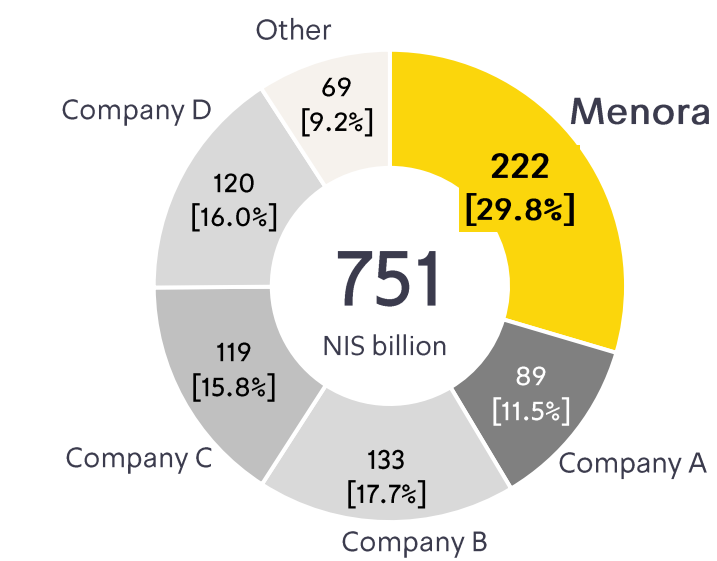


(1) Premiums in 2022
* Companies A-D refer to the other four major insurance groups

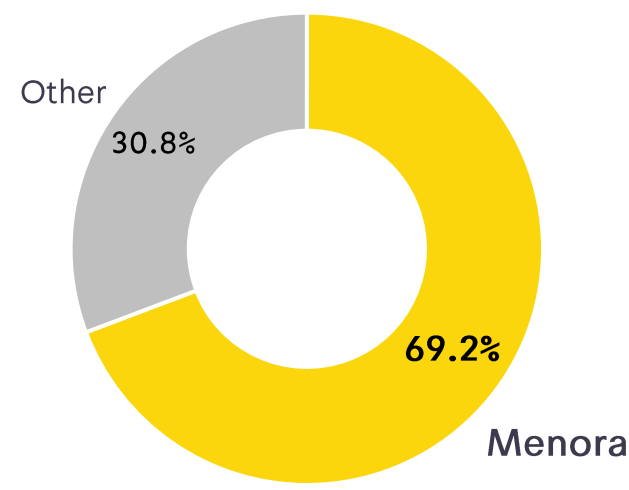
Pension

Market leader in the pension segment with approx. NIS 222 billion in assets under management
Company with the highest contributions and a direct collection rate of approx. 74%⁽²⁾ and with a income rate of approx.⁽¹⁾ 70% of the industry's income

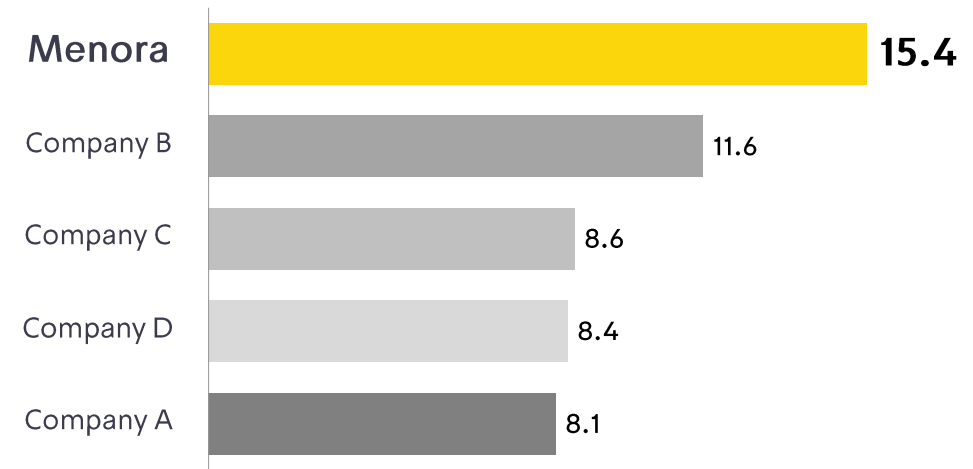
Market share – pension assets under management
December 31, 2023



Market share – income excluding investment income⁽¹⁾



Contributions towards benefits for 2022
in NIS billion



Direct collection rate⁽²⁾

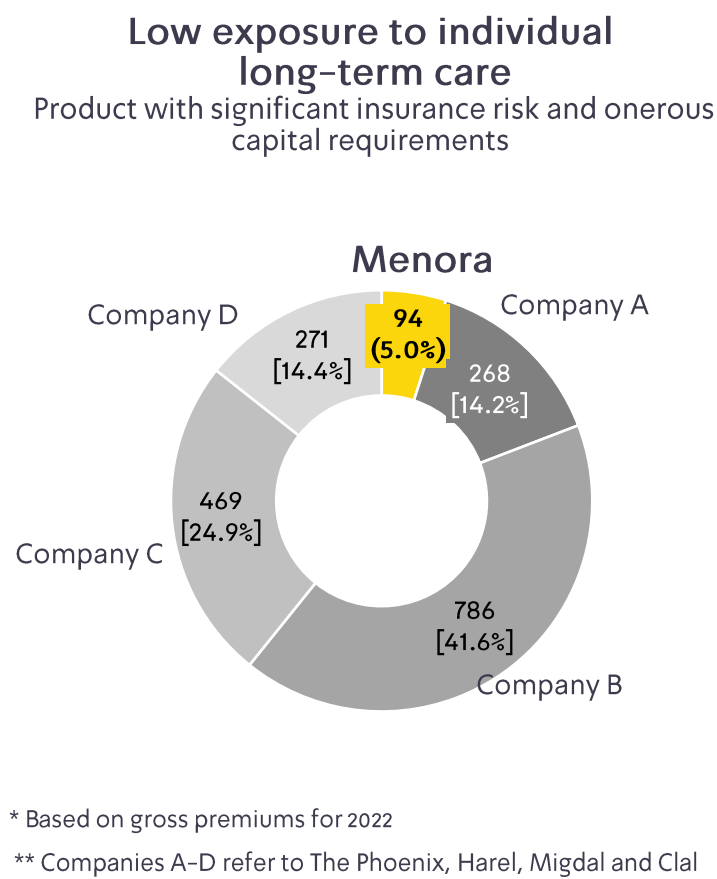
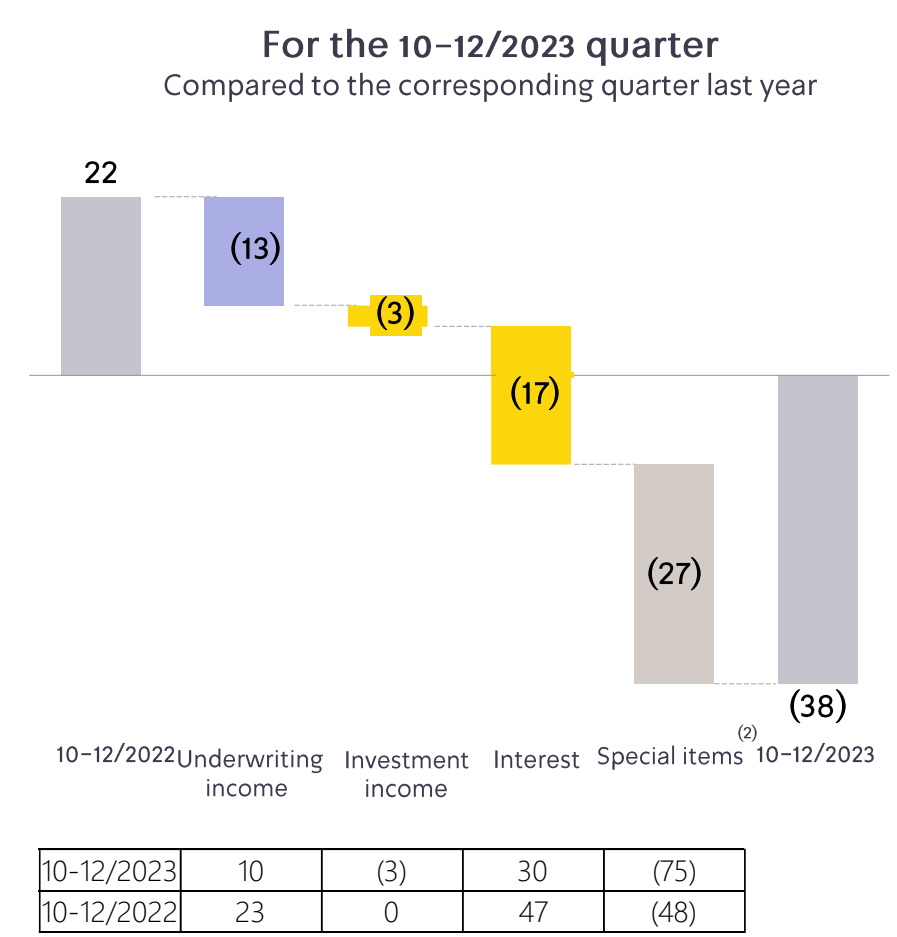
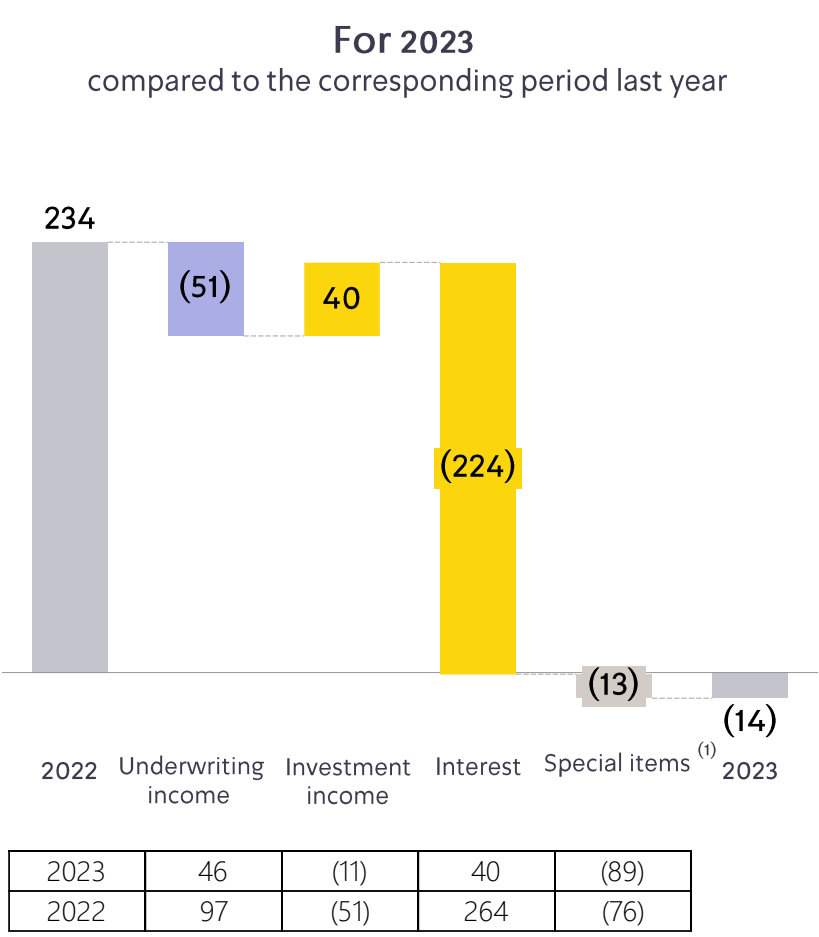
Company A	Company D	Company C	Company B	Menora
11%	Not published	29%	45%	74%

(1) Income excludes investment income and net finance expenses (new pension funds) for the 1-9/2023 period.

(2) According to the reports of the 2022 board of directors of the managing companies of the pension funds

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

Change in Pretax income (loss) for the period and quarter compared to corresponding periods last year



(1) Special items in 2023 mainly include negative effect due to morbidity and cancellations studies totaling approx. NIS 89 million (of which approx. NIS 77 million in individual long-term care), and in the corresponding period last year include – negative effects of studies totaling approx. NIS 76 million, respectively

(2) Special items in the 10-12/2023 quarter mainly include negative effect due to morbidity and cancellations studies in health insurance, totaling NIS 75 million (of which approx. NIS 77 million in individual long-term care) and in the corresponding quarter last year - include the negative effects of studies totaling approx. NIS 48 million

Thank you

