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Phoenix Financial Ltd.

Consolidated Interim Financial Statements as of June 30, 2024 (Unaudited)



Phoenix Insurance, Asset Management, Agencies and Credit

Members of the Board

Benjamin Gabbay - Chairman

Ben Langworthy

Dr. Ehud Shapira (Independent Director)

Eliezer Yones

Itzhak Shukri Cohen

Rachel Levine (External Director)

Richard Kaplan (External Director)

Roger Abravanel

Stella Amar Cohen



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Part 1

Report of the Board of Directors on the State of the Corporation's Affairs as of June 30, 2024



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Report of the Board of Directors on the State of the Corporation's Affairs as of June 30, 2024

The Report of the Board of Directors of Phoenix Financial Ltd. (formerly – The Phoenix Holdings Ltd., hereinafter - "**Phoenix Financial**" or the "**Company**" or the "**Corporation**" or the "**Group**") as of June 30, 2024, outlines the principal changes in the Company's operations in the period from January through June 2024 (hereinafter - the "**Reporting Period**").

In light of the Company's diverse activities in the fields of Insurance, Asset Management, Distribution and Credit, it took steps to change its name such that it will match its business activities. On August 14, 2024, the Company's General Meeting approved the change of its name to Phoenix Financial Ltd. On August 19, 2024 the Registrar of Companies approved the name change as requested.

The report was prepared in accordance with the Securities Regulations (Periodic and Immediate Reports), 1970. With regard to the insurance, Retirement (Pension and Provident) operations of the Group, the Report was prepared pursuant to the Supervision of Insurance Business Regulations (Reporting), 1998, and in accordance with the directives issued by the Commissioner of the Capital Market, Insurance and Savings Authority (hereinafter - the "**Supervisor**" or the "**Commissioner**"). The report was prepared assuming that the reader also has at his/her disposal the Company's report for first quarter of 2024 as well as the full 2023 periodic report (hereinafter - the "**Periodic Report**").

The Report of the Board of Directors is an integral part of the quarterly report, and the quarterly report should be read in its entirety, as a single unit (hereinafter - the "**Financial Report**" or the "**Financial Statements**").

1. Group's Structure, its Areas of Activity, and Developments Therein

1.1. Group structure

During the second quarter, the Company's controlling shareholder sold shares of the company, such that as of the report publication date the Company became a company without a controlling core. Immediately prior to the sale of the shares, the controlling shareholder held approx. 31% of the Company's shares, and as of the report publication date it holds 14.95% and its ownership interest may decline to 10% if a transaction for the sale of 4.95% of the Company's shares to the Affinity Partners fund (hereinafter - "**Affinity**") will be completed. This transaction depends on the receipt of a holding permit by the fund, as detailed below:

Through July 17, 2024 was Belenus Lux S.à.r.l. (hereinafter - "**Belenus**"), which is indirectly held through a chain of companies, by CCP III Cayman GP Ltd., Matthew Botein, Lewis (Lee) Sachs the Company's controlling shareholders (hereinafter - the "**Controlling Shareholder**").

On April 21, 2024, Belenus informed the Company that the Capital Market, Insurance and Savings Authority awarded the controlling shareholders a permit to hold means of control in the Company and in Phoenix Insurance at a rate of up to 10% of the means of control in the Company (hereinafter - the "**New Holding Permit**").

The New Holding Permit includes various provisions, including provisions regarding the structure of the board of directors in the Company and in the subsidiaries, which are regulated by the Capital Market, Insurance and Savings Authority, and regarding maintaining the control structure of the controlling shareholders; provisions regarding sale or transfer - by Belenus - of means of control in the Company; as from the date on which the control permit will come into effect, the controlling shareholders are precluded from using their votes in relation to appointment and termination of service of Company directors if their holding is higher than 10% of the Company's share capital;

The New Holding Permit also includes restrictions on the controlling shareholders in connection with transactions and holdings for various periods involving the Company and competing entities;

In addition, as from the date on which the New Holding Permit took effect the controlling shareholders' undertaking in connection with the outline for supplementing the insurer's shareholders' equity will be canceled, including the requirement to hold in trust Company shares at a rate of 4.5% of the Company's share capital in order to supplement the shareholders' equity, in the event that Phoenix Insurance fails to meet the capital requirements it is subject to.

On July 15, 2024, Belenus informed the Company that it engaged in several transactions with international entities and with Delek Group Ltd. for the sale of up to approx. 21.4% of its holdings in the Company.

Consequently, the New Holding Permit came into effect on July 17, 2024 on which the holding rate of the controlling shareholders through Belenus fell below 30% (fully diluted). On the effective date of the New Holding Permit, the control permit expired.

At of the report publication date, all the abovementioned transactions were completed, excluding an additional acquisition transaction with Affinity (which holds - as of the report publication date - 4.95% of the Company's shares) for the acquisition of further 4.95% of Belenus' holdings in the Company, which is conditional upon the receipt by Affinity of a holding permit from the Capital Market, Insurance and Savings Authority. The deadline for the completion of the additional transaction with Affinity is six months from its signing date (i.e., July 15, 2024).

For further details, see the immediate reports dated April 21, 2024, July 16, 2024 and August 8, 2024 (Ref. Nos.: 2024-01-044958, 2024-01-074239 and 2024-01-085306, respectively).

1.2. Areas of activity

1.2.1. For convenience purposes, the Group divided its operating results into two key activities: The first - Insurance; and the second - Asset Management and Credit.

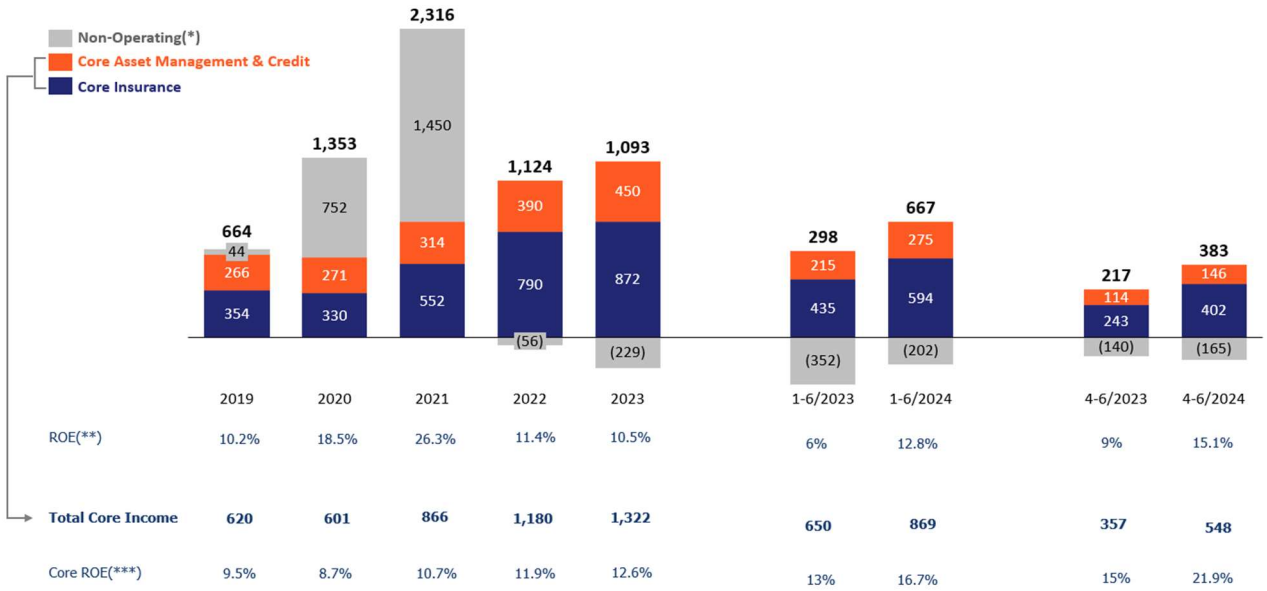


The said activity is divided in the Report into seven reporting segments. **The Insurance Activity** is divided into three segments - Property and Casualty Insurance, Health Insurance, Life and Savings. **The Asset Management and Credit Activity** is divided into four further segments - Retirement (Pension and Provident), Investment House and Wealth, Distribution (Agencies) and Credit.

In the **insurance** businesses, the Company operates through Phoenix Insurance Company Ltd.;

In the **Asset Management and Credit Activity**, the Company operates through Phoenix Pension and Provident Funds Ltd., Phoenix Investment House Ltd., and Phoenix Advanced Investments Ltd.; in its Distribution (Agencies) Segment it operates through Phoenix Agencies 1989 Ltd. and the agencies it owns; and in its **Credit Segment** - mainly through Gama Management and Clearing Ltd. - a reporting corporation, all of the shares of which are owned by the Company (hereinafter - "**Phoenix Gama**"); for information about the Group's areas of activity and its holding structure, see Section 1.4 under the Description of the Corporation's Business in the Periodic Report.

1.2.2. The Company has various sources of operating income of its subsidiaries, as detailed in the sections dealing with the various operating segments. Following is the breakdown of the comprehensive income attributable to the shareholders in the reporting year (in NIS million post-tax); for further details, see Note 3 to the Financial Statements and Section 5 below:



(*) Non-operating income - income from capital market effects above or below a real return of 3%, effects of the interest rate curve changes and other special items. (For further details, see Section 5.4.1 below).
(**) Return on equity is calculated based on the comprehensive income for the period attributable to the Company's shareholders, adjusted to reflect a one-year period and divided by the average equity for the period.
(***) Adjusted return on equity is calculated based on the comprehensive income for the period attributable to the Company's shareholders, net of non-operating income, adjusted to reflect a one-year period and divided by the average adjusted equity for the period.

1.3. Developments in the Group

General

1.3.1. Interest rates, capital markets and inflation

Changes in the risk-free interest rate curve and capital market affect Phoenix Insurance's assets, liabilities, financial performance, and solvency ratio. The Company manages the interest risks by taking an overall look of its asset- and liability management.

Interest rates - during the reporting period, the Bank of Israel left its interest rate unchanged - 4.50%. In addition, in the reporting period the NIS interest rate curve increased beyond the decrease in the illiquidity premium; in addition to its impact on the assets, this increase led to a decrease in insurance liabilities, including a revision to the K value; for further details see Section 5.4 below and Note 8A(2) to the Financial Statements. Changes in the NIS interest rate curve affect Phoenix Insurance's solvency ratio; in accordance with the provisions for calculating the solvency ratio, the illiquidity premium is not used.

The capital market - during the reporting period, there was volatility in financial markets in Israel and across the world. This volatility affects the nostro assets and the planholders' assets as well as the solvency ratio of Phoenix Insurance. For details regarding the effects on investment revenue and variable management fees, see Section 5.4 below.

Inflation - during the reporting period, the inflation rate increased by 1.9% compared to an increase of 2.5% in the corresponding period last year.

In the period subsequent to the report date through immediately prior to the Financial Statements' publication date, fluctuations continued in financial markets in Israel and across

the world concurrently with an 0.6% increase in inflation in July; these changes brought about real profits in the nostro liquid portfolio. On the other hand, there was a decrease in the risk-free interest rate curve, which may trigger an increase in insurance liabilities. For the effect of the above on the shortfall in variable management fees, see Section 5.4 below. At this stage, it is impossible to assess future developments in the market and the interest rate curve and their effect on the results of the third quarter of 2024, and therefore the above does not constitute an assessment of the Company's results in the third quarter of 2024.

For further details regarding the changes in the interest rate and in the interest rate curve, the capital markets and inflation rates, see Section 3 below; for effects on the Company's financial results and sensitivity tests, see Section 5 below, Note 8B to the Financial Statements, and Note 41 to the Periodic Report. As to the effect of the changes in the NIS yield curve and in capital markets on Phoenix Insurance's solvency ratio, see Section 2.1.5 below, and Section 8 in Phoenix Insurance's Economic Solvency Ratio Report as of December 31, 2023.

For the purpose if using its financial results, the Company uses a real return of 3% (see Section 5.4.1); in view of that, the changes in the CPI, as stated above, affects the classification of amounts between underwriting income and investment income.

1.3.2. Iron Swords War

On October 7, 2023, the Iron Swords War between the State of Israel and the Gaza-based "Hamas" terror organization broke out (hereinafter - the "**War**"), following a murderous attack by Hamas on localities in southern Israel. Based on published data, as of the report publication date, more than 1,500 Israeli citizens, soldiers and members of the defense and rescue forces were killed in the line of duty or murdered as part of the War, 109 citizens and soldiers are held as hostages in the Gaza Strip, and approx. 11,500 sustained various injuries. In addition to the War in Gaza, Israel is involved in an armed conflict and military operational activity of varying intensities and in a number of fronts, the main of which is the conflict in the north of Israel, which has also driven tens of thousands of Israelis from their homes. The War and all of the activities in the various fronts have an adverse effect on the Israeli economy.

Following the above, the rating agency Moody's placed the State of Israel's credit rating on the Rating Watch Negative list, and thereafter, on February 9, 2024, downgraded the State of Israel's credit rating to A2 with a negative outlook (on May 11, 2024, Moody's reiterated the rating and outlook). Rating agency S&P announced on April 18, 2024 it was downgrading the State of Israel's rating from AA- to A+, with a negative outlook. Fitch rating agency announced on August 12, 2024 it was downgrading the State of Israel's rating from A+ to A with a negative outlook.

It is noted that the rating of the Company and Phoenix Insurance did not change as a result of the above. For further details, see Section 1.3.19 below.

Due to its activity, the Phoenix group is exposed to slumps on the financial markets and to slowdown, as well as to other risks arising from the War. For further details on sensitivity and exposure to risk factors, see also Note 41 to the Periodic Report.

At this stage, there is uncertainty as to the development of the War, its scope and duration. Therefore, at this stage it is impossible to assess the full effect of the War on the Company and its results in the medium term; however, as of the report publication date, this effect is not expected to be material.

The potential risks associated with the War include slumps in the Israeli capital market, decline in investments in the Israeli economy, including foreign investments and investments in high-tech companies, decline in GDP, budget deficit, downgrade of Israel's credit rating, higher inflation, changes in yield curves and in central bank's interest rate, materialization of insurance risks, and more.

Further to Note 1C(2)a to the Periodic Report regarding the effects of the Iron Swords War on the Life and Long-Term Savings Segment, in the reporting period claims were assessed and filed in life and disability insurance amounting to approx. NIS 20 million (retention). For further details, see Section 5.5.3 below.

Insurance Activity

1.3.3. The Company's preparation for the application of IFRS 17 and IFRS 9

The Company continues to prepare for applying IFRS 17 (hereinafter - the "**Standard**") and IFRS 9 (hereinafter - "**IFRS 9**") (hereinafter, jointly - the "**Standards**"), in the Financial Statements of the Company and Phoenix Insurance.

On June 1, 2023, the Capital Market, Insurance and Savings Authority published a third revision to the "Roadmap for the Adoption of International Financial Reporting Standard (IFRS) 17 - "Insurance Contracts" (hereinafter - the "Third Revision"). As part of the Third Revision the first-time application date of IFRS 17 and IFRS 9 in Israel was postponed to the quarterly and annual periods beginning on January 1, 2025; (accordingly, the transition date shall be January 1, 2024). The Third Revision included a requirement to conduct a number of quantitative impact surveys (hereinafter - "QIS") by the Company and the publication of pro-forma reports regarding IFRS 17 and IFRS 9 as part of the 2024 Financial Statements.

In preparation of Israeli insurance companies for the adoption of IFRS 17, during April 2024, the Capital Market, Insurance and Savings Authority published a revision to the appendix on Professional Issues Regarding Implementation of IFRS 17 in Israel (hereinafter - the "Professional Issues Circular"). The revision included, among other things, a detailed regulation of the principles for calculating the fair value as of the transition date, setting

confidence interval in the calculation of risk adjustment for non-financial risk (RA), in respect of the Individual LTC portfolio, which will not fall below 90%. On August 12, 2024 the Commissioner published a further revision to the Professional Issues Circular, which referred, among other things, to clarifications in connection with the calculation of the weight of the illiquidity premium, and the setting of the confidence interval, as well as guidance regarding the calculation of the fair value of Hetz bonds.

During June, the Authority published a Roadmap for the Adoption of International Financial Reporting Standard (IFRS) 17 - Insurance Contracts - Fourth Revision - Draft (hereinafter - "Roadmap Fourth Draft"); as part of the Roadmap Fourth Draft, the insurance companies were required to report - by July 10, 2024 - the opening balance data as of January 1, 2024 for Life and Health Insurance portfolios. In addition, the Insurance Company is required to file - by September 15, 2024 - a report about the financial data for Q1 2024 in accordance with IFRS 17 and IFRS 9 (Quantitative Impact Studies, hereinafter - "QIS2").

On August 12 the Commissioner published a final version of the Fourth Revision to the Roadmap, whereby it is not mandatory (but rather voluntary) for the Company to disclose the opening balances data as of the transition date in the Financial Statements of the third quarter of 2024. The Company is making preparations to submit to the Commissioner, by September 15, 2024, a report comprising balance sheet data in accordance with IFRS 17 and IFRS 9 as of January 1, 2024 and March 31, 2024, and operating results data for the three-month period ended March 31, 2024.

During the reporting year, the Company completed the key milestones in the revised roadmap, including the first QIS regarding the calculation of the opening balances of selected portfolios on the transition date as of January 1, 2023 as well as reporting opening balance data as of January 1, 2024 for Life and Health insurance portfolios.

In the reporting year, the Company focused on the process of implementation and integration of a new IT system, and on the mapping of the required controls and the manner of flow of information to the Financial Statements. Furthermore, the Company held reviews and training sessions to the business teams and members of the Balance Sheet Committee in connection with the implementation of IFRS 17.

1.3.4. The reform in the Health Insurance Segment and the Economic Arrangements Law for 2023 and 2024

The Company has acted to implement the health insurance reform of the Capital Market Authority and is also acting to implement the reform's provisions regarding the surgical procedures product in accordance with the Economic Arrangements Law. For further details regarding the reform in the Health Insurance Segment and the Economic Arrangements Law

for 2023 and 2024, see Section 2.3 and Section 4.1.9 to the 2023 Report on the Company's Business.

1.3.5. Restricted Tier 1 capital of Phoenix Insurance

In April 2024, the Company sold approx. NIS 140 million of its holdings in the subordinated notes recognized as Tier 1 capital instrument by Phoenix Insurance and listed on the main list of the TASE, to entities listed in the First Addendum to the Securities Law, 1968.

1.3.6. Updating the demographic assumptions in life insurance and pension funds

As of July 24, 2024, the Capital Market, Insurance and Savings Authority issued a circular amending the provisions of the Consolidated Circular regarding revising the demographic assumptions for insurance companies and pension funds (hereinafter - the "**Circular**"). Following the publication of the Circular, Phoenix Insurance made a preliminary estimate of the expected overall effect on its financial results and Phoenix Insurance's economic solvency ratio, as follows:

Effect on pre-tax income - the effect of the circular is an increase in insurance liabilities in life insurance, which will cause an approx. NIS 168 million decrease in pre-tax income in the reporting period.

Effect on solvency ratio - the effect is an approx. 2% to 4% decrease in the economic solvency ratio, having no regard to the Transitional Provisions, and an approx. 3% to 5% decrease having regard to the Transitional Provisions in the Transitional Period (based on economic solvency ratio as of December 31, 2023, which was published together with the Financial Statements on May 29, 2024, Ref. No.: 2024-01-0557).

For further details, see the Company's report dated July 25, 2024 (Ref. No.: 2024-01-076539).

Asset Management and Credit

1.3.7. Planned restructuring within Asset Management and Credit

As part of the implementation of the strategic plan regarding the Asset Management and Credit Activity, and the Company's wish to concentrate each of activities under separate arms, on July 30, 2024, the Company's Board of Directors passed an in-principle resolution regarding a restructuring, which will include statutory mergers in accordance with the Eighth Part of the Companies Law, and the transfer of activities and assets of various group companies, as follows:

Approval of mergers of companies in Phoenix group

The Company's Board of Directors approved in principle that statutory mergers will be carried out as part of the restructuring between the Company and Phoenix Investments and Finances Ltd., a wholly-owned (100%) privately-held subsidiary of the Company (hereinafter - "**Phoenix Investments**"; the "**First Merger**") and between the Company and Platinum Finance and Factoring Ltd., a wholly-owned (100%) privately-held subsidiary of the Company (hereinafter - "**Platinum**"; the "**Second Merger**"). As a result of the mergers all of the assets and liabilities of Phoenix Investments and Platinum (which will be the merging entities in the mergers, as this term is defined in the Companies Law) will be transferred to the Company (which will be the surviving entity in the mergers, as this term is defined in the Companies Law), and they will cease to exist as separate companies.

The mergers will be approved by the Company's Board of Directors and the relevant organs of group companies.

The completion of the mergers will be conditional, among other things, on the fulfillment of all of the following conditions: (a) Receipt of the Israel Tax Authority's approval for a restructuring and merger, which is exempted from corporate income tax in respect of each of the mergers, in accordance with Section 103I to the Income Tax Ordinance; and (b) the execution of the actions required to complete each of the mergers in accordance with the Companies Law and Companies Regulations (Merger), 2000.

Approval of additional structural changes to be executed subject to completion of the mergers

Subject to the completion of the First Merger, the Company will transfer to a new privately-held subsidiary, which will be established and wholly-owned by the Company (hereinafter - the "**New Company**") the entire asset management activity, which was carried out in Phoenix Investments prior to the merger date; its holding in all of Phoenix Advanced Investments Ltd.'s shares (hereinafter - "**Phoenix Advanced Investments**"); and its 19.9% stake in the shares of Phoenix Underwriting Ltd. In addition, the Company's holdings in the shares of Tehuda Management Service 1999 Ltd. and Safra Ltd., which were held by Phoenix Investments, will be transferred to Phoenix Advanced Investments.

Subject to the completion of the Second Merger, the Company will transfer to Phoenix Gama - subject to receipt of the required approvals by Phoenix Gama - all shares of Phoenix Retail Credit Ltd.

The abovementioned information in connection with the restructuring of the Company's holdings in the Asset Management and Credit Activity of Phoenix group includes forward-looking information as defined in the Securities Law, 1968, and is based on the intentions of the Company, Phoenix Investments and Finances and Platinum. The completion of the move, including the abovementioned mergers, require, among other things, the approval of the mergers by the organs in the various group companies, the Israel Tax Authority's approval of the merger as a tax-exempt merger, other regulatory approvals, where required, and receipt of merger certificates from the Registrar of Companies. Therefore, there is no certainty as to the completion of the move, and the information included in this immediate report may not materialize in practice as a result of factors beyond the Company's control, including the option that the abovementioned conditions will not be fulfilled.

1.3.8. Phoenix Agencies

As of the report publication date, the Company holds approx. 78% of Phoenix Agencies. As part of the Company's strategy to unlock value in the activities of the Group's subsidiaries, the Company entered into an agreement with an international investment bank in order to assess the introduction of an international strategic investor as a partner in Phoenix Agencies. As of the report publication date, the conditions for the execution of such a transaction have not yet been met, and there is no certainty that such a transaction will be executed.

1.3.9. Oren Mizrach transaction

On August 21, 2024 Phoenix Agencies signed an agreement for the purchase from companies owned by Mr. Oren Cohen - both directly and indirectly - of approx. 16% further ownership interest in Oren Mizrach Insurance Agency (hereinafter - "Oren Mizrach"), such that subsequent to this acquisition, Phoenix Agencies will hold - directly and indirectly - approx. 84% of the ownership interest in Oren Mizrach instead of approx. 68% before of the abovementioned transaction. Furthermore, in accordance with the agreement, Phoenix Agencies will issue to a company owned by Oren Cohen shares constituting approx. 1.75% of Phoenix Agencies' equity capital, such that, subsequent to the issuance the Company will hold approx. 78% of the issued and paid-up share capital of Phoenix Agencies.

Further developments during and subsequent to the reporting period at the group level

1.3.10. Sustainability and ESG

In July 2024 the Company published Phoenix group's Sustainability Report for 2023. The report was published in the Company's Investor Relations website, and in the Israel Securities Authority's website.

For the full report, see the following link:
fnx.co.il/sites/docs/genery/for_new_site/esg/ESG_Phoenix_2023_HEB.pdf

1.3.11. Revision of the dividend distribution policy

In October 2020, the Company's Board of Directors approved a dividend distribution policy, whereby the Company shall distribute an annual dividend at a minimum rate of 30% of the Company's distributable comprehensive income as per its audited annual consolidated Financial Statements for the relevant year.

In June 2022, the Board of Directors approved a revision to the dividend distribution policy, according to which the Company distributes a dividend twice a year:

- Interim dividend at the discretion of the Board of Directors on the approval date of the Financial Report for the second quarter of each calendar year;
- Supplementary dividend in accordance with the policy on the annual report's approval date of each calendar year.

Amounts used by the Company in the execution of buy-back plans are not included in the dividend distributions.

On May 28, 2024, concurrently with the approval of the Financial Statements for the first quarter of 2024, the Company's Board of Directors approved a dividend distribution policy, which will apply to future dividend distributions, whereby the Company shall distribute an annual dividend at a minimum rate of 40% of the Company's distributable comprehensive income as per its audited annual consolidated Financial Statements for the relevant year (as from the income for 2024). All other provisions of the Company's dividend distribution policy and distribution timing have not changed.

It is clarified that the foregoing is not intended to derogate from the Board of Directors' powers to decide to distribute a dividend as it deems appropriate at any time.

It is noted that concurrently with the revision of the Company's policy, the Board of Directors of Phoenix Insurance revised the dividend distribution policy in Phoenix Insurance, whereby - as from 2024 - Phoenix Insurance will distribute an annual dividend of 40% to 60%[1] of Phoenix Insurance's comprehensive income as per its Consolidated Annual Financial Statements, as long as Phoenix Insurance meets the minimum capital target rate it is

[1] Instead of the policy that was in place until then, whereby 30% to 50% of the income will be distributed.

required to maintain under the regulations. It is clarified that the foregoing is not intended to derogate from the Board of Directors' powers to decide to distribute dividends as it deems appropriate at any time.

1.3.12. Dividend distribution

Distribution from Phoenix Insurance to the Company

In August 2024, concurrently with the approval of Phoenix Insurance's Financial Statements as of June 30, 2024, which are included in this report, Phoenix Insurance's Board of Directors decided to distribute a NIS 250 million dividend, after reviewing the compliance of Phoenix Insurance with the solvency ratio targets and the distribution tests as per the Companies Law.

Furthermore, the Board of Directors of Phoenix Insurance also passed a decision as to a change in the minimum solvency ratio target, net of the Transitional Provisions, for purposes of dividend distribution from a 115% rate to a 118% rate.

Distribution of dividend by the Company to its shareholders

In August 2024, concurrently with the approval of the Company's Financial Statements as of June 30, 2024, which are included in this report, the Company's Board of Directors decided to distribute a dividend in accordance with the Company's dividend distribution policy, which was revised in May 2024, totaling NIS 270 million, which constitutes approx. NIS 1.07 per share. It shall be clarified that to the extent that options are exercised by employees between the dividend declaration date and the record date, the per-share dividend amount shall be adjusted in accordance with the actual number of outstanding shares on the record date. The Company shall publish, as required, a supplementary report in respect of said adjustment on the record date.

The said distribution is based, among other things, on a dividend distribution from subsidiaries, including from Phoenix Insurance, as detailed above.

1.3.13. Share buyback

In January 2024, the Company's Board of Directors approved an additional share buyback plan of Company shares, totaling up to NIS 100 million, for a period of one year (hereinafter - the "**Plan for 2024**"). In June 2024, the Company's Board of Directors approved the increase of the Plan for 2024 by further NIS 100 million to NIS 200 million in total. As part of the Plan for 2024, as of the report publication date, the Company made buybacks totaling approx. NIS 116 million.

As of the report publication date, there are approx. 9.7 million dormant shares constituting 3.72% of the Company's issued and paid-up share capital. For further details, see the Company's immediate reports dated January 31, 2024, June 6, 2024, and July 2, 2024 (Ref. Nos.: 2024-01-012186, 2024-01-057664, 2024-01-047664 and 2024-01-068050, respectively).

1.3.14. Extending the period for exercise of options

On January 31, 2022, the Board of Directors approved - after the approval of the Compensation Committee of January 30, 2022 - the allocation of options to employees of the Company and companies under its control (including the Company's CEO and 7 officers), in accordance with the conditions detailed in the outline, and in an immediate report regarding a material private offering and immaterial private offering of February 1, 2022 (Ref. No.: 2022-01-012510) (hereinafter - the "**2022 Outline**" and the "**Options**", respectively).

In accordance with the terms of the options as detailed in the 2022 Outline, the exercise period of the first tranche of options (as defined in the 2022 Outline) ends on June 1, 2024.

On April 18, 2024, and on April 24, 2024 the Company's Compensation Committee and Board of Directors, respectively, approved the extension of the exercise period of the first tranche of options, including the options, which were awarded to the Company's CEO, by a further period of approx. ten months through April 10, 2025, which is the exercise date of the second tranche of options (as defined in the 2022 Outline), without making any further changes to the 2022 Outline, and taking into account the reasons and considerations detailed in this report.

The Compensation Committee decided in respect of the CEO that the suggested change regarding the extension of the exercise period constitutes an immaterial change in relation to his existing service and employment terms. For further details, including the Board of Directors' reasons for the extension of the period, see immediate report of April 24, 2024 (Ref. No.: 2024-01-040690).

1.3.15. Allocation of restricted share units (RSUs) to employees and officers

In December 2018, the Company adopted an option plan for employees and officers. In June 2024, the Company's Board of Directors approved a revision to the option plan, which allows the Company to allocate restricted share units (RSUs) too.

On August 21, 2024, the Company's Board of Directors approved the allocation of up to 778 thousand RSUs to the Company's CEO, and to officers and employees of the Company and its subsidiaries, without cash consideration. The approval of the allocation to the Company's CEO is also subject to approval by the Company's General Meeting. For further details, see Note 9G to the Financial Statements.

1.3.16. Allocation of options in Phoenix Insurance Agencies 1989 Ltd.

In December 2023, the Board of Directors of Phoenix Insurance Agencies 1989 Ltd. (hereinafter - "**Phoenix Agencies**") approved a compensation plan comprising illiquid options to officers and employees of Phoenix Agencies, its subsidiaries and affiliates. Illiquid options were allocated by virtue of the plan to officers of Phoenix Agencies and subsidiaries thereof.

On August 18, 2024, the Board of Directors of Phoenix Agencies approved the allocation of options to officers in Phoenix group, which influenced on and contributed to the activity of Phoenix Agencies, including the Company's CEO and Chairman of the Board of Directors in respect of their service as directors in Phoenix Agencies. This allocation was also approved as part of the compensation terms of the Company's CEO and Chairman of the Board of Directors as part of meetings of the Company's Compensation Committee and Board of Directors; this award is also subject to the approval of the Company's General Meeting.

1.3.17. Debt raising

Extending the term of a shelf prospectus

On August 15, 2024, the Israel Securities Authority approved the extension of the term of the Company's shelf prospectus by one further year, through August 23, 2025. For further details, see the immediate report dated August 15, 2024 (Ref. No.: 2024-01-083445).

Phoenix Gama

In June 2024, Phoenix Gama issued Commercial Securities (CSs) (Series 3) at the total amount of NIS 500 million. The CS was assigned a P-1 rating by Midroog.

1.3.18. Shareholders' meetings

Annual Meeting - First Session

On August 14, 2024, a first session of the annual General Meeting of the Company was held, with the following items on its agenda: 1) discussing the Periodic Report of 2023; 2) reappointing the Company's independent auditor and authorizing the Company's Board of Directors to set its fees; 3) Changing the Company's name to Phoenix Financial Ltd.). For further details, see the Company's immediate reports dated July 31, 2024 and August 14, 2024 (Ref. Nos.: 2024-01-078429 and 2024-01-082707). Concurrently with the publication of the Company's Financial Statements a summons will be published for an extraordinary annual meeting in order to hold the second session of the meeting, which will include reappointment of directors and approval of allocations to the Company's Chairman of Board of Directors and CEO, as detailed in Sections 1.3.14 and 1.3.15 above.

1.3.19. Ratings

Maalot

In July 2024, S&P Maalot reiterated the Company's ilAA rating with a stable outlook, and Phoenix Insurance Company's ilAAA rating with a stable outlook.

Midroog

On August 20, 2024, Midroog announced that it upgrades the rating of Phoenix Insurance from Aa1 to Aaa.

Global rating for Phoenix Insurance

Moody's

In May 2024, international credit rating agency Moody's reiterated the existing A2 rating of Phoenix Insurance with a negative rating outlook.

S&P

In July 2024, international credit rating agency S&P Global Ratings (hereinafter - "**S&P**") reiterated Phoenix Insurance's 'A-' international rating with a stable outlook.

2. Description of the Business Environment

2.1 Implementation of the Provisions of the Economic Solvency Regime applicable to Phoenix Insurance Company Ltd.

2.1.1 Provisions regarding the implementation of the Economic Solvency Regime

Phoenix Insurance is subject to the Solvency II-based Economic Solvency Regime in accordance with the provisions of Circular 2020-1-15 of the Commissioner of the Capital Market, Insurance and Savings (hereinafter - the "**Commissioner**") - "Amendment to the Consolidated Circular concerning Implementation of a Solvency II-Based Economic Solvency Regime for Insurance Companies" (hereinafter - the "**Economic Solvency Regime**"), which was published on October 14, 2020. The Economic Solvency Regime is a regulatory directive that regulates capital requirements and risk management processes among insurance companies. The Economic Solvency Regime sets a standard model for calculating eligible shareholders' equity and the regulatory solvency capital requirement, with the aim of bringing insurance companies to hold buffers to absorb losses arising from the materialization of unexpected risks to which they are exposed. The solvency ratio is the ratio between an insurance company's economic shareholders' equity recognized for solvency purposes and the capital requirement.

2.1.2 Increasing economic capital according to the Transitional Provisions

Phoenix Insurance opted for the alternative provided by the Economic Solvency Regime regarding the Transitional Provisions, whereby the economic capital may be increased by gradually deducting from the insurance reserves until 2032 (hereinafter - the "**Deduction during the Transitional Period**").This amount matches the expected increase rate in Phoenix Insurance's capital surplus during the Transitional Period, and reflects, at the very least, the expected expiry of the solvency capital requirements (SCR) and the risk margin of the existing portfolio as of the calculation date. For further details about the recalculation of the Deduction in respect of the Transitional Period, see Section 2.1.5 below and 2A(2) in the Solvency Ratio Report dated December 31, 2023.

2.1.3 Publication of Economic Solvency Ratio Report

The Economic Solvency Ratio Report as of December 31, 2023 is published at the same time as the Financial Statements as of the end of the first quarter of 2024, approved on May 28, 2024, and was prepared and presented in accordance with the provisions of Chapter 1, Part 4, Section 5 of the Consolidated Circular, according to Circular 2020-1-17 (hereinafter - the "Disclosure Provisions"). In accordance with the Consolidated Circular, the Economic Solvency Ratio Report in respect of the December 30 and June 30 data of each year shall be included in the first periodic report published after the calculation date.

Furthermore, in view of the listing of Additional Tier 1 capital on the main list, and in accordance with Phoenix Insurance's undertakings under the deed of trust, as from 2023 the Company publishes an estimated quarterly solvency ratio as of March 31 and September 30, as part of the periodic report published following the calculation date. The calculation of the estimated quarterly solvency ratio is not audited or reviewed by the independent auditor, and the controls conducted by Phoenix Insurance for the purpose of publishing the estimated ratio are less in scope compared to those executed for the purpose of publishing the Solvency Ratio Report, which is published in accordance with the Commissioner's directives. If the Company's solvency ratio goes down to 120% or less, it will publish a full Solvency Ratio Report each quarter in a semi-annual format, instead of an estimated ratio.

2.1.4 Economic solvency ratio and minimum capital requirement (MCR) as of December 31, 2023:

Following are details regarding the economic solvency ratio as published in the latest economic Solvency Ratio Report. The meaning of the terms in this section is the same as in Appendix B to Chapter 2 in Part 2 of Section 5 of the Consolidated Circular - "Economic Solvency Regime".

Economic solvency ratio:

	As of December 31	
	2023	2022
	Audited (1)	
	NIS thousand	
Shareholders equity in respect of SCR	14,823,584	14,711,664
Solvency capital requirement (SCR)	7,640,211	6,968,263
Surplus	7,183,373	7,773,401
Economic solvency ratio (in %)	**194%**	**211%**
Effect of material equity transactions taken in the period between the calculation date and the publication date of the Solvency Ratio Report:		
Redemption of capital instruments (2)	-	(410)
Shareholders equity in respect of SCR (3)	14,823,584	14,711,254
Surplus	7,183,373	7,742,991
Economic solvency ratio (in %)	**194%**	**211%**

(1) Any reference made in this report to the term "audited", shall be construed as an audit held by an independent auditor in accordance with International Standard on Assurance Engagements No. 3400 - The Examination of Prospective Financial Information.

(2) Subsequent to the balance sheet date (December 31, 2023), approx. NIS 400 million in Bonds (Series D) were redeemed (immediate report dated January 02, 2024, Ref. No.: 2024-01-000765). The redemption referred to above does not affect the solvency ratio as of December 31, 2023 in view of the surplus Tier 2 capital that the Company holds in excess of the quantitative limit. Subsequent to the balance sheet date (December 31, 2022), approx. NIS 411 million in Bonds (Series F) were redeemed (immediate report dated January 15, 2023, Ref. No.: 2023-01-006268). The redemption referred to above does not have a material effect on the solvency ratio as of December 31, 2022 in view of the surplus Tier 2 capital that the Company holds in excess of the quantitative limit.

(3) Regarding the recalculation of the Deduction in respect of the Transitional Period, see Section 2.1.5 below.

For details regarding the economic solvency ratio without applying the Provisions for the Transitional Period, and without adjusting the stock scenario, and regarding the target economic solvency ratio and restrictions applicable to the Company in connection with dividend distribution, see below.

For explanations about key changes in the capital surplus and in the economic solvency ratio as of December 31, 2023 compared with December 31, 2022, see Section 1(a) to Phoenix Insurance's Economic Solvency Ratio Report as of December 31, 2023.
Below is a link to the Economic Solvency Ratio Report on Phoenix Insurance's website.
https://www.fnx.co.il/investors-relations-hebrew/kosherpiraon/

Minimum capital requirement (MCR)

	As of December 31	
	2023	2022
	Audited	
	NIS thousand	
Minimum capital requirement (MCR)	1,995,718	1,843,583
Shareholders equity for MCR	11,402,622	11,596,249

2.1.4.1 Restrictions on dividend distribution and solvency ratio without the implementation of the Transitional Provisions

Dividend

According to the letter published by the Commissioner, in October 2017, (hereinafter - the "**Dividend Distribution Letter**") an insurance company shall be entitled to distribute a dividend only if, following the distribution, the company has a solvency ratio - according to the Provisions of the Economic Solvency Regime - of at least 100%, calculated without taking into account the Transitional Provisions and subject to the solvency ratio target set by the Company's Board of Directors. The aforesaid ratio shall be calculated without the relief granted in respect of the original difference attributable to the acquisition of the provident funds and management companies. In addition, the letter set out provisions for reporting to the Commissioner.

Phoenix Insurance's policy is to have a solid capital base to ensure its solvency and ability to meet its liabilities to policyholders, to preserve Phoenix Insurance's ability to continue its business activity such that it is able to provide returns to its shareholders. Phoenix Insurance is subject to capital requirements set by the Commissioner.

Phoenix Insurance's Board of Directors has set a minimum economic solvency ratio target and target range based on Solvency II. The economic solvency ratio target range, within which Phoenix Insurance seeks to be during and at the end of the Transitional Period, taking into account the Deduction during the Transitional Period and its gradual reduction is 150%-170%.

The minimum economic solvency ratio target, taking into account the Transitional Provisions, was set at 135%, and the minimum solvency ratio target without taking into account the provisions during the Transitional Period is set to reach 135% at the end of the Transitional Period according to the Company's capital plan. On August 21, 2024, the Board of Directors of Phoenix Insurance increased the minimum economic solvency ratio target by 3 percentage points without taking into account the provisions during the Transitional Period - from a rate of 115% to a rate of 118%, beginning on June 30, 2024.

Therefore, as of December 31, 2023, the calculation date, the Company has capital surplus in relation to the targets that were set, as described in the table set forth below. It is hereby clarified that the aforesaid does not guarantee that Phoenix Insurance will meet the set capital targets at all times.

For details regarding the revision of Phoenix Insurance's dividend distribution policy, see Section 1.3.11 above.

2.1.4.2 Solvency ratio without applying the Provisions for the Transitional Period, and without adjusting the shares scenario

The following are data as published in the latest economic Solvency Ratio Report published by Phoenix Insurance, about the economic solvency ratio calculated without taking into account the Transitional Provisions and the solvency ratio target set by Phoenix Insurance's Board of Directors, as required in the letter referred to above. As of December 31, 2023 and December 31, 2022, this ratio is higher than the target set by the Board of Directors.

	As of December 31	
	2023	2022
	Audited	
	NIS thousand	
Shareholders equity in respect of SCR	12,848,471	12,301,691
Solvency capital requirement (SCR)	8,434,457	8,254,667
Surplus	4,414,014	4,047,024
Economic solvency ratio (in %)	**152%**	**149%**
Effect of material equity transactions taken in the period between the calculation date and the publication date of the Solvency Ratio Report:		
Redemption of capital instruments*	-	-
Shareholders equity in respect of SCR	12,848,471	12,301,691
Surplus	4,414,014	4,047,024
Economic solvency ratio (in %)	**152%**	**149%**
Capital surplus after equity transactions in relation to the Board of Directors' target:		
Minimum solvency ratio target without applying the Transitional Provisions	**115%**	**111%**
Excess capital over target	**3,148,846**	**3,139,011**

* Subsequent to the balance sheet date (December 31, 2023), approx. NIS 400 million in Bonds (Series D) were redeemed (immediate report dated January 02, 2024, Ref. No.: 2024-01-000765).

Subsequent to the balance sheet date as of December 31, 2022, the Company redeemed approx. NIS 411 million in Bonds (Series F) (immediate report dated January 15, 2023, Ref. No.: 2023-01-006268); the said redemptions does not affect the solvency ratio without applying the Transitional Provisions for the Transitional Periods, and without adjusting the stock scenario as of December 31, 2022, in view of the unrecognized Tier 2 capital balance due to the quantitative limit on the recognition of Tier 2 capital.

2.1.5 Solvency ratio estimate as of March 31, 2024

In accordance with the undertakings of Phoenix Capital Raising (2009) Ltd. under the provisions of the deed of trust for Series PHONIX B12 Bonds which are part of Additional Tier 1 capital, and which it published on April 24, 2023, the Company made an estimate - which is not audited or reviewed by the independent auditor - of its economic solvency ratio as of March 31, 2024 (hereinafter - the "**Estimate**"). The calculation (of the Estimate) was carried out in accordance with the guidelines of the Solvency II-based Economic Solvency Regime, and in accordance with the provisions of Circular 2020-1-15 of the Commissioner of the Capital Market, Insurance and Savings (hereinafter - the "**Commissioner**") - "Amendment to the Consolidated Circular concerning Implementation of a Solvency II-Based Economic Solvency Regime for Insurance Companies" (hereinafter - the "**Provisions of the Economic Solvency Regime**"), which was published on October 14, 2020. The Company carries out the Estimate and publishes this quarterly disclosure in addition to the publication of a

mandatory solvency ratio reports as required under the Provisions of the Economic Solvency Regime. It should be noted that the scope of the controls executed by the Company for the purpose of publishing the Estimate is reduced compared to those executed for the purpose of publishing the Economic Solvency Ratio Report, which is published in accordance with the Commissioner's guidance.

In accordance with the Estimate, Phoenix Insurance's economic solvency ratio as of March 31, 2024, is 191% (with the implementation of the Transitional Provisions for the Transitional Period, and after equity transactions as outlined in Section 2.1.6 below). The said Estimate of the solvency ratio as of March 31, 2024, does not include the changes and effects that took place since March 31, 2024, and through the publication date of this report, including the effect of the business activity of Phoenix Insurance, changes in the mix and amounts of investments and insurance liabilities, exogenous effects, inter alia changes in the risk-free interest rate curve, and regulatory changes affecting the business environment and the effects of the Consolidated Circular revising the demographic assumptions for insurance companies and pension funds (hereinafter - the "Circular"). The estimated effect on the solvency ratio is an approx. 3% to 5% decrease having regard to the Transitional Provisions in the Transitional Period (based on economic solvency ratio as of December 31, 2023); for further details regarding the effects of the circular, see immediate report of July 25, 2024.

The assessment is based, among other things, on forecasts and estimates of future events, the materialization of which is uncertain and is not under the Company's control, and which should be considered as "forward-looking information" as the term is defined in Section 32A to the Securities Law, 1968.

2.1.6 **Equity transactions and significant updates in 2024:**

2.1.6.1 Subsequent to December 31, 2023, approx. NIS 400 million in Bonds (Series D) were redeemed; the redemption referred to above does not affect the solvency ratio as of December 31, 2023 in view of the surplus Tier 2 capital that the Company holds in excess of the quantitative limit (immediate report dated January 02, 2024, Ref. No.: 2024-01-000765).

2.1.6.2 In August 2024, Phoenix Insurance's Board of Directors decided - given Phoenix Insurance's distributable retained earnings and solvency ratio, to distribute a NIS 250 million dividend, after compliance with the solvency ratio targets and the distribution tests as per the Companies Law. This action was taken into account in the assessment of the solvency ratio as of March 31, 2024 as stated above.

2.1.7 **Sensitivity to changes in the interest rate curves**

Changes in the linked risk-free yield curve affect the Company's economic solvency ratio, especially in the mid- to long-terms, affect Phoenix Insurance's economic solvency ratio. During 2023, there was a substantial increase in the risk-free linked interest rate curve, has had a positive effect on Phoenix Insurance's solvency ratio.

The following table summarizes the risk-free linked interest ("spot") rates: [2]

Range/years		December 30, 2023	June 30, 2024	August 19, 2024
Short term	**1-3**	Between 1.25% and 1.13%	Between 1.30% and 1.75%	Between 1.40% and 1.62%
Mid-term	**4-10**	Between 1.15% and 1.50%	Between 1.87% and 2.29%	Between 1.69% and 2.05%
Mid-long term	**11-15**	Between 1.53% and 1.63%	Between 2.31% and 2.35%	Between 2.09% and 2.14%
Long term	**16-25**	Between 1.64% and 1.76%	Between 2.36% and 2.42%	Between 2.14% and 2.17%

Phoenix Insurance estimated the sensitivity of the economic solvency ratio - taking into account the Transitional Provisions and adjusting the stock scenario in the risk-free interest (both in Israel and abroad) - at a 50-bps decrease, based on the results of the calculation and data of the economic solvency ratio as of December 31, 2023. The estimation resulted in a decrease of approx. 13% in the economic solvency ratio (after applying the Transitional Provisions).

It is noted that the sensitivity is not necessarily linear; i.e., sensitivity at other rates is not necessarily a simple extrapolation of the sensitivity test presented.

For the results of the sensitivity tests of the economic solvency ratio to various risk factors, see Section 8 to Phoenix Insurance's Economic Solvency Ratio Report as of December 31, 2023.

2.2 Arrangements in force

Following are material regulatory directives published during the reporting period and thereafter, and which are not included in the Report on the Corporation's Business for 2023 and the Report of the Board of Directors for the first quarter of 2024. For details regarding material regulatory directives published during the reporting period, see Section 4.1.1 to the 2023 Report on the Corporation's Business and Section 2.2 to the Report of the Board of Directors for the first quarter of 2024.

2.2.1 In May 2024 a circular was published entitled **Uniform Structure for Transferring Information and Data in the Pension Savings Market - Amendment**. As part of the revised circular, the effective date of the provisions regarding API-based interfaces were postponed, and adjustments were made to the existing interfaces in connection with recent

[2] The risk-free linked interest rate curves were taken from Fair Spread Ltd. To calculate the solvency ratio, the Company takes into account other components in addition to the risk-free interest rate.

regulatory amendments, including the capping of contributions to an insurance fund, displaying the expected cost to planholders and revision of Form 161.

2.2.2 In June 2024 a circular was published entitled **Submission of Applications for Merging Provident Funds and Merging Investment Tracks for Approval by the Commissioner - Amendment**. As part of the amendment, it is stipulated that an institutional entity will be allowed to send planholders notices regarding the merging of provident funds and investment tracks by email or text message, should the planholder opt to receive documents in a digital manner, instead of by way of registered mail.

2.2.3 In June 2024 a circular entitled **Manner of Making Contributions to Provident Funds - Amendment** was published. Following the state of emergency, which was declared on October 7, 2023, on November 23, 2023 directives were published, which postponed to June 2024 the coming into force of the requirement to report through an employer's interface for employers who employ less than 3 employees; furthermore, the directives whereby a summarizing feedback will be given on the same day were also postponed. In view of the continued state of war and to allow the market to adequately prepare for the said changes, the revision to the circular postponed the said directives again to February 1, 2025.

2.2.4 In June 2024 a **Clarification regarding the Implementation of the Economic Plan Law for 2023-2024 regarding the Transfer of Policyholders from a First Shekel Surgical Procedures Policy** was published. As part of the reform on overlapping health insurance it was stipulated that on June 1, 2024 policyholders will be transferred from a First Shekel surgical procedures policy to a Supplementary SHABAN surgical procedures policy. As a supplementary step for the implementation of those provisions, the Authority published provisions as to the manner by which insurance companies inform policyholders of their expected transfer to a Supplementary SHABAN policy as a default option, and of the option policyholders have to inform insurance companies that they do not wish to be transferred and prefer to remain under the First Shekel policy. In its letter, the Authority clarifies that it has recently been informed of cases where insurance companies offer compensation to agents and insurance agencies for retaining policyholders under a First Shekel policy, such that the license holder has an incentive to retain the policyholder in such a policy; therefore, the Authority warns that it takes very seriously the execution of actions in a policyholder's insurance portfolio without properly communicating changes to the policyholder or without ensuring that the portfolio will meet their needs.

2.2.5 In July 2024, a circular was published entitled **Amendment of the Consolidated Circular Provisions on Measuring Liabilities - Updating the Demographic Assumptions in Life Insurance and Pension Funds**. The circular details revised default assumptions, on the basis of which the insurance companies and pension funds will calculate their liabilities to policyholders and planholders. In accordance with the Authority's review, the said changes shall affect, among other things, the liabilities in respect of pensioners of and survivors, the

cost of life insurance coverage, the cost of disability insurance coverage, liabilities in respect of the disabled, and the conversion factors regarding old-age pension. For details regarding the effect of the said amendment on the Company's financial results, see Section 1.3.6 above.

2.2.6 In July 2024 the Law for the **Amendment of the Income Tax Ordinance (No. 273), 2024** was published. The Amendment stipulates that an individual, who served as a reservist from October 7, 2023 through December 31, 2023 and has an income from business or occupation and made in the 2024 tax year contributions for themselves a self-employed planholders to an advanced education fund for the self-employed or to an annuity provident fund, will be allowed to ask an institutional entity to deem the said contributions as having been deposited in the 2023 tax year. This extension will apply through the end of the 2024 tax year.

2.2.7 In July 2024 an **Amendment to the National Insurance Law (Amendment No. 247), 2024** was published in the Official Gazette. In accordance with the amendment, the following changes will be made to the Savings for Each Child plan: (1) Parents will be entitled - at their own choice - to instruct the National Insurance Institute to deposit the savings amount with an investment provident fund, rather than to continue depositing it with the existing bank savings plan; (2) an investment provident fund shall be defined as the default product, such that for a child, whose parents did not decide where their child's savings will be deposited, the savings amount will be under the management of an investment provident fund as the default option, instead of the previous mechanism whereby savings were also deposited in a bank deposit.

2.2.8 In August 2024, the Knesset plenum passed the **Privacy Protection Law (Amendment No. 13), 2024**. This is the most significant amendment that was made to the Privacy Protection Law in many years. Following are the key changes in the amendment to the law:

(1) Amending the law's definitions such that they are in line with the technological developments and the arrangements set forth in modern privacy protection legislation - the amendment amends various definitions in the law such that they are in line with digital environment practices and the regulations generally accepted across the world, including the significant expansion of the definition of the term "personal data" to include personal details used in a digital environment, and which so far have not been included in the law; changing the term "database owner" to "database controller"; expansion of the terms "processing", "use" of personal data, etc.

(2) Requirement to register databases - currently, the law requires the registering of databases with the Databases Register. The scope of this requirement will be significantly reduced as part of the amendment, such that it will apply to public entities and entities which manage a database, whose main purpose if to collect personal data in order to deliver it to another party. Alongside the reduction in the scope of this

requirement, the amendment stipulates that entities will be required to notify the Authority of the management of databases, the registration of which is not required, but - on the other hand - include "particularly sensitive" information as defined in the amendment.

(3) Expansion of the disclosure requirement - in addition to the information that entities are required to provide to a data subject when requesting them to provide data in order to process it in a database (i.e., if that person is legally required to deliver the data or if the delivery of the data depends on their wishes and consent, the objective for which the data is requested, the parties to whom the data will be delivered and the objective of the delivery), the Amendment to the Law stipulates that the data subject should also be informed of the consequences of refusing the processing of the personal data (if the delivery thereof depends on the wishes and consent of the data subject), and of their rights to peruse the personal data and amend it in accordance with the law.

(4) Expansion of the supervision and enforcement rights of the Privacy Protection Authority - the current wording of the law conferred upon the Privacy Protection Authority limited enforcement rights as well as the right to impose small penalties. The Amendment to the Law changes this and stipulates the award of extensive powers to the authority to allow it to effectively enforce the law and the Information Security Regulations. Thus, the authority is given extensive and stricter enforcement powers, such as the power to instigate an administrative investigation procedure; the power to order a database controller or a database holder, whose actions constitute a breach, to discontinue the breaching activity; imposing financial sanctions totaling tens of thousands of shekels, and even more; filing lawsuits to receive damages without proof of damage from a database controller or holder; updating the list of criminal offenses, such that they include offenses of unauthorized processing of personal data from a database, and asking personal data from a person with the intent of misleading them in order to process the data in the database.

(5) Requirement to appoint a Data Protection Officer (DPO) - the amendment stipulates a requirement to appoint a Data Protection Officer, which will apply, among other things, to database controllers, which are public entities, and to database controllers or holders, whose activities include the processing of sensitive information on a significant scale, including, among other things, a banking corporation and an insurer. In that context it is stipulated that the Data Protection Officer will act to ensure compliance with the provisions of the law and the promotion of privacy protection and information security in the databases, including preparing a training plan and monitoring its execution; preparing a plan for continuous control over compliance with the provisions of the law; ensuring that an information security procedure is in place, etc. It was also stipulated that the DPO will not have any other role in the organization and will not report to an

officer if the execution of their duties or reporting to such an officer may place them in a conflict of interest.

In order to give the market sufficient time to study the changes and prepare for them, the amendment is expected to come into effect one year from its publication date, on August 6, 2025.

2.2.9 In August 2024, a paper was published comprising a **Roadmap for the Adoption of International Accounting Standard (IFRS) 17 - Insurance Contracts - Fourth Revision**. Among other things, the paper revised the time frames for submitting the reports to the Authority as part of a quantitative impact survey (QIS-2), alongside the updating of the required reporting files.

2.3 Draft laws, regulations and bills

Following are drafts of material regulatory provisions published during the reporting period and thereafter, which are not included in the 2023 Report on the Corporation's Business or in the Report of the Board of Directors for the first quarter of 2024. For details regarding additional drafts of material regulatory provisions published during the reporting period, see Section 4.1 to the 2023 Report on the Corporation's Business as well as Section 2.3 of the Report of the Board of Directors for the first quarter of 2024.

2.3.1 In May 2024, a draft circular was published entitled **Objection to a Payment Notice with respect of First Shekel Surgical Procedures Policy**. The draft was published further to the overlapping health insurance reform, as part of which it was stipulated, among other things, that if a policyholder, who holds a First Shekel surgical procedures policy and underwent a surgical procedure, which was carried out by the SHABAN, the health maintenance organization will be able to demand from the insurance company a payment for the surgical procedure, and that the Company may contest with the Capital Market Authority a payment notice it received, if it believes that the policyholder's insurance policy does not cover the surgical procedure, which is the subject matter of the notice. The objective of the suggested circular is to set rules for investigating and settling objections by an insurance companies regarding the requirement to pay the health maintenance funds, including documents and information, which insurance companies are required to attach when filing an objection, provisions regarding receipt of the health maintenance organization's response to the insurance company's objection, and time frames for the various phases.

2.3.2 In August 2024, a tenth draft of **Professional Issues Pertaining to the Implementation in Israel of IFRS 17** paper was published, which includes a limited number of updates to professional issues, which were carried out following the publication of new circulars by the Authority and comments received regarding the previous drafts, such as an update to the guidance on the measurement on the transition date and the illiquidity

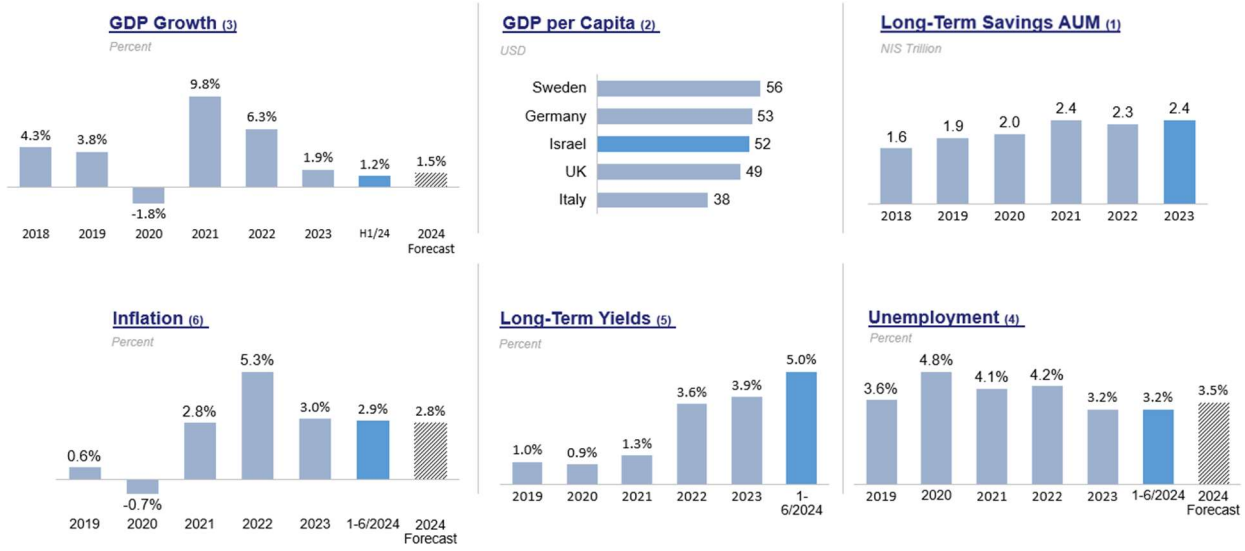
premium, in accordance with the roadmap for the adoption of IFRS 17. In addition, in August 2024, a fifth draft of the **Q&A File for Implementing IFRS 17 in Israel** was published, as part of which a number of changes were made, which mainly included a technical update of the standard's transition and application dates, and adding a clarification regarding the accounting treatment applied to investment contracts with a guaranteed annuity conversion factor.

2.3.3 In June 2024, a nineth draft of the **Professional Issues Pertaining to the Implementation in Israel of IFRS 17** paper was published. This draft includes a limited number of updates to professional issues, which were carried out following the publication of new circulars by the Authority and comments received regarding the previous drafts, such as an update to the guidance on the measurement on the transition date and the illiquidity premium, in accordance with the roadmap for the adoption of IFRS 17. In June 2024, the **Draft Roadmap for the Adoption of International Accounting Standard (IFRS) 17 - Insurance Contracts - Fourth Revision** was published. The draft suggests to revise the time frames for submitting the reports to the Authority as part of a quantitative impact survey (QIS-2), alongside the updating of the required reporting files.

2.3.4 A draft circular entitled **Provisions regarding the Selection of a Provident Fund** and a draft document dealing with a **Procedure for Selecting Default Funds** was published in July 2024. In accordance with the drafts, the Capital Market Authority intends to start another procedure for the selection of new default pension funds for the period from November 1, 2024 through October 31, 2028. The suggested key principles are as follows: (1) No change in the parameters for the selection of the default fund - management fees only; (2) the prioritization mechanism will be maintained ("infant industry protection") for funds with small market share, with an emphasis on market share by contributions (it is suggested to give an "advantage" to funds, whose market share is lower than 10%, and an "enhanced advantage" to funds, whose market share is lower than 5%); (3) the management fees floor - the management fees rate will not fall below 0.5% of the contribution and will not fall below 0.15% of the balance; (4) management fees cap - the rate of management fees of contributions will not exceed 1%; (5) it is suggested to allow planholders of a default fund to contact the management company by their own volition, change the composition of management fees in their account, and to opt to reduce the rate of management fees of accrual against the increase of management fees of contributions, subject to compliance with the conversion formula as per the circular; (6) it is suggested to set a distribution mechanism, according to which an employer will sign-on to one of the default funds each of their new employees, who did not exercise their right to select a provident fund after they were given the opportunity to do so; (7) it is suggested to stipulate that as from November 1, 2024, the process of selecting default pension funds will be carried out every four years instead of every three years.

2.3.5 In July 2024 a Draft Bill for the **Amendment of the Income Tax Ordinance, 2024** was published. In accordance with the draft bill, in order to support households during the Iron Swords War, it is suggested to allow planholders to withdraw funds from an advanced education fund before the end of 6 years from the date on which the first contribution is made to the fund's account, without applying the marginal tax rates as set out in the law. As part of the suggested benefit, instead of the marginal tax rate, a maximum tax rate of 15% will be applied to amounts withdrawn (and in the case of an individual who reached retirement age - 7.5%), such that the closer the withdrawal date is to the end of the period set by law to a tax-exempt withdrawal, the lower the applicable tax rate be. The suggested benefit will apply under a temporary order through the end of 2024.

3. Developments in the Macroeconomic Environment



(*) Publicly-available data as of November 26, 2023.
(1) Bank of Israel. The data include funds under the management of institutional entities. The decrease in 2022 stems from redemptions.
(2) The IMF, in accordance with the USD exchange rate in April 2023.
(3) Israel Central Bureau of Statistics, the Bank of Israel (GDP in accordance with adjusted annual return).
(4) Bloomberg and the IMF. The data refer to unemployment rates as of the end of the period.
(5) Bloomberg; returns on bonds are based on returns on 10-year bonds of the government of Israel (unlinked to the CPI), as of the last month at the end of the period.
(6) Bloomberg. The data are annual inflation data for the past 12 months.

3.1 Trends, events and developments in the macroeconomic environment

Following is a summary description of trends, events and developments in the Group's macroeconomic environment which have or are expected to have an effect on the Group.

3.1.1 Financial markets in Israel

The Israeli economy continued to operate under the shadow of the Iron Swords War during the second quarter of 2024. The growth data for the second quarter have not yet been published, but the activity's recovery rate has moderated in the second quarter as reflected in various indicators such as the Composite State-of-the-Economy Index, and credit card spending, after a sharp recovery in the first quarter of the year. Furthermore, supply constraints also encumber the recovery of economic activity, in particular in the construction industry. According to the data of the Central Bureau of Statistics and the Bank of Israel, the rate of active construction sites (in terms of residential units) stood at approx. 78% at the end of the second quarter, compared to 83% at the end of the first quarter. The level of the geopolitical uncertainty remained high and even increased towards the end of the second quarter following an escalation in the northern front,

as reflected in the risk premium indicators, including the 5Y CDS, which increased by approx. 27 basis points during the period under review reaching a level of approx. 144 basis points.

In the labor market, the unemployment rate (only in respect of those who are unemployed) increased in May to 3.3% compared to 3.1% at the end of the first quarter, but considering all data it appears that the labor market has stabilized. In an interest rate decision made at the end of May, the Bank of Israel left the interest rate without change at 4.50% and continued emphasizing the increased level of uncertainty and inflationary pressures. Annual inflation remained stable in May at 2.8%, and the expectations derived from the capital market and market predictions are around the upper limit with a one-year forward view, due to, among other things, the expected tax rises (VAT is expected to increase in January 2025 from 17% to 18%). According to Ministry of Finance data, the deficit in May reached 7.2% of GDP, with the budget for 2024, according to the budget bill, expected to reach 6.6% of GDP.

In the capital market - in contrast to the trend in the global markets, the local share indices decreased during the period under review, with the TA 125 declining by 4.4%. The underperformance of the local equity market compared to the global markets since the beginning of 2023 remained significant. In the bonds market, yields on government bonds increase along the entire curve, and the 10-year yield increased by approx. 60 basis points to 5.0%, and in the corporate bonds market the Tel Bond 60 decreased by 0.5%. In the foreign currency market - during the period under review, the NIS has devalued by approx. 2.3% against the USD, reaching a level of approx. NIS 3.77 per USD 1, and devalued by approx. 1.6% against the EUR reaching a level of NIS 4.03 per EUR 1.

Subsequent to the balance sheet date and through the report publication date

The third quarter started with the Bank of Israel's interest rate decision, which left the interest rate without change for the fourth consecutive time. The interest rate announcement was followed by a revision to the economic forecasts of the Research Department, which were pessimistic looking forward. The 2024 growth forecast was revised downwards from 2.0% to 1.5%, but the 2025 growth forecast was also revised downwards from 5.0% to 4.2%, which indicates that Israel's GDP is expected to remain below the long-term trend at the end of 2025 too. The inflation forecast was revised upwards and so was the interest forecast, and the Bank of Israel expects that the interest rate will only be cut once in the forthcoming year, compared to the last forecast, which was issued in April, in which 3 interest rate cuts were expected for the forthcoming year. The budget deficit continues growing, and in July the accumulated deficit for the past 12 months amounted to approx. 8.1% of GDP, while the deficit target for the current year stands at 6.6% as mentioned above. The Consumer Price Index increased in July by 0.6%, and annual inflation increased to 3.2%, above the upper band of the inflation target. In accordance with GDP data for the second quarter of the year, the Israeli economy grew by 1.2% only, with growth driven by a 12% increase in private consumption.

In the markets, geopolitical developments continue to take center stage. In total, during the period subsequent to the balance sheet date and through the report publication date, the TA 125 Index increased by 4.4%, the yield on 10-year government bonds declined by approx. 31 base points to 4.72%, the Tel Bond 60 Index was up by 1.4%, the NIS strengthened by approx. 2.8% against the USD, reaching a level of NIS 3.66 per USD 1 but devalued by approx. 0.1% against the EUR reaching a level of NIS 4.04 per EUR 1.

3.1.2 Capital markets abroad

The American economy continued the positive trend during the second quarter, both in the financial markets and in the non-financial economy as shown by various indicators; however, the data which were published towards the end of the second quarter were disappointing compared to investors' expectations, which indicates the beginning of a slowdown in economic activity. The slowdown in economic activity was also reflected in the cooling off of the labor market; in April and May new vacancies amounted to 108 thousand and 218 thousand, respectively. The unemployment rate reached in May to 4.0%, and hourly pay achieved an annual increase of 4.1%. The interest rate of the Fed remained without change in the latest interest rate decision of June, but the Fed did not forget to refer to the moderated inflation rate, and noted in their announcement that "in recent months there has been a modest further progress with inflation edging closer to the inflation target"; however, the Fed also noted that "the Committee does not expect it will be appropriate to reduce the target range until it has gained greater confidence". The Fed revised the economic forecasts, and according to the latest forecast of the Fed, they expect only one interest rate cut by the end of the year, compared to 3 interest rate cuts in the previous decision. The inflation forecast was revised upwards, while the growth and unemployment forecasts remained almost unchanged. The race to the Whitehouse in the United States started at the end of the second quarter, with the first debate between Biden and Trump; Biden's weak performance in that debate led to an increase in Trump's chances of defeating Biden. Furthermore, doubts were raised as to Biden's ability to beat Trump, which increased the uncertainty in the race.

In Europe, the European Central Bank (ECB) cut interest rate in June by 25 basis points to 3.75%; however, at the same time, the ECB emphasized that they do not commit to any outline of interest rate cuts looking forward, and that they will continue to assess the economic data between their meetings in order to set the interest rate. The ECB revised the 2024-2025 inflation forecast upwards; they revised the 2024 inflation forecast upwards but revised slightly downwards the 2025 forecast. In terms of economic activity, the purchasing managers index in the industry sectors continued to indicate a contraction in activity in June, but activity in the services sectors continued to expand.

In the United States, the positive trend in share indices continued in the second quarter, and AI shares continued to lead market performance. The S&P 500 rose by 3.9% during the second quarter. In the US bonds market, the yield on 10-year government bonds increased by approx. 16

base points to approx. 4.36%. In Europe, the EURO-STOXX 600 index has decreased by 0.2%. In the first quarter, the EUR devalued by approx. 2.2% against the USD, reaching a level of 1.08.

Subsequent to the balance sheet date and through the report publication date

Towards mid-July, the former president of the United States - Donald Trump - survived an assassination attempt during an elections rally in Pennsylvania. The president of the United States - Joe Biden - ended his presidential reelection campaign. The Vice President, Kamala Harris, will replace him in the bid to the Whitehouse against former president Donald Trump. According to surveys, the race between Trump and Harris is very tight.

In the interest decision made in late July, interest rates remained unchanged at 5.25%-5.50%. The Fed noted that "in recent months there has been a modest further progress towards the 2% target"; furthermore, while in previous interest announcements they only emphasized the inflationary risks, they now note that they are aware of another risk - the labor market.

August started with a perfect storm in financial markets, when labor market data indicated precursors of weakening economic activity, with an increase in the unemployment rate to a level of 4.3%; concurrently, the Bank of Japan increased its interest rate contrary to the global trend and led to a series of events, which triggered sharp slumps in share indices in global markets.

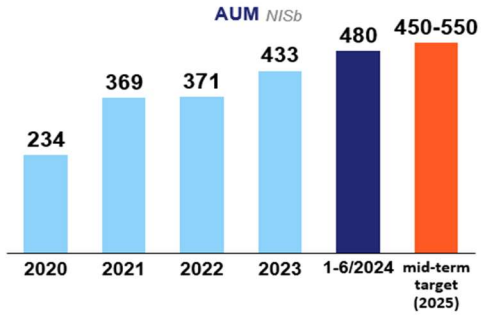
The Consumer Price Index (CPI) in July increased by 0.2% further to a monthly decline of 0.1% in June, which led to a further decline in the annual inflation rate, which reached a level of 2.9%. The markets are of the opinion that the cooling off of inflation together with the precursors of weakening economic activity will drive the Fed to start the process of interest rate cuts in September. Growth in the second quarter reached 2.8%, driven by private consumption and investments.

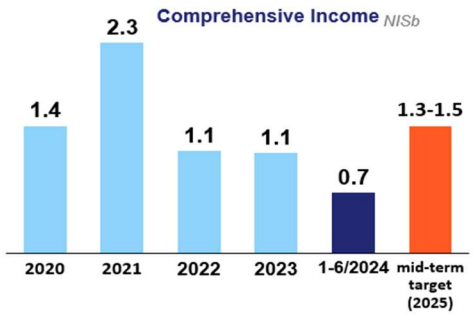
In the USA, as of the end of the period subsequent to the balance sheet date until the report publication date, the 10-year yield decreased by approx. 47 base points to 3.89%, and the S&P 500 increased by 1.7%. In Europe, the EURO-STOXX 600 index remained unchanged (0.0%), and the EUR appreciated by 2.9% against the USD, reaching a rate of 1.10.

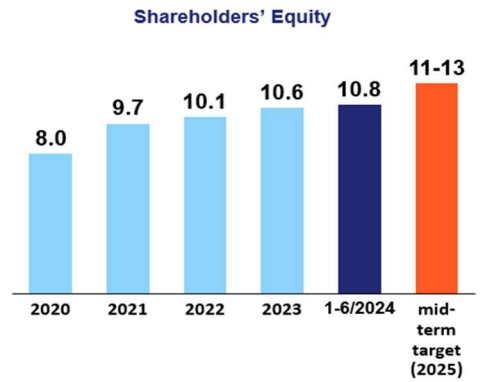
4. Business Targets and Strategy

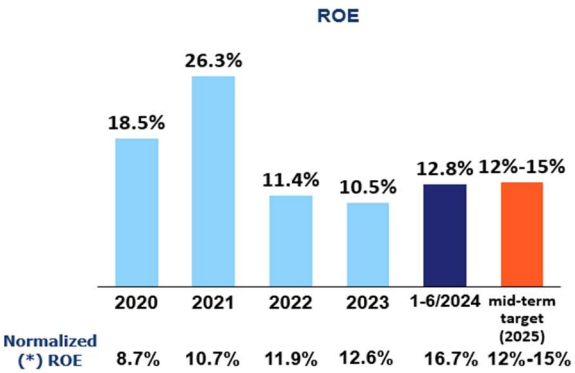
The Group's business strategy and targets constitute forward-looking information, as defined in Section 32A of the Securities Law, and are based on the data and information available to the Group as of the report date, its plans as a result thereof, the market situation and the Group's position. The Group's business strategy and targets may change from time to time. In addition, the achievement of the Group's targets and strategy is uncertain and is not under the sole control of the Group. The Group's business strategy and targets may not materialize due to, among other things, changes in the Group's priorities, new needs of the Group, market developments, macroeconomic changes, other business opportunities, etc.

The multi-year strategic plan - which was approved in December 2020 and revised as detailed below - is based on four fundamental value generators: yield-focused growth, technological innovation and efficiency, effective management and maximization of the portfolio's value and capital management, all of which are relevant to the Group's growth drivers: Insurance, Financial Asset Management, Distribution and Credit. Since the publication of the plan, the Company has acted consistently to implement and execute it. The Company reviews its targets from time to time in the light of its achievements and market conditions; accordingly, in June 2022, the Company's Board of Directors adopted an update to the strategic plan (hereinafter - the "**Strategic Plan**"), as part of which the Company's targets for the plan's period were updated as detailed in the chart below. As of the report publication date, the Company is in the process of revising its targets for future years; it intends to publish the revised Group targets on September 9, 2024.









(*) For further details, see Section 5.4.1 below.

The interim targets are based on (a) multi-year work plans for a 5-year period (from its approval date); (b) an assumption of net return on investment of 3%. Compared to the plan's objective, actual results are based on the actual returns in the financial markets in Israel and around the world, macroeconomic growth, the Company's results and other variables. For the Company's actual results taking into account a 3% return, see Sections 5.4-5.6.

5. Board of Directors' Explanations for the State of the Corporation's Business

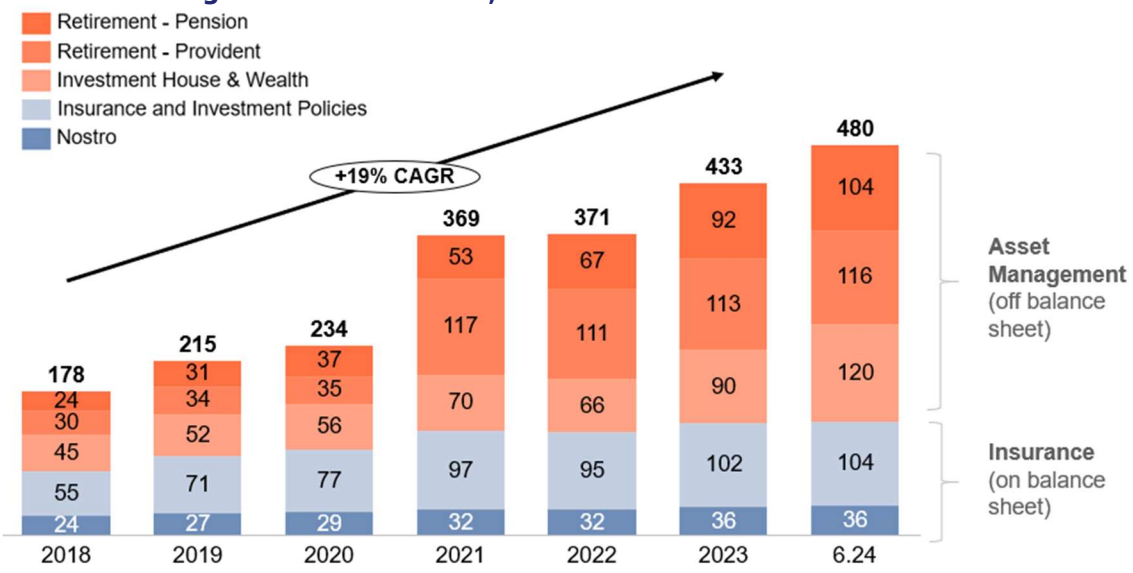
5.1 General

The Group's operations are affected by constant regulatory changes and reforms. In addition, as the controlling shareholder of institutional entities, the Group must also deal with the minimum capital requirements that apply to the activity of the institutional entities, which impose, among other things, restrictions on dividend distribution by the institutional entities.

The Group's operations and results are significantly affected by the capital markets, including, among other things, the interest environment that has implications for its insurance liabilities and on the returns embodied in the Group's financial asset portfolios, and consequently - on the management fees and financial margins from investments as well.

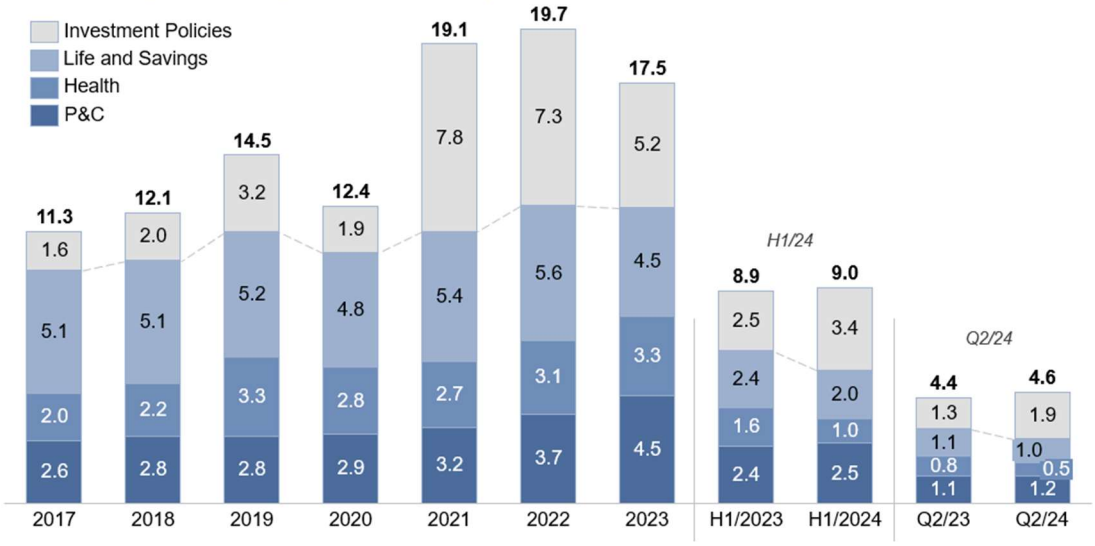
5.2 Assets under management, premiums and proceeds in respect of investment contracts

Assets under management as of June 30, 2024



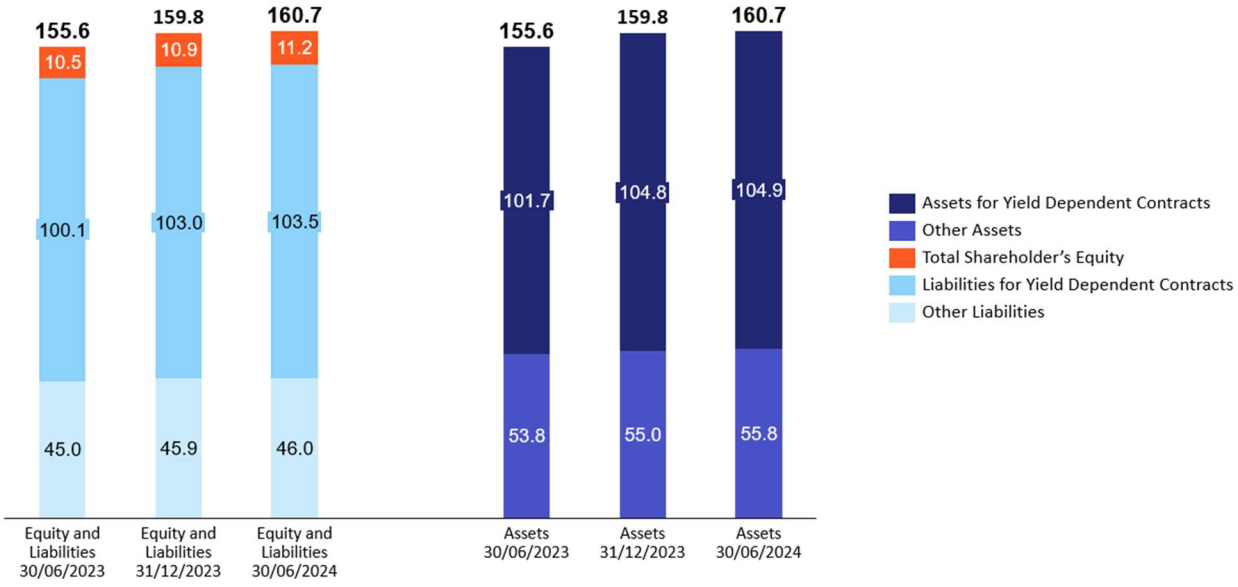
Total assets under management by provident funds, excluding guaranteed return provident fund tracks, pension funds, ETFs, and customers' investment portfolios are not included in the Financial Statements. Proceeds in respect of investment contracts are not included in the premiums line item; rather, they are charged directly to liabilities in respect of insurance contracts and investment contracts.

Premiums, gross and proceeds in respect of investment contracts for 1-6/2024



5.3 Description of the development of the Group's financial position

Following are key data from the consolidated balance sheets (in NIS billion):



Assets:

Total financial assets in respect of yield-dependent contracts and cash and cash equivalents in respect of yield-dependent contracts as of June 30, 2024, amounted to approx. NIS 104.9 billion, compared to approx. NIS 101.7 billion as of June 30, 2023, and approx. NIS 104.8 billion as of December 31, 2023. Other assets amounted to approx. NIS 55.8 billion as of June 30, 2024, compared with approx. NIS 53.8 billion as of June 30, 2023 and approx. NIS 55.0 billion as of December 31, 2023.

Liabilities:

Liabilities in respect of insurance contracts and yield-dependent investment contracts amounted to approx. NIS 103.5 billion as of June 30, 2024, compared to approx. NIS 100.1 billion as of June 30, 2023 and approx. NIS 103.0 billion as of December 31, 2023. Other liabilities amounted to approx. NIS 46 billion as of June 30, 2024, compared with approx. NIS 45.0 billion as of June 30, 2023 and approx. NIS 45.9 billion as of December 31, 2023.

5.4 Description of the development of the Group's comprehensive income

5.4.1 General

5.4.1.1 At each reporting period, the Company reviews its sources of income, according to the segments breakdown, as detailed in Section 5.4.2 below. The Company also reviews its profitability by separating operating income which assumes a real return of 3% net (less bonuses to employees and managers from excess returns) and gain from capital market effects above or below a real return of 3%, effects of interest and other special items as detailed below.

5.4.1.2 Special Items are considered by the Company as changes in profit or loss outside the Company's ordinary course of business, including actuarial changes as a result of studies, changes in actuarial models, exceptional effects due to structural changes and exceptional purchase expenses following the implementation of the strategy of increasing the market share in the (hereinafter - "**Special Items**").

5.4.1.3 In the Health Insurance and in Property and Casualty Insurance segments, the profitability analysis is based on a breakdown to underwriting income, which assumes a real return of 3%, and earnings stemming from capital market effects (hereinafter - the "**underwriting income**"), which include revenue from nostro investments above or below a real return of 3%, the effect of the interest rate curve and other Special Items.

5.4.1.4 In the Life and Savings Segment, the profitability analysis is based on a breakdown to underwriting income - which assumes a real return of 3%, including revenue from variable management fees in the profit participating portfolio based on said rate, fixed management fees and a financial margin in guaranteed return policies, which assumes said return both for the free portion and non-free portion of the portfolio, investment revenue after offsetting return credited to policyholders, and revenue stemming from capital market effects, which include revenue from nostro investments and management fees calculated above or below a real return of 3%, the effect of the interest rate curve, including changes in the K factor, and other Special Items.

5.4.1.5 In order to separate the financial results between income attributed to insurance and income arising from other core activities, the Company splits the "other" segment. The split is made for convenience purposes and the Company views the capital and unattributed segment as a single operating segment.

5.4.1.6 The Company allocates the assets which are not measured at fair value in accordance with the provisions of the law and Company's procedures, and specifically the allocation in accordance with the consolidated circular on testing the appropriateness of the LAT reserve (see Note 3 to the Financial Statements). This allocation may affect the investment income attributed to the different segments. Financial liabilities that serve the Company's capital requirements and finance expenses in respect thereof are not allocated to the operating segments. In the Other Equity Returns Segment, the financial margin arises from investment revenue, with a 3% real return assumption, net of actual finance expenses.

5.4.1.7 Adjusted EBITDA - calculated as income before finance, taxes, depreciation and amortization in the relevant areas of activity. Adjustment of EBITDA as detailed below:

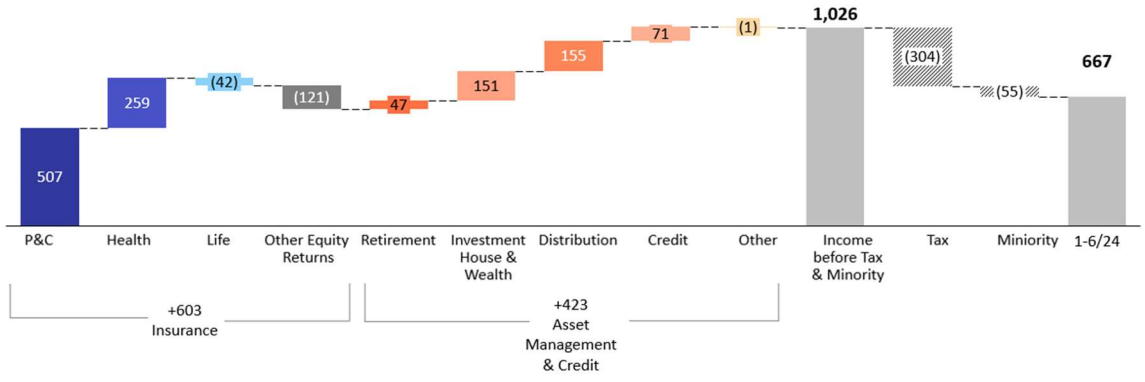
Insurance segments - N/A.

Retirement (Pension and Provident) - IFRS 16 adjustment and amortization of DAC and special items.

Distribution (Agencies), Investment House and Credit - IFRS 16 adjustment and special items.

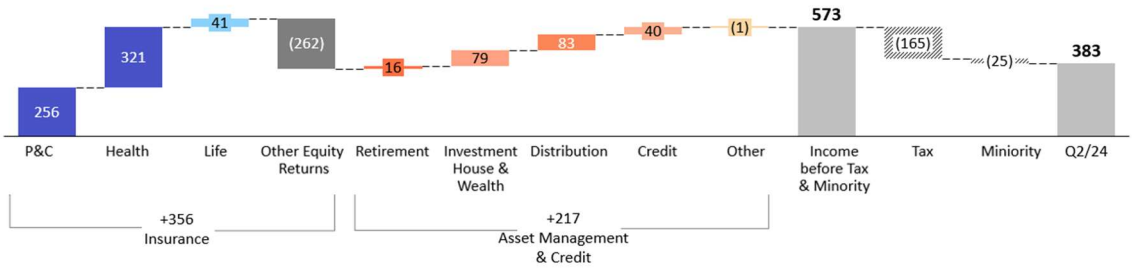
For further details regarding the calculation of the EBITDA, see Section 5.4.6 below.

5.4.2 **Following is the composition of the Company's operating results by segment for the 6-month reporting period and their comparison to the corresponding period last year (in NIS million):**



1-6/2023	*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*

Following is the composition of the Company's operating results by segments in the second quarter of 2024 compared with the corresponding quarter last year (in NIS million):



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*

For the effects on the results at the segment level, see details in Sections 5.5-5.6 below.

5.4.3 Following are the payment balances and changes in insurance liabilities:

	1-6/2024	1-6/2023	1-12/2023
	In NIS million		
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention in the statement of profit and loss	10,433	9,899	17,623
Net of amounts included in the above amounts:			
Investment income (losses) in respect of yield-dependent policies(*)	6,796	4,803	8,531
Changes in interest	(485)	103	(379)
Special items in the insurance segment	238	(81)	(35)
Total investment revenue, changes in interest and special items	6,549	4,825	8,117
Total payments and change in liabilities in respect of yield-dependent policies, net of investment revenue, changes in interest and special items	**3,884**	**5,074**	**9,505**

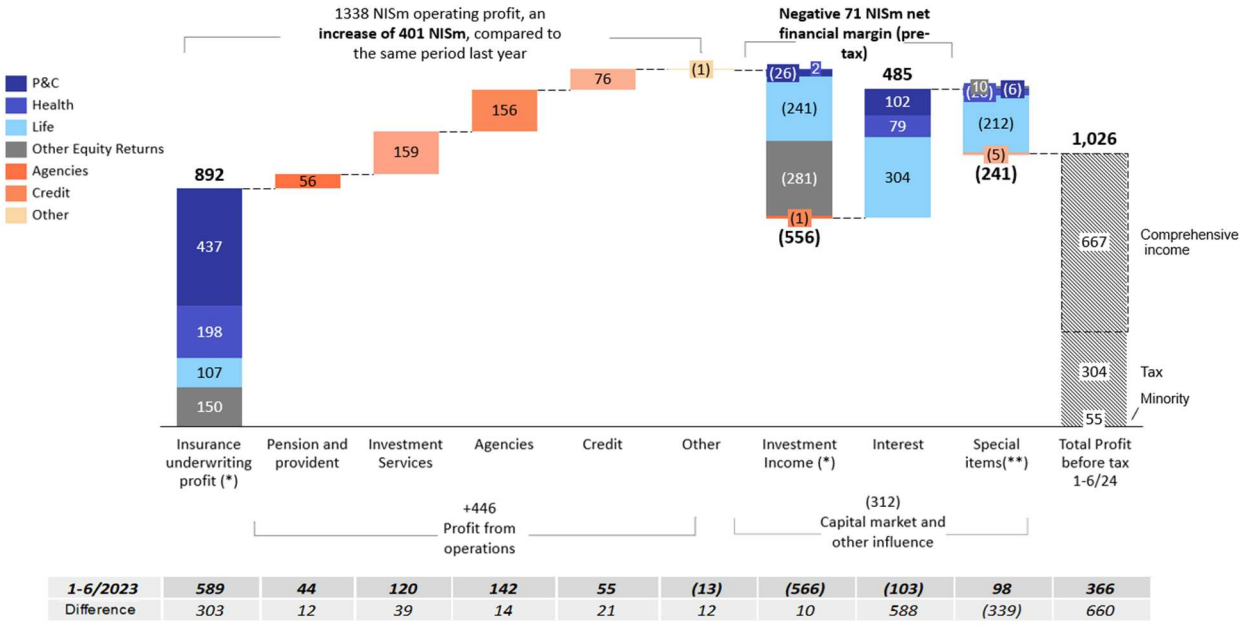
(*) Including health; for further details about the Life Insurance Subsegment, see Section 5.5.3.7 below.

5.4.4 Following is explanation regarding investment revenue in the Insurance Activity:

	1-6/2024	1-6/2023	1-12/2023
	In NIS million		
Items from the statement of profit and loss			
Investment income	7,591	5,289	9,910
Equity profits	40	43	42
Other comprehensive income	31	297	306
Tax effect on comprehensive income	28	141	147
Total	7,690	5,770	10,404
Less:			
Investment income (losses) in respect of yield-dependent policies	6,796	4,803	8,531
Gains (losses) attributable to the Credit Segment and Investment House and Wealth Segment	226	168	349
	7,021	4,971	8,881
Total investment revenue - nostro	669	799	1,526
Separate investment revenue, CPI-linked at 3%	(1,225)	(1,365)	(2,291)
Revenue from nostro investments, CPI-linked at over 3% (*)	**(556)**	**(566)**	**(765)**

(*) See Section 5.4.5 below.

5.4.5 **Following is the composition of the Company's sources of pre-tax income by operating income and income from capital market effects, interest rate and Special Items for a period of 6 months in the reporting period (in NIS million):**



1-6/2023	*589*	*44*	*120*	*142*	*55*	*(13)*	*(566)*	*(103)*	*98*	*366*
Difference	*303*	*12*	*39*	*14*	*21*	*12*	*10*	*588*	*(339)*	*660*

(*) See Section 5.4.1.

(**) For further details about the Special Items at the segment level, see Section 5.4.7, and results at the segment level in Sections 5.5-5.6 below.

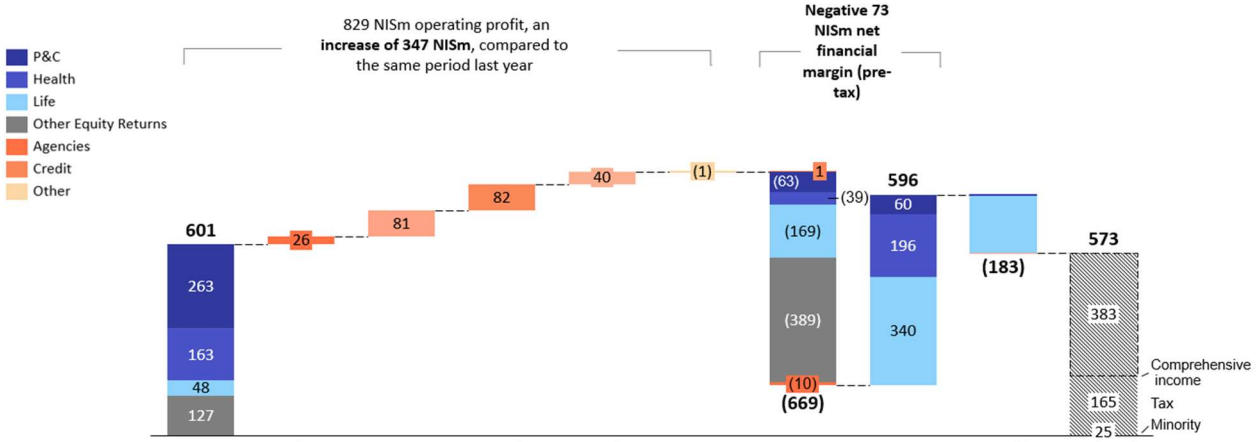
Operating income after deducting capital market effects, Special Items and interest increased by approx. NIS 401 million in the reporting period, compared with the corresponding period last year. In the reporting period, the annualized nominal return on nostro investments was 4.3%, and the annualized negative real return in the reporting period was 0.4%. After transferring annual real return of 3%, and an amount in respect of variable management fees, which is calculated based on the real return, the negative capital market effect after the said deduction is NIS 556 million, see Section 5.4.1 regarding the review of sources of earnings.

The change in investment revenue in excess of a real return of 3% in the reporting period compared with the corresponding period last year totaled approx. NIS 10 million. As of June 30, 2024, the effect of the decline in planholders' portfolios will lead to non-collection of future variable management fees in the amount of approx. NIS 264 million, before tax (as of the report publication date - approx. NIS 228 million before tax). The change as a result of the effect of the risk-free interest rate curve and the change in the K factor (for further details see Section 5.5.3 below) in the reporting period compared to the corresponding period last year caused an increase of approx. NIS 588 million in income in the reporting period, compared to the corresponding period last year. The total net negative effect of the interest and capital market effects (in excess of a real return of 3%) in the reporting period amounted to approx. NIS 71 million before tax, as reflected in the above chart. During the reporting period, income from Special Items decreased by approx. NIS 339 million compared to the corresponding period last year; most of the decrease stemmed from the

recognition of a higher one-off capital gain in the corresponding period last year as a result of assuming control in the FNX Private Partnerships, compared to the recognition of a NIS 186 million pre-tax one-off loss in the reporting period due to revision of the set of demographic assumptions in life insurance; for further details, see Section 1.3.6 above.

For information about the effects on the results at the segment level, see details in Sections 5.5-5.6 below.

Following is the composition of the Company's sources of pre-tax income by operating income and income from capital market effects, interest rate and Special Items in the second quarter of 2024 (in NIS million):



Q2-23	*300*	*23*	*63*	*76*	*27*	*(7)*	*(116)*	*(253)*	*121*	*234*
Difference	*301*	*3*	*18*	*6*	*13*	*6*	*(553)*	*849*	*(304)*	*339*

(*) See Section 5.4.1.

(**) For further details about the Special Items at the segment level, see Section 5.4.8, and results at the segment level in Sections 5.5-5.6 below.

Operating income after deducting the capital market effects, Special Items and interest increased by approx. NIS 347 million in the second quarter of the reporting period, compared with the corresponding quarter last year.

After transferring annual real return of 3%, and an amount in respect of variable management fees, which is calculated based on the real return, the negative capital market effect after the said deduction is NIS 669 million, see Section 5.4.1 regarding the review of sources of earnings. The change in investment revenue, in excess of a real return of 3% in the second quarter of the reporting period compared with the corresponding quarter last year totaled approx. NIS 553 million, in view of the lower downturns in financial markets in Israel and across the world compared with last year. The change as a result of the effect of the risk-free interest rate curve and the change in the K factor (for further details see Section 5.5.3 below) in the second quarter of the reporting period compared to the corresponding quarter last year caused an increase of approx. NIS 849 million in income. The total net negative effect of the interest and capital market effects (in excess of a real

return of 3%) in the second quarter of the reporting period amounted to a pre-tax profit of approx. NIS 73 million as reflected in the above chart.

During the second quarter of the reporting period, income from Special Items decreased by approx. NIS 304 million compared to the corresponding quarter last year; most of the decrease stemmed from the recognition of a higher one-off capital gain in the corresponding period last year as a result of assuming control in the FNX Private Partnerships, compared to the recognition of a NIS 186 million pre-tax one-off loss in the reporting period from revision of the set of demographic assumptions in life insurance; for further details, see Section 1.3.6 above.

5.4.6 **Below is the adjusted EBITDA for the 6-month period in the reporting period for the Asset Management & Credit Activity (in NIS million):**

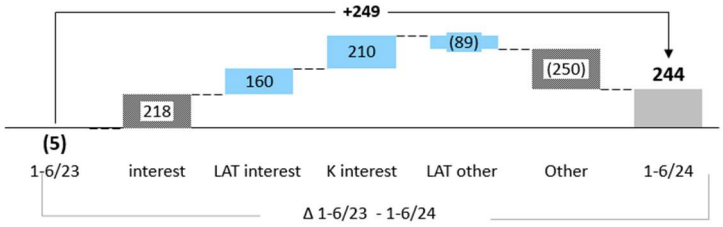
	1-6/2024	1-6/2023
	In NIS million	
Reported EBITDA(1)	**567**	**456**
Depreciation and other(2)	(78)	(76)
Operating income	489	379
Finance expenses(3)	(43)	(2)
Income tax	(116)	(109)
Adjusted net income	**330**	**268**
Minority shareholders	55	53
Core income	**275**	**215**
Reported EBITDA(1)	**567**	**456**
Special Items	-	3
Adjusted EBITDA	**567**	**459**
EBITDA - Minority shareholders	94	79
Adjusted EBITDA - Phoenix's share	**473**	**380**

(1) Net of IFRS 16

(2) Net of special items (see Section 5.4.1.2 above) and without deducting depreciation in respect of deferred acquisition expenses in the Retirement (Pension and Provident) Segment.

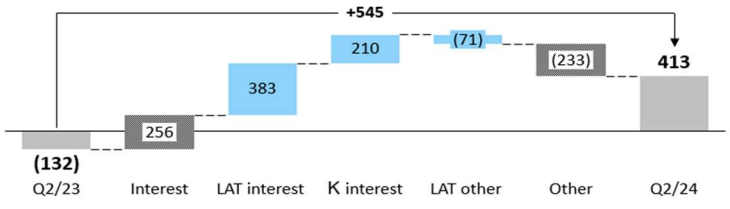
(3) Without deducting finance expenses in the Credit Segment, which constitute an integral part of the activity.

5.4.7 **Following is the composition of the differences between the interest rate effects and main Special Items effects on income as a result of the change in pre-tax insurance liabilities for the 6-month in the reporting period compared to the corresponding period last year (in NIS million):**



Results		+485 interest			(243) Special Items			
1-6/2024	196	79	210	-	(27)	-	(214)	244
P&C	102	-	-	-	-	-	(6)	96
Health	-	79	-	-	(27)	-	7	59
Life	94	-	210	-	-	-	(212)	92
Other Equity Returns	-	-	-	-	-	-	10	10
Pension and provident	-	-	-	-	-	-	-	-
AM	-	-	-	-	-	-	(8)	(8)
Agencies	-	-	-	-	-	-	-	-
Credit	-	-	-	-	-	-	(5)	(5)
Other	-	-	-	-	-	-	-	-
1-6/2023	(22)	(81)	-	-	62	-	36	(5)
P&C	(5)	-	-	-	-	-	(6)	(11)
Health	-	(81)	-	-	62	-	(6)	(25)
Life	(17)	-	-	-	-	-	38	21
Other Equity Returns	-	-	-	-	-	-	(13)	(13)
Pension and provident	-	-	-	-	-	-	16	16
AM	-	-	-	-	-	-	(9)	(9)
Agencies	-	-	-	-	-	-	-	-
Credit	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	16	16

5.4.8 **Following is the composition of the differences between the interest rate effects and main Special Items effects on income as a result of the change in pre-tax insurance liabilities in the second quarter of 2024 compared with the corresponding quarter last year (in NIS million):**



Results		+596 Interest			(183) Special			
Q2-24	190	196	210	-	(13)	-	(170)	413
P&C	60	-	-	-	-	-	(4)	56
Health	-	196	-	-	(13)	-	14	197
Life	130	-	210	-	-	-	(178)	162
Other Equity Returns	-	-	-	-	-	-	-	-
Pension and provident	-	-	-	-	-	-	-	0
AM	-	-	-	-	-	-	(2)	(2)
Agencies	-	-	-	-	-	-	-	-
Credit	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Q2-23	(66)	(187)	-	-	58	-	63	(132)
P&C	(23)	-	-	-	-	-	(7)	(30)
Health	-	(187)	-	-	58	-	5	(124)
Life	(43)	-	-	-	-	-	49	6
Other Equity Returns	-	-	-	-	-	-	(13)	(13)
Pension and provident	-	-	-	-	-	-	16	16
AM	-	-	-	-	-	-	(3)	(3)
Agencies	-	-	-	-	-	-	-	0
Credit	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	16	16

5.4.9 **Following are data regarding the Company's return on equity:**

	1-6/2024	1-6/2023	4-6/2024	4-6/2023	1-12/2023
Return on shareholders' equity for the period (based on comprehensive income for the period)(*)	12.8%	6.0%	15.1%	9.0%	10.5%
Normalized return on shareholders' equity for the period (based on comprehensive income for the period) (**)	16.7%	13.0%	21.9%	15.0%	12.6%

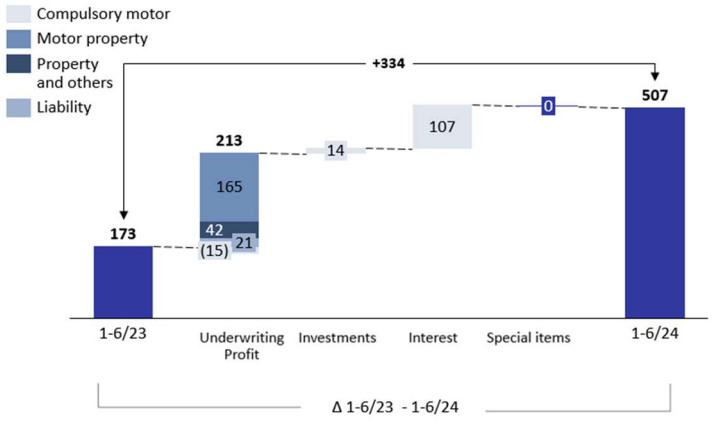
(*) Return on equity is calculated based on the comprehensive income for the period attributable to the Company's shareholders, adjusted to reflect a one-year period and divided by the average equity for the period.
(**) Normalized return on equity is calculated based on the comprehensive income for the period attributable to the Company's shareholders, net of the capital market effects and special items (see Section 5.4.1 above), adjusted to reflect a one-year period and divided by the average normalized equity (average opening balance and closing balance net of capital market effects and Special Items) for the period.

Following is a description of the developments in the Group's financial performance, by operating segment:

5.5 Description of developments in core areas - insurance

5.5.1 Property and casualty insurance

Following is a composition of the main effects and changes on the results of the Property and Casualty Segment for the reporting period compared to the corresponding period last year (in NIS million, before tax):



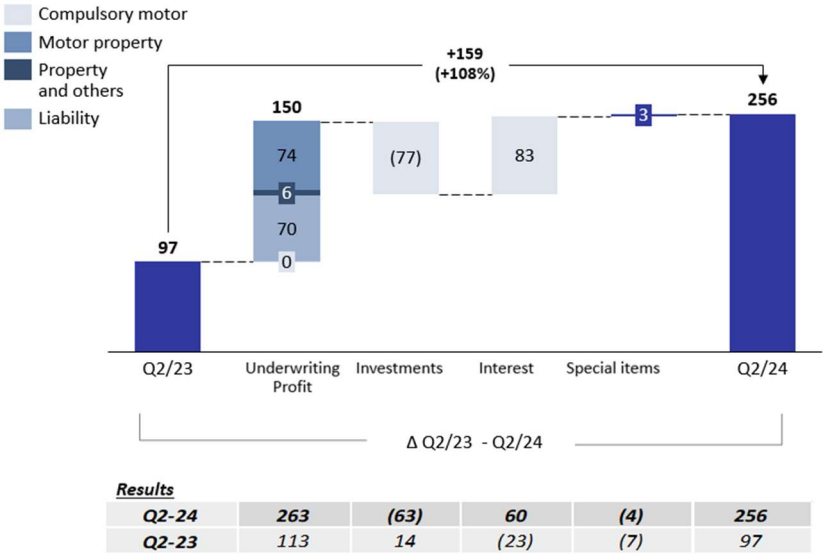
Results					
1-6/2024	437	(26)	102	(6)	507
1-6/2023	224	(40)	(5)	(6)	173

The increase of approx. NIS 213 million in underwriting income in the reporting period compared to the corresponding period last year stems mainly from the Motor Property Subsegments, Other Property Subsegments, and Other Liability Subsegments, offset against a decrease in profitability in the Compulsory Motor Subsegment.

The decrease of approx. NIS 14 million in investment losses in the reporting period compared to the corresponding period last year stemmed from a lower negative effect in financial markets in Israel and globally during the reporting period, compared to the corresponding period last year, in relation to the mix of the portfolio against the segment's liabilities.

The increase in interest income of approx. NIS 107 million in the reporting period compared to the corresponding period last year stems mainly from the effect of the increase in the risk-free interest rate curve over insurance liabilities and from reclassification of approx. NIS 18 million in excess value of illiquid assets in the first quarter from the Health Insurance Segment to the P&C Segment.

Following is the composition of the main effects and changes on the results of the Property and Casualty Segment for the second quarter of 2024 compared to the corresponding quarter last year (in NIS million before tax):



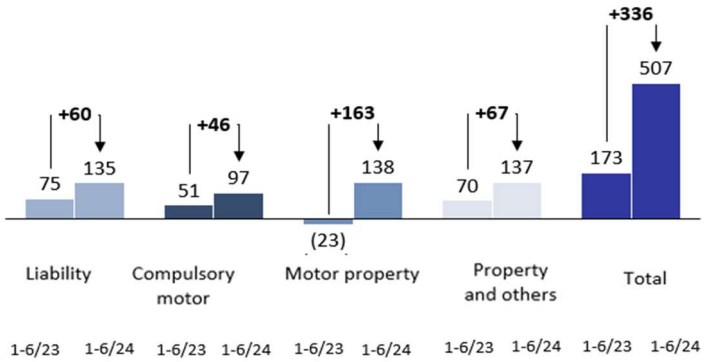
Results					
Q2-24	***263***	***(63)***	***60***	***(4)***	***256***
Q2-23	*113*	*14*	*(23)*	*(7)*	*97*

The increase of approx. NIS 150 million in underwriting income in the second quarter of the reporting period compared to the corresponding quarter last year stems mainly from the Motor Property Subsegments, and Other Liability Subsegments.

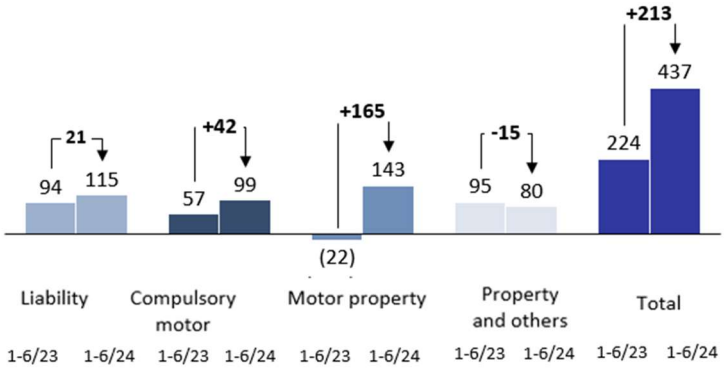
The transition from income to loss in the investment revenue line item at the total amount of NIS 77 million in the second quarter of the reporting period compared to the corresponding quarter last year stemmed from a negative effect in financial markets in Israel and globally during the second quarter of the reporting period, compared to the corresponding quarter last year, in relation to the mix of the portfolio against the segment's liabilities.

The increase in interest income of approx. NIS 83 million in the second quarter of the reporting period compared to the corresponding quarter last year stems mainly from the effect of the increase in the risk-free interest rate curve over insurance liabilities compared to the corresponding quarter last year.

5.5.1.1 **Following is the pre-tax comprehensive income in the various subsegments of property and casualty insurance (P&C) for the reporting period compared with the corresponding period last year (in NIS million):**

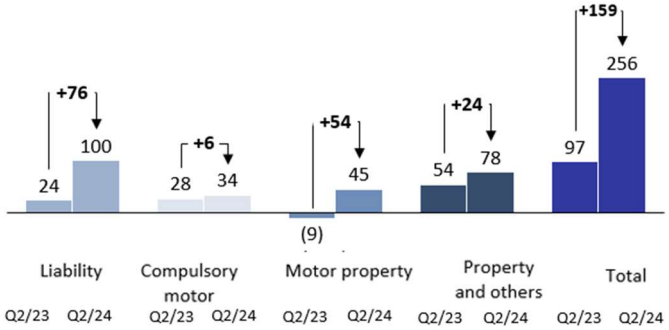


Following is the pre-tax underwriting income in the various subsegments of property and casualty insurance (P&C) for the reporting period compared with the corresponding period last year (in NIS million):

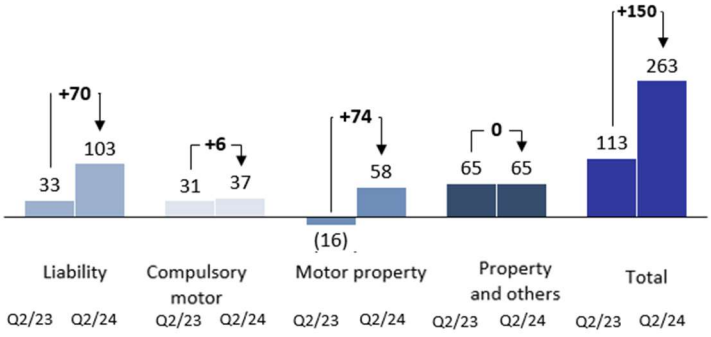


The increase in underwriting income in the reporting period compared to the corresponding period last year arises from the Motor Property Subsegment, as a result of an increase in the average premium and an improvement in the LR rate, from Other Property Subsegments as a result of an underwriting improvement across all subsegments, and from the Liability Subsegment as a result of a positive development in claims in respect of previous years, mainly in the Third-Party Liability Subsegment and Employers Liability Subsegment compared to an approx. NIS 40 million decrease in insurance liabilities in the corresponding period last year in the Sales Law Guarantee Subsegment. The decrease in income in the Compulsory Motor Subsegment stems mainly from a lower positive development in claims in respect of previous years compared to last year.

5.5.1.2 **Following is the pre-tax comprehensive income (loss) in the various subsegments of property and casualty insurance for the second quarter of 2024 compared with the corresponding quarter last year (in NIS million):**



5.5.1.3 **Following is the pre-tax underwriting income (loss) in the various subsegments of property and casualty insurance for the second quarter of 2024 compared with the corresponding quarter last year (in NIS million):**



The increase in underwriting income in the second quarter of the reporting period compared to the corresponding quarter last year arises mainly from the Motor Property Subsegment as a result of an increase in the average premium and an improvement in the LR rate, and from the Liability Subsegment, mainly as a result of a positive development in claims in respect of previous years in the Third-Party Liability Subsegment and Employers Liability Subsegment.

5.5.1.4 **Following is the gross loss ratio and combined ratio, and retention loss ratio in the Motor Property and Property and Other Subsegments:**

	Motor property (*)				
	In NIS million				
	1-6/2024	1-6/2023	4-6/2024	4-6/2023	1-12/2023
Gross loss ratio	67.8%	86.0%	70.8%	87.8%	79.2%
Retention loss ratio	67.8%	86.0%	70.8%	87.8%	79.2%
Gross combined ratio	89.0%	107.0%	93.4%	108.2%	101.6%
Retention combined ratio	89.0%	107.0%	93.4%	108.2%	101.6%

	Property and Other Subsegments				
	In NIS million				
	1-6/2024	1-6/2023	4-6/2024	4-6/2023	1-12/2023
Gross loss ratio	33.9%	63.5%	32.2%	45.8%	87.1%
Retention loss ratio	24.3%	37.0%	28.9%	38.1%	35.6%
Gross combined ratio	58.8%	90.0%	57.5%	71.6%	114.7%
Retention combined ratio	47.0%	68.7%	65.9%	69.4%	68.6%

(*) Includes UGL (excess value of illiquid assets); for further details, see Section 5.5.1 above.

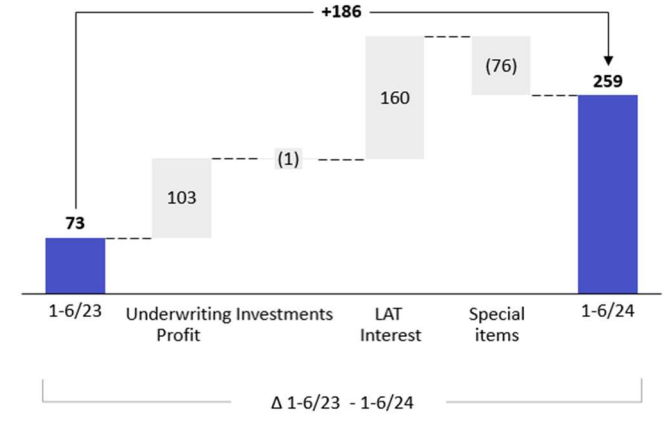
5.5.2 Health Insurance Segment

Investment profitability affects the profitability of this segment, some of whose products (such as long-term care coverage) are characterized by accrual of significant reserves over long periods. Investment income is affected by financial market fluctuations, as well as by changes in interest rates and the rate of change in the Israeli consumer price index, which affect the yields on liquid financial asset portfolios held against insurance and contingent claims reserves. It should be noted that at this stage, the Company has ceased to market long-term care insurance policies in view of the guaranteed return in long-term care insurance plans, and the complexity of the related reinsurance in this area.

The collective long-term care insurance agreement for members of Maccabi Healthcare Services expired on December 31, 2023. For further details, see Section 2.3.6 to the Description of the Corporation's Business Report.

In accordance with the provisions regarding the transfer of policyholders from "First Shekel" surgical procedures insurance policies (which came into force in 2016) to "Supplementary SHABAN" surgical procedures insurance policies, on June 1, 2024 the relevant policyholders were transferred to a "Supplementary SHABAN" coverage. Consequently, there was an increase in "Supplementary SHABAN" policies in the Company, which affected the surgical procedures insurance portfolio mix.

Following is the composition of the main effects and changes on the results of the Health Insurance Segment for the reporting period compared to the corresponding period last year (in NIS million):



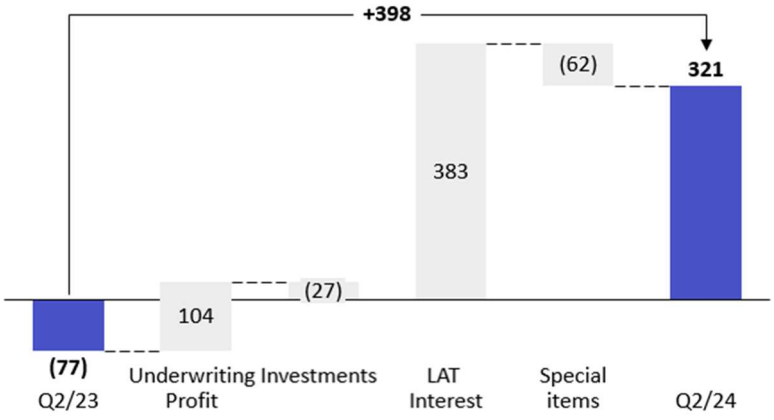
Results					
1-6/2024	198	2	79	(20)	259
1-6/2023	95	3	(81)	56	73

The increase in underwriting income in the reporting period compared to the corresponding period last year in the amount of approx. NIS 103 million is mainly due to an improvement in the LR rate, from an improvement in the individual health portfolio and improvement of the profitability of collectives.

The NIS 160 million increase in interest income in the reporting period compared to the corresponding period last year stems mainly from a decrease in insurance liabilities as a result of the increase in the discount rate in the reporting period compared to the increase in insurance liability as a result of the effect of the decrease in the discount rate in the corresponding period last year.

Furthermore, the results in the reporting period compared to the corresponding period last year were affected by the approx. NIS 76 million decrease in income in the special items line item; this decrease arises mainly from the adjustment of the individual long-term care reserve in the reporting period in respect of income implicit in the present value of current fees and commissions in respect of agencies owned by the Company, in view of the reduction to zero of the LAT reserve as of June 30, 2024. This decrease was partially offset against changes in assumptions, model revisions and other.

Following is a composition of the main effects and changes on the results of the Health Insurance Segment for the second quarter of 2024 compared to the corresponding quarter last year (in NIS million):

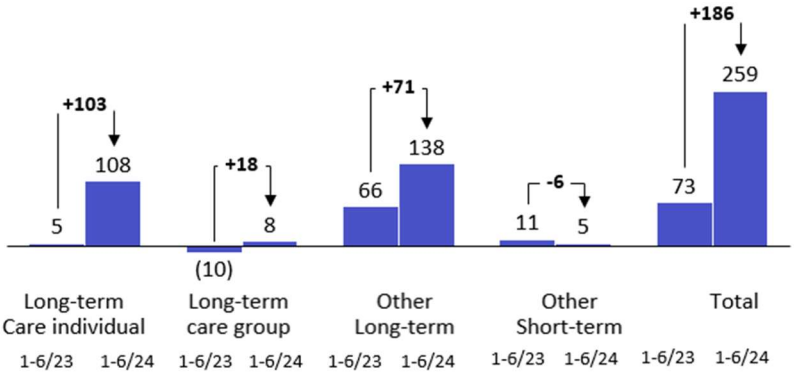


Results					
Q2-24	***163***	***(39)***	***196***	***1***	***321***
Q2-23	*59*	*(12)*	*(187)*	*63*	*(77)*

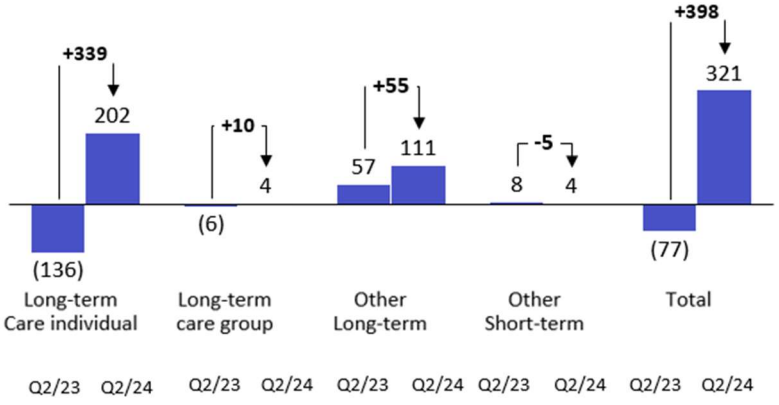
The increase in underwriting income in the second quarter of the reporting period compared to the corresponding quarter last year in the amount of approx. NIS 104 million is mainly due to an improvement in the LR rate, from an improvement in the individual health portfolio and improvement of profitability of collectives. The decrease of approx. NIS 27 million in investment revenue in the second quarter of the reporting period compared to the corresponding quarter last year stemmed mainly from higher adverse effects in financial markets in Israel and globally,

compared to the corresponding period last year, in relation to the mix of the portfolio against the segment's liabilities. The NIS 383 million increase in interest income in the second quarter of the reporting period compared to the corresponding quarter last year stems mainly from the decrease in insurance liabilities as a result of the increase in the discount rate in the second quarter of the reporting period compared to a decrease in the illiquidity premium, which increased the insurance liabilities in the corresponding quarter last year. The approx. NIS 62 million decrease in the Special Items line item during the second quarter of the reporting period compared to the corresponding quarter last year is mainly due to the recognition of a one-off capital gain in the corresponding quarter last year as a result of assuming control in FNX Private Partnership.

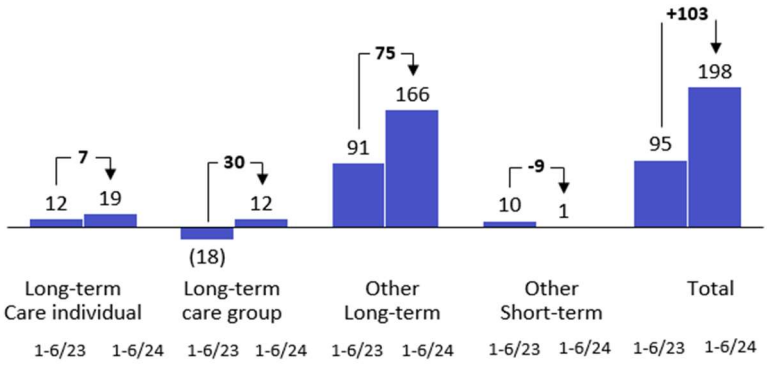
5.5.2.1 **Following is the pre-tax comprehensive income (loss) in the various Health Insurance subsegments for the reporting period compared with the corresponding period last year (in NIS million):**



5.5.2.2 **Following is the (pre-tax) comprehensive income (loss) in the various Health Insurance subsegments in the second quarter of the reporting period compared with the corresponding quarter last year (in NIS million):**

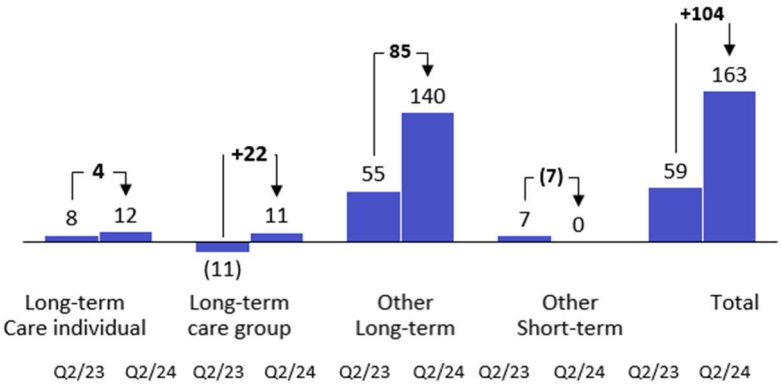


5.5.2.3 **Following is the pre-tax underwriting income (loss) in the various Health Insurance subsegments for the reporting period compared with the corresponding period last year (in NIS million):**



The increase in underwriting income in the reporting period compared to the corresponding period last year in the amount of approx. NIS 103 million is mainly due to an improvement in the LR rate and from an improvement in the individual health portfolio in the Other Long-Term Subsegment and improvement of profitability of collectives.

5.5.2.4 **Following is the pre-tax underwriting income (loss) in the various subsegments of health insurance in the second quarter of the reporting period compared with the corresponding quarter last year (in NIS million):**



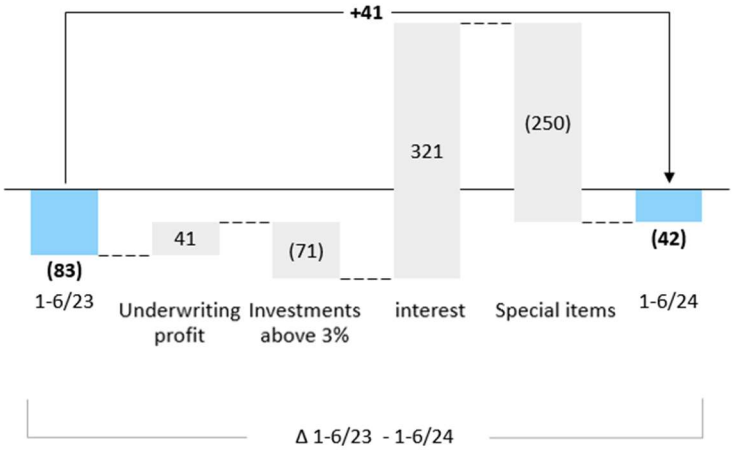
The increase in underwriting income in the reporting period compared to the corresponding period last year in the amount of approx. NIS 104 million is mainly due to an improvement in the LR rate and from an improvement in the individual health portfolio in the Other Long-Term Subsegment and improvement of profitability of collectives.

5.5.3 Life and Savings Segment

5.5.3.1 Investment profitability has a material effect on the profitability of this segment, which is characterized by accrual of significant reserves over long periods. Investment income is affected by financial market fluctuations, as well as by changes in interest rates and the rate of change in the Israeli consumer price index, which affect the yields on liquid financial asset portfolios held against insurance and contingent claims reserves. It should be noted that a significant portion of

the investment income was carried to participating policies and has no direct effect on the Company's results.

Following is the composition of the main effects and changes on the results of the Life Insurance Subsegment for the reporting period compared to the corresponding period last year (in NIS million):



Results					
1-6/2024	107	(241)	304	(212)	(42)
1-6/2023	66	(170)	(17)	38	(83)

The results in the reporting period compared to the corresponding period last year were affected mainly by an increase of approx. NIS 321 million in income as a result of the change in the discount rate and the increase in the expected return on the existing and expected asset portfolio, which led to revision of the assumptions as to the discount rates used to calculate the pension reserves, including the change in K factor.[3] This increase was partially offset against an approx. NIS 250 million decrease in income in the Special Items line item compared to the corresponding period last year, mainly as a result of an approx. NIS 186 million revision to the mortality tables assumptions, the filing of claims in life and disability insurance due to the Iron Swords War at the total amount of approx. NIS 20 million, and from revision of assumptions, model revisions, and provisions for class actions in the reporting period compared to the recognition of one-off capital gain from assuming control in Private Partnership in the corresponding period last year.

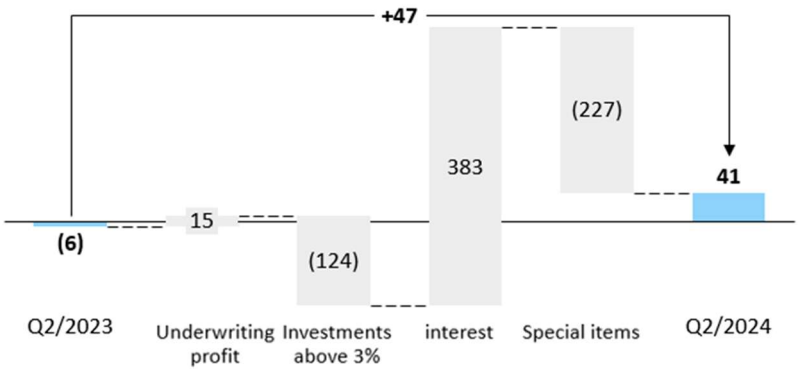
In addition, the results in the reporting period compared to the corresponding period last year were affected by an approx. NIS 41 million increase in underwriting income, which stemmed mainly from an increase in fixed management fees, which was partially offset against an increase in general and administrative expenses and a decrease in the profitability of individual life insurance. Furthermore, in the reporting period, the results were affected - compared with the corresponding period last year - by a decrease of approx. NIS 71 million in investment revenue in excess of a real return of 3%, which mainly arose from lower revenue on nostro investments. As of June 30, 2024, the effect

[3] The provision for the supplementary retirement pension reserve is made gradually using the K discount factor. For further details, see Note 8A in the Financial Statements.

of the decline in planholders' portfolios will lead to non-collection of future variable management fees in the amount of approx. NIS 264 million, before tax (as of the report publication date - approx. NIS 228 million before tax).

For further details regarding sensitivity to interest and CPI risks, see Note 8B to the Financial Statements.

Following is a composition of the main effects and changes on the results of the Life Insurance Subsegment for the second quarter of 2024 compared to the corresponding quarter last year (in NIS million):



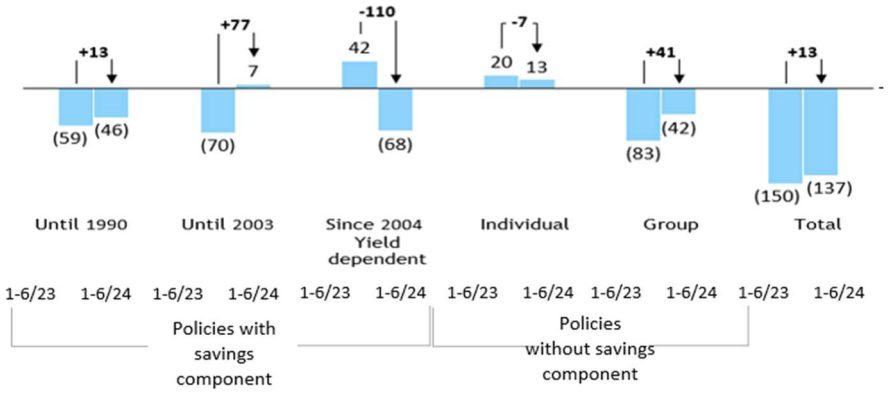
Results					
Q2-24	48	(169)	340	(178)	41
Q2-23	33	(45)	(43)	49	(6)

The results in the second quarter of the reporting period compared to the corresponding quarter last year were affected mainly by a NIS 383 million increase in profit as a result of the change in the risk-free interest rate curve and the change in the K[4] factor in the reporting period compared to the corresponding period last year. This increase was partially offset against an approx. NIS 227 million decrease in income in the Special Items line item compared to the corresponding quarter last year, mainly as a result of an approx. NIS 186 million revision of the mortality tables assumptions, the filing of claims in life and disability insurance due to the Iron Swords War at the total amount of approx. NIS 8 million, and from revision of assumptions, model revisions, and provisions for class actions in the reporting period compared to the corresponding period last year. In addition, the results in the second quarter of the reporting period compared to the corresponding quarter last year were affected by an approx. NIS 15 million increase in underwriting income, which stemmed mainly from an increase in fixed management fees, which was partially offset against an increase in general and administrative expenses.

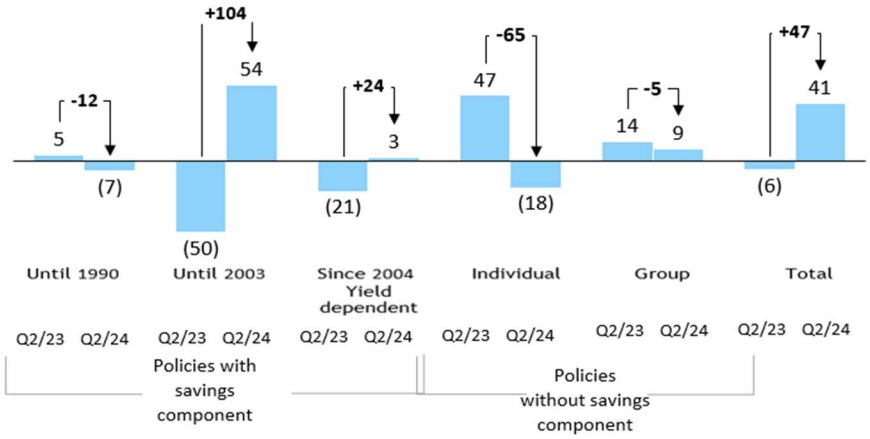
[4] The provision for the supplementary retirement pension reserve is made gradually using the K discount factor. For further details, see Note 8A in the Financial Statements.

Furthermore, in the second quarter of the reporting period, the results were affected - compared with the corresponding quarter last year - by a decrease of approx. NIS 124 million in investment revenue in excess of a real return of 3%, which mainly arose from lower revenues on nostro investments.

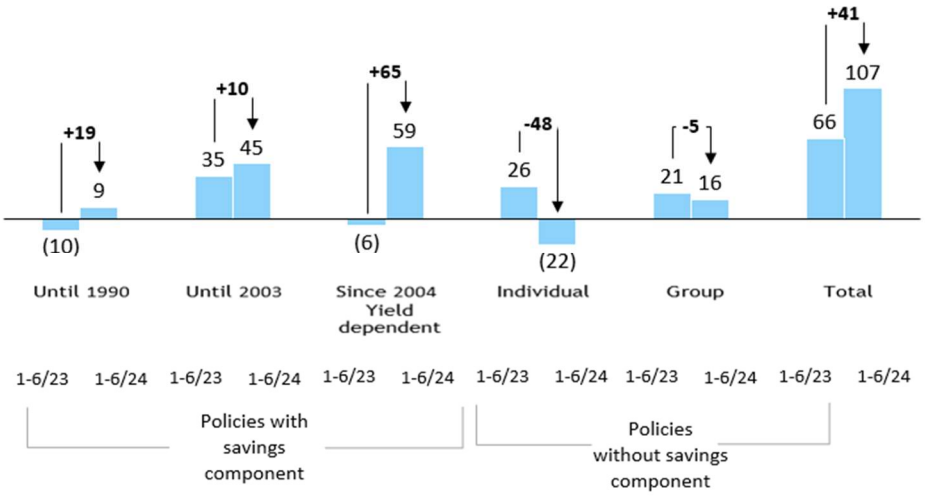
5.5.3.2 **Following is the results of the (pre-tax) comprehensive income (loss) in the Life Insurance subsegments for the reporting period compared with the corresponding period last year (in NIS million):**



5.5.3.3 **Following is the (pre-tax) comprehensive income (loss) in the various Life Insurance subsegments in the second quarter of the reporting period compared with the corresponding quarter last year (in NIS million):**

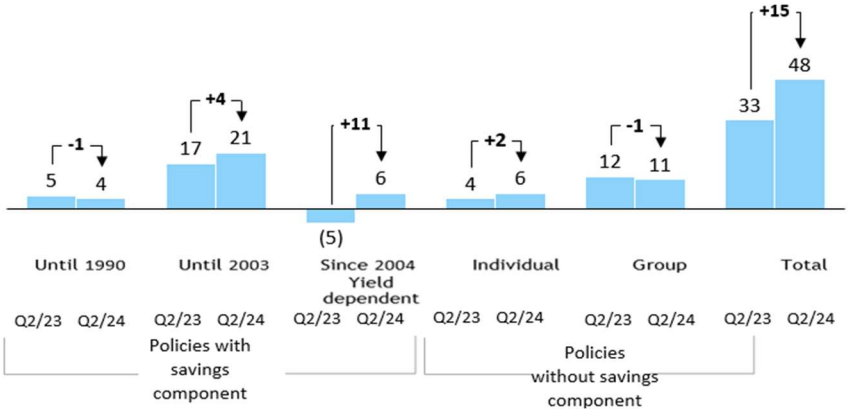


5.5.3.4 **Following is the pre-tax underwriting income (loss) in the various Life Insurance subsegments for the reporting period compared with the corresponding period last year (in NIS million):**



The increase of approx. NIS 41 million in underwriting income in the reporting period, compared to the corresponding period last year is attributed mainly to the increase in underwriting income in policies issued through 1990, as a result of the effect of the expenses, and in policies of 2004 - as a result of the increase in profitability from fixed management fees and the effect of the expenses; this increase was partially offset by a decrease in income from individual life insurance policies, due to the increase in LR and the effect of the expenses.

Following is the pre-tax underwriting income (loss) in the various Life Insurance subsegments in the second quarter of the reporting period compared with the corresponding quarter last year (in NIS million):



The increase of approx. NIS 15 million in underwriting income in the second quarter of the reporting period, compared to the corresponding quarter last year is attributed mainly to policies from 2004, as a result of increase in profitability from fixed management fees.

5.5.3.5 The rate of redemptions out of the average reserve (annualized) was approx. 6.4% compared with approx. 5.0% in the corresponding period last year. The increase stems mainly from increase in cancellations of investment policies due to changes in the capital market and from internal transfers to the provident funds of Phoenix Pension and Provident. It is noted that the general state of the economy, transition from product to product, employment rates, employees' wages, and market competition all affect this rate.

5.5.3.6 Following are details concerning estimated net investment income attributed to policyholders of yield-dependent insurance policies and management fees calculated according to the Insurance Commissioner's guidelines, based on the return and the insurance reserves balances:

	1-6/2024	1-6/2023	4-6/2024	4-6/2023	1-12/2023
	In NIS million				
Investment income (losses) credited to policyholders net of management fees	5,969	4,118	1,389	3,447	7,156
Management fees	327	296	159	147	611

(*) Excluding investment income credited (debited) to policyholders in the Health Insurance Segment.

5.5.3.7 **Weighted returns on participating policies**

Following are the nominal returns on participating policies in respect of policies issued from 1992 to 2003:

	Policies issued up to 2004 (Fund J)				
	1-6/2024	1-6/2023	4-6/2024	4-6/2023	1-12/2023
Nominal returns before payment of management fees	5.75%	4.21%	0.93%	3.77%	7.99%
Nominal returns after payment of management fees	5.45%	3.92%	0.78%	3.63%	7.39%
Real returns before payment of management fees	3.78%	1.71%	(0.67%)	2.38%	4.50%
Real returns after payment of management fees	3.48%	1.42%	(0.82%)	2.24%	3.92%

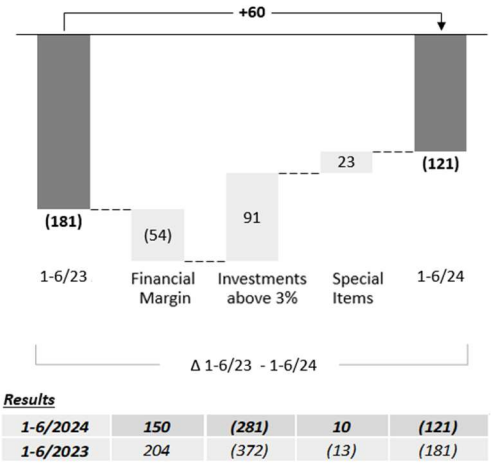
Fluctuations in these returns are a function of capital market returns in Israel and abroad, changes in the consumer price index, and changes in the exchange rate of the shekel against major currencies.

5.5.3.8 **Following are the nominal returns on yield-dependent insurance policies in respect of policies issued from 2004 and thereafter**

	Policies issued from 2004 and thereafter				
	1-6/2024	1-6/2023	4-6/2024	4-6/2023	1-12/2023
Nominal returns before payment of management fees	5.94%	4.56%	1.02%	3.72%	8.70%
Nominal returns after payment of management fees	5.48%	4.11%	0.81%	3.50%	7.74%
Real returns before payment of management fees	3.96%	2.05%	(0.59%)	2.33%	5.18%
Real returns after payment of management fees	3.51%	1.61%	(0.79%)	2.11%	4.26%

5.5.4 Other Equity Returns

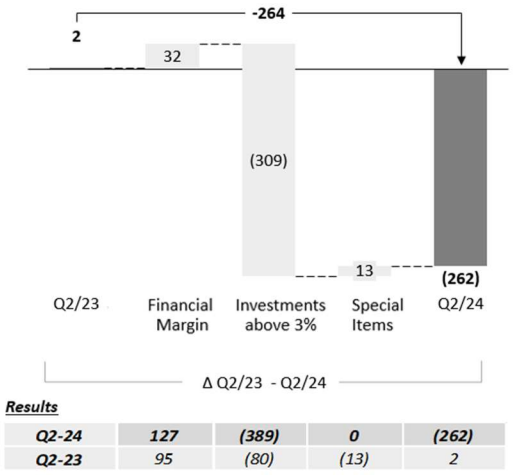
Following is the composition of the main effects and changes in Other Equity Returns for the reporting period compared to the corresponding period last year (in NIS million):



Results				
1-6/2024	150	(281)	10	(121)
1-6/2023	204	(372)	(13)	(181)

The decrease of approx. NIS 60 million in loss in the Other Equity Returns subsegment in the reporting period compared with the corresponding period last year stems mainly from lower declines in financial markets in Israel and globally compared with the corresponding period last year.

Following is the composition of the main effects and changes in Other Equity Returns for the second quarter of 2024 compared to the corresponding quarter last year (in NIS million):



Results				
Q2-24	127	(389)	0	(262)
Q2-23	95	(80)	(13)	2

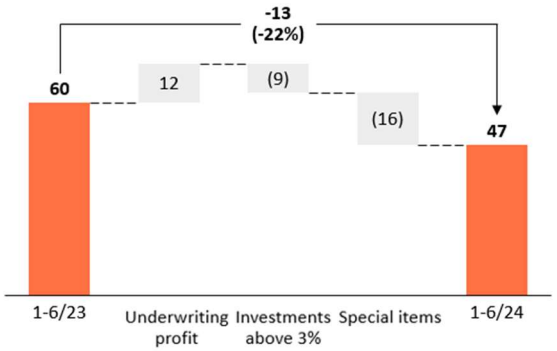
The results in the second quarter of the reporting period compared to the corresponding quarter last year were mainly affected by the decrease in investment revenue in excess of 3%, which totaled approx. NIS 309 million, in view of the lower downturns in financial markets in Israel and across the world compared to the corresponding quarter last year.

5.6 Description of developments in other core activities

5.6.1 Asset Management - Retirement (Pension and Provident)

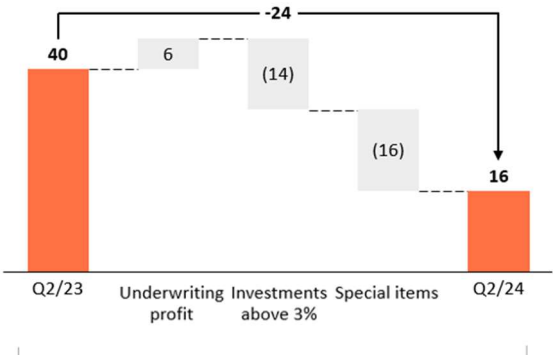
The Group manages various types of pension funds and provident funds through Phoenix Pension and Provident Fund. In addition, the Group manages - through Halman-Aldubi IEC Gemel Ltd. - the central provident fund for annuity of Israel Electric Corporation employees. As of the report date, the Company holds - directly and indirectly - 100% of the shares of Phoenix Pension and Provident, and 100% of the shares of Halman-Aldubi IEC Gemel Ltd.

Following is the composition of the main effects and changes on the results of the Asset Management - Retirement (Pension and Provident) Subsegment for the reporting period compared to the corresponding period last year (in NIS million):



Results				
1-6/2024	56	(9)	-	47
1-6/2023	44	0	16	60

Following is the composition of the main effects and changes on the results of the Asset Management - Retirement (Pension and Provident) Subsegment for the second quarter of 2024 compared to the corresponding quarter last year (in NIS million):



Results				
Q2-24	26	(10)	-	16
Q2-23	20	4	16	40

The decrease in profitability in the reporting period and in the second quarter compared to the corresponding periods last year arises mainly from recognition of a NIS 16 million one-off income in the Provident Subsegment in the reporting period and in the corresponding quarter last year from assuming control in Private Partnership.

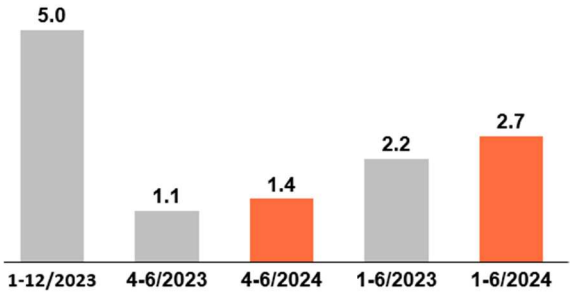
5.6.1.1 Provident Funds Subsegment

The Group manages provident funds and advanced education funds through Phoenix Pension and Provident, a wholly owned subsidiary of the Company, which manages benefits and severance pay funds, advanced education funds, a central benefits and severance pay fund, a guaranteed-return provident fund, an investment provident fund, a child long-term investment provident fund for savings, a self-directed benefits provident fund, and a personally managed advanced education fund.

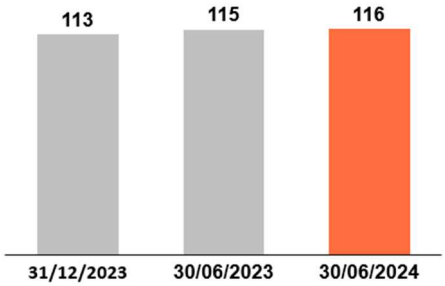
The pre-tax comprehensive income in the reporting period amounted to approx. NIS 40 million compared to approx. NIS 53 million during the corresponding period last year. The pre-tax comprehensive income in the second quarter in the reporting period amounted to approx. NIS 17 million compared to an income of approx. NIS 36 million in the corresponding quarter last year; most of the decrease in income compared to last year in the reporting period and in the second quarter arises from the recognition of a one-off earning of NIS 16 million in the corresponding period and quarter last year from assuming control in Private Partnership.

Following are developments in contributions towards benefits and total assets under management:

Contributions towards benefits (NIS billion)



Assets under management (NIS billion)



Based on Ministry of Finance data,[5] aggregate contributions towards benefits in the provident funds subsegment in the first three quarters of 2023 totaled approx. NIS 36.3 billion, compared to a total of approx. NIS 38.6 billion in the corresponding period last year, reflecting a decrease of approx. 6.4%. According to the Ministry of Finance data, as of June 30, 2023, total assets under management in the provident funds subsegment amounted to approx. NIS 695 billion, compared to approx. NIS 636 billion as of June 30, 2022, an increase of approx. 9.45%.

[5] Based on Gemel Net data.

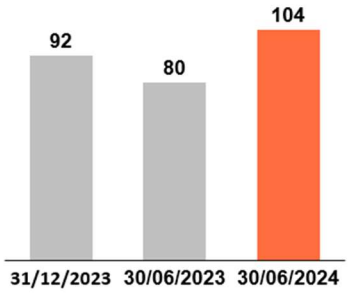
5.6.1.2 Pension Funds Subsegment

The Group's Pension Funds Subsegment is conducted through Phoenix Pension and Provident, a wholly-owned subsidiary of the Company.

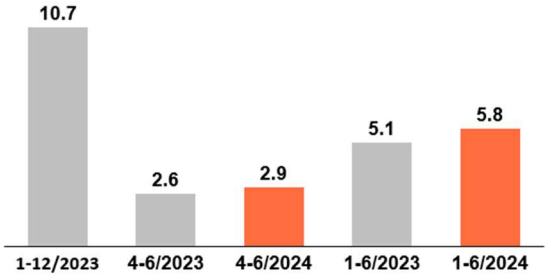
The pre-tax income in the reporting period amounted to approx. NIS 7 million compared with pre-tax income of approx. NIS 6 million in the corresponding period last year. The pre-tax comprehensive loss in the second quarter of the reporting period amounted to approx. NIS 1 million compared to an approx. NIS 3 million income during the corresponding quarter last year.

Following are developments in contributions towards benefits and total assets under management:

Contributions towards benefits (NIS billion)



Assets under management (NIS billion)



Based on Ministry of Finance data,[6] aggregate contributions towards benefits in the new comprehensive pension funds subsegment in the first three quarters of 2023 totaled approx. NIS 49.7 billion, compared to a total of approx. NIS 42.9 billion in the corresponding period last year, reflecting an increase of approx. 15.8%.

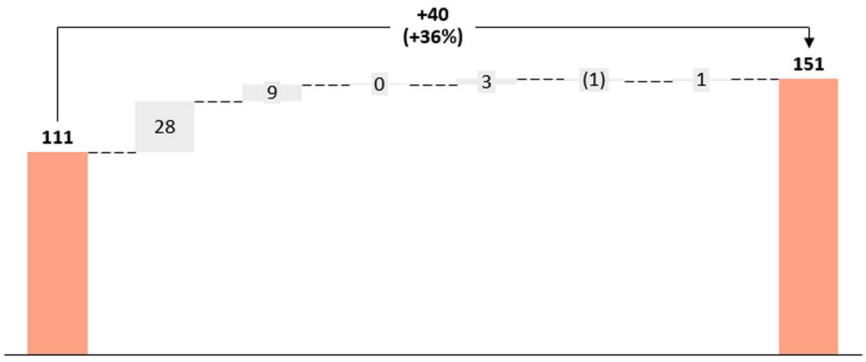
According to Ministry of Finance data, as of June 30, 2023, total assets under management in the new comprehensive pension funds subsegment amounted to a total of approx. NIS 695 billion, compared to approx. NIS 580 billion on June 30, 2022, an increase of approx. 20.0%.

5.6.2 Asset Management - Investment House and Wealth

The activity in this area is carried out mainly through Phoenix Investment House (formerly - Excellence Investments) through Phoenix Advanced Investments. For details regarding a planned restructuring see Section 1.3.7 above.

[6] Based on Pension Net data.

Following is the composition of the main effects and changes on the results of the Investment House and Wealth Segment for the reporting period compared to the corresponding period last year (in NIS million):



Results							
1-6/2024	56	86	8	7	4	(10)	151
1-6/2023	25	78	8	4	5	(9)	111

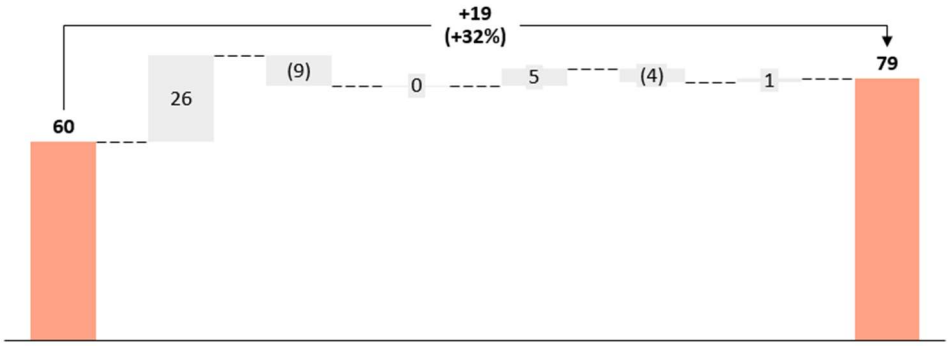
The approx. NIS 40 million increase in profitability in the reporting period compared to the corresponding period last year arises mainly from an approx. NIS 31 million improvement in the income in the Funds & Portfolios Subsegment, mainly as a result of the acquisition of Psagot's activity at the end of 2023, which was reflected in the reporting period.

Adjusted EBITDA[7] increased to NIS 222 million during the reporting period compared with NIS 168 million in the corresponding period last year.

As part of the implementation of the change described in Section 1.3.7 above, in August 2024 Phoenix Advanced Investments increased its share in the alternative investments activity by acquiring ownership interests from several partners in various companies operating in the area of Wealth and IRA.

[7] See Section 5.4.1.7 above.

Following is the composition of the main effects and changes on the results of the Investment House and Wealth Segment for the second quarter of 2024 compared to the corresponding quarter last year (in NIS million):

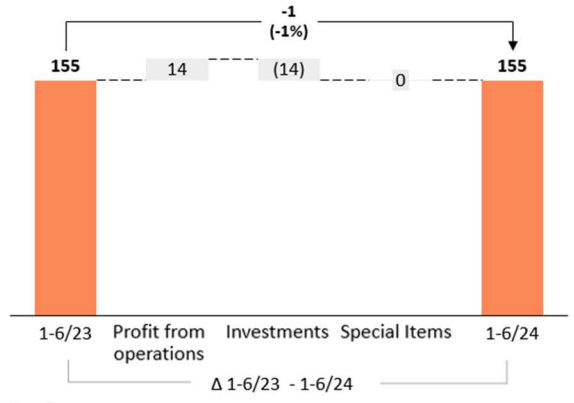


Results							
Q2-24	**41**	**37**	**4**	**6**	**(5)**	**(4)**	**79**
Q2-23	12	47	4	1	(1)	(3)	60

The approx. NIS 19 million increase in income in the second quarter of the reporting period compared to the corresponding quarter last year arises mainly from an improvement of approx. NIS 29 million in the income in the Funds & Portfolios Subsegment as a result of the acquisition of Psagot's activity; this income was partially offset against a decrease in income in the Brokerage Subsegment, mainly as a result of a decrease in the credit spread compared to the corresponding quarter last year.

5.6.3 Distribution (Agencies)

Following is the composition of the main effects and changes on the results of the Distribution (Agencies) Segment for the reporting period compared to the corresponding period last year (in NIS million):

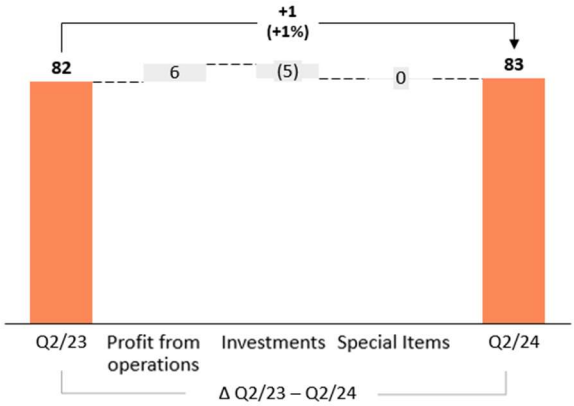


Results				
1-6/2024	**156**	**(1)**	**-**	**155**
1-6/2023	142	13	-	155

The increase in operating income in the reporting period compared to the corresponding period last year was offset against the effect of the decrease in net investment revenue and the deduction of finance expenses in the reporting period compared to last year. Adjusted EBITDA[8] increased to NIS 184 million during the reporting period compared with NIS 166 million in the corresponding period last year.

As to the option of introducing an international partner to Phoenix Agencies, see Section 1.3.8 above.

Following is the composition of the main effects and changes on the results of the Distribution (Agencies) Segment for the second quarter of 2024 compared to the corresponding quarter last year (in NIS million):



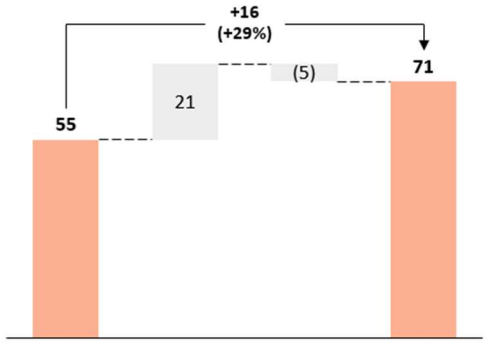
Results				
Q2-24	*82*	*1*	*-*	*83*
Q2-23	*76*	*6*	*-*	*82*

5.6.4 Credit Segment

In August 2023, Phoenix Investments executed a full tender offer in respect of Gama's shares; after the acquisition of all the offerees' shares, Gama became a privately-held company (reporting corporation), which is wholly-owned by Phoenix Investments.

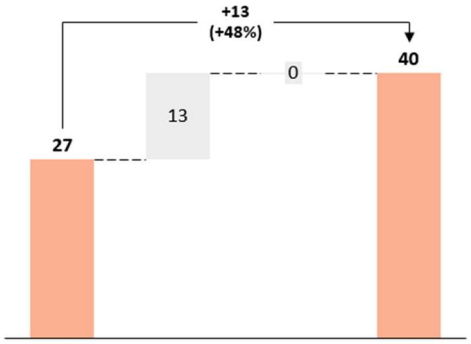
[8] See Section 5.4.1.7 above.

Following is the composition of the main effects and changes on the results of the Credit Segment subsegment for the reporting period compared to the corresponding period last year (in NIS million):



Results			
1-6/2024	*76*	*(5)*	*71*
1-6/2023	*55*	-	*55*

Following is the composition of the main effects and changes on the results of the Credit Segment for the second quarter of 2024 compared to the corresponding quarter last year (in NIS million):



Results			
Q2-24	*40*	-	*40*
Q2-23	*27*	-	*27*

The increase in operating income in the reporting period and the second quarter compared to the corresponding periods last year arises mainly from the consolidation - in Gama - of the results of the activity of Phoenix Construction Financing as from January 1, 2024, and from an increase in credit spreads in the reporting period compared to the corresponding period last year.

Adjusted EBITDA[8] increased to NIS 91 million in the reporting period compared to NIS 64 million in the corresponding period last year. In the reporting period, Gama experienced a further decline in demand for credit by businesses and developers. Furthermore, in such a period, Gama - in its capacity as an entity providing credit to companies and businesses - is extremely cautious in its assessment of the credit it provides and weighs the increase in the credit risk arising from the above

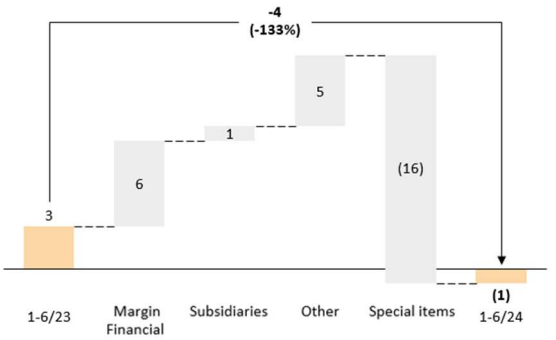
alongside the protracted War and uncertainty as to the macroeconomic consequences. The above affects the development of the growth rate of the Company's credit portfolio and is expected to continue to have an effect in the future as well.

On April 16, 2024, Mr. Ariel Genut ceased serving as a director and CEO in Gama (for further details, see the Company's immediate reports dated April 16, 2024 (Ref. No. 2024-01-038563). On April 10, 2024, Gama announced the appointment of a Company CEO - Mr. Adiri Ben Zion - as from July 1, 2024.

For details regarding a planned restructuring and the transfer of a consumer credit company to Gama's control, see Section 1.3.7 above.

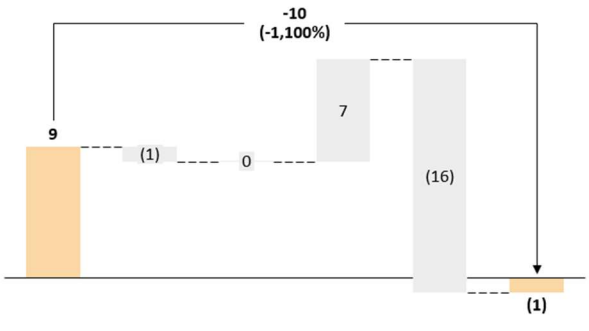
5.6.5 Other segments and operation not attributed to the operating segments

Following is the composition of the main effects and changes on the results of the Other Segment and activity that is not attributed to operating segments in the reporting period compared to the corresponding period last year (in NIS million, before tax):



Results					
1-6/2024	14	-	(15)	-	(1)
1-6/2023	8	(1)	(20)	16	3

Following is the composition of the effects on the Other Segment and activity that is not attributed to operating segments in the second quarter of 2024 compared to the corresponding quarter last year (in NIS million before tax):



Results					
Q2-24	4	-	(5)	-	(1)
Q2-23	5	-	(12)	16	9

The results in the reporting period and in the second quarter compared to the corresponding periods last year were mainly affected by an approx. NIS 6 million increase and an approx. NIS 1 million decrease, respectively, in the financial margin, and from an approx. NIS 16 million one-off capital gain in the corresponding period last year as a result of buyback of bonds.

5.7 Analysis of cash flow development

5.7.1 The cash flow for the first three quarters of 2023

The consolidated cash flows provided by operating activities in the reporting period amounted to approx. NIS 1,178 million. The consolidated cash flows used for investing activities in the reporting period amounted to approx. NIS 804 million and included mainly a total of approx. NIS 321 million used to purchase intangible assets and to capitalize costs of intangible assets, approx. NIS 425 million used to acquire the non-controlling interests in associates, and a total of approx. NIS 170 million used to purchase property, plant, and equipment.

The consolidated cash flows provided by financing activities in the reporting period amounted to approx. NIS 1,385 million; the cash flows included, among other things, a total of approx. NIS 1,325 million arising from a REPO liability, a total of approx. NIS 714 million used to repay financial liabilities, and a total of approx. NIS 265 million used for distributing a dividend to the shareholders. The Group's cash and cash-equivalent balances increased from a total of approx. NIS 22,357 million at the beginning of the reporting period to approx. NIS 21,346 million at the end of the reporting period.

5.7.2 Sources of financing and liquidity

For liquidity purposes, the Company relies, among other things, on net financial assets and on dividend distribution by some of its investees. Following is a breakdown of the material investees for liquidity purposes.

It is hereby clarified that some of the investees are subject to regulatory provisions in addition to the distribution restrictions set in the Companies Law, 1999:

A. Phoenix Insurance - the dividends from Phoenix Insurance depend on the solvency ratio target set by the Board of Directors, which is higher than the minimum target set by the Banking Supervision Department; the dividends also depend on the policy set by the Board of Directors of Phoenix Insurance, see Section 2.1 above.

   For the purpose of making a conservative assessment of the Company's future cash flows, the Company assumes a payment of dividend by Phoenix Insurance to the Company in accordance with the work plan.

   The Company considers its holding in a Restricted Tier 1 capital instrument of Phoenix Insurance as a source of liquidity and classifies this holding as a financial investment (for further details, see Section 1.3.5 above).

B. Phoenix Pension and Provident - the dividend paid by Phoenix Pension and Provident depends on the capital requirements set by the Banking Supervision Department, and the dividend distribution policy of Phoenix Pension and Provident. The Company does not expect payment of dividend by Phoenix Pension and Provident in the next two years. However, for purposes of the future cash flow, the Company takes into account the repayment of the loan it extended to Phoenix Pension and Provident.

Furthermore, the Company controls the following entities which are not subject to special Regulatory Restrictions in addition to the Companies Law:

A. Phoenix Agencies - for information about the agencies transaction, see Section 1.3.8.

B. Phoenix Investments - the Company presents the net financial assets of Phoenix Investments as part of its net financial assets. The Company assumes a payment of dividend by Excellence to Phoenix Investments in accordance with the work plan.

It is noted that such work plans are reflected in the Company's targets as stated in Section 4 above.

Following is a table providing a breakdown of the net financial debt (the table includes the following companies: the Company, Phoenix Investments and Phoenix Agencies (for information regarding the restructuring in Phoenix Agencies, see Section 1.3.11 above) and does not include Phoenix Insurance and Phoenix Pension and Provident, which are subject to Regulatory Restrictions in addition to the distribution restrictions set out in the Companies Law, 1999):

	As of June 30 2024	As of June 30 2023	As of December 31 2023
	NIS thousand		
Financial assets			
Cash and cash equivalents	135	245	525
Other financial investments(*)	1,674	1,094	1,447
Total assets	1,810	1,339	1,971
Less current maturities			
Financial liabilities - current (*)	49	71	68
Current financial assets net of current maturities	**1,761**	**1,268**	**1,903**
Non-current financial liabilities			
Non-current financial liabilities	2,133	1,473	1,829
Other liabilities	-	-	-
Total liabilities	2,133	1,473	1,829
Net financial debt	**(372)**	**(205)**	**74**
LTV(**)	**4%**	**2%**	**-**

(*) Other financial investments include an investment in a Restricted Tier 1 capital instrument of Phoenix Insurance, which is traded on the Tel Bond Index, amounting to NIS 1,223 million, after the sale of approx. NIS 141 million in par value (fair value as of June 30, 2024 - approx. NIS 1,202 million).

(**) The Company LTV is calculated as net financial debt as described above, in relation to the Company's market value as of June 30, 2024. For the calculation of LTV in accordance with financial covenants, see Section 9.2 below.

6. Market risks and management thereof

Generally, during the reporting period there were no material changes in the exposure to market risks and the manner of management of those risks compared to what is described in the 2024 Periodic Report, except as follows:

During the second quarter of 2024, the Company sold part of the investment in Bonds (Series L) of Phoenix Insurance by Phoenix Financial. The sale amounted to NIS 141.5 million in p.v. bonds linked to the CPI, which bear unlinked annual interest, as stated above, at the rate of 0.44%, which is paid in two annual payments by 2030. Following the sale, there has been a change in the exposure to CPI-linked interest relative to the data as of June 30, 2024.

The following table summarizes the results of the sensitivity tests to the linked interest rate on profit before tax, as of in June 30, 2024. The results are presented in NIS million, and do not include the insurance company:

Type of instrument	Profit (loss) from changes in the risk factor			Fair value	Profit (loss) from changes in the risk factor		
	Absolute increase of 2%	10% increase	5% increase		5% decrease	Decrease of 10%	Absolute decrease of 2%
Government bonds	(1.5)	(0.1)	(0.0)	10.4	0.0	0.1	1.5
Corporate bonds	(6.6)	(0.4)	(0.3)	96.9	0.2	0.4	7.2
Capital note to the insurance company	(51.1)	(3.2)	(1. 6)	1,142.0	1.6	3.2	54.7
Total assets	**(59.3)**	**(3.7)**	**(1.9)**	**1,249.4**	**1.9**	**3.7**	**63.4**
Phoenix bonds	49.7	3.2	1.6	(819.0)	(1.6)	(3.2)	(55.1)
Total liabilities	**49.7**	**3.2**	**1.6**	**(819.0)**	**(1.6)**	**(3.2)**	**(55.1)**
Total	**(9.6)**	**(0.5)**	**(0.3)**	**430.4**	**0.2**	**0.5**	**8.4**

Assumptions underlying the calculations

Fair value: Fair value was calculated using the discounted cash flow model, using the suitable interest rate for the cash flow period. The discount rate was calculated based on the market interest rate for the cash flow period, plus the risk premium derived from the security's rating.

Scenarios: For the interest risk, the calculation was based on absolute increase/decrease of 2% during the course of a day. This scenario was selected after a study of the yield curve database found that in the past 10 years, no absolute change exceeding 2% was observed in any single day. Scenario outcomes were calculated at the single asset level, so as to avoid distorting results by aggregating different instruments.

Linkage bases of assets and liabilities in the consolidated balance sheet (in NIS thousand) as of June 30, 2024

	NIS								
	Non-linked	CPI-linked	Foreign currency	Other non-monetary items	pension companies in	Credit company in Israel	ETNs - linkage to various indices	Israeli insurance company	Total
Intangible Assets	-	-	-	2,266,169	487,013	15,355	-	1,071,579	3,840,116
Deferred tax assets	-	-	-	83,783	202	13,018	-	1,035	98,038
Deferred acquisition costs	-	-	-	-	1,191,063	-	-	1,582,580	2,773,643
Property, plant & equipment	-	-	-	231,809	1,342	17,012	-	1,408,932	1,659,095
Investments in investees	37,239	22,761	280,347	197,752	-	-	-	1,458,554	1,996,653
Investment property in respect of yield-dependent contracts	-	-	-	-	-	-	-	2,324,446	2,324,446
Investment property - other	-	-	-	-	-	-	-	1,267,814	1,267,814
Reinsurance assets	-	-	-	-	-	-	-	4,073,853	4,073,853
Credit for purchase of securities	666,000	-	87,000	-	-	-	-	-	753,000
Current tax assets	-	22,420	-	-	4,482	1,405	-	-	28,307
Receivables and debit balances	299,263	-	512	-	67,143	12,354	-	609,131	988,403
Premiums collectible	-	-	-	-	-	-	-	931,970	931,970
Financial investments in respect of yield-dependent contracts	-	-	-	-	-	-	-	83,620,829	83,620,829
Financial investments for holders of notes, ETNs, short ETNs, composite ETNs, deposit certificates and structured bonds	-	-	-	-	-	-	159,000	-	159,000
Credit in respect of factoring, acquiring and financing	-	-	-	-	-	4,445,491	-	-	4,445,491
Liquid debt assets	118,505	36,230	-	-	186,091	-	-	5,309,444	5,650,270
Illiquid debt assets	179,688	483,629	264,000	-	955,584	-	-	14,356,888	16,239,789
Shares	-	-	-	152,710	26,652	-	-	2,319,809	2,499,171
Other	2,000	-	44,151	11,832	30,583	-	-	5,840,955	5,929,521
Cash and cash equivalents in respect of yield-dependent contracts	-	-	-	-	-	-	-	18,685,733	18,685,733
Other cash and cash equivalents	399,662	-	50,008	-	127,543	10,411	-	2,072,350	2,659,974
					-	-			
Total assets	**1,702,357**	**565,040**	**726,018**	**2,944,055**	**3,077,698**	**4,515,046**	**159,000**	**146,935,902**	**160,625,116**
Liabilities in respect of insurance contracts and non-yield-dependent investment contracts	-	-	-	-	1,078,994	-	-	24,995,417	26,074,411
Liabilities in respect of insurance contracts and yield-dependent investment contracts	-	-	-	-	-	-	-	103,511,823	103,511,823
Liabilities in respect of deferred taxes	-	-	-	28,688	91,693	-	-	595,120	715,501
Liability for employee benefits, net	32,911	-	-	-	-	7,339	-	55,354	95,604
Liability in respect of current taxes	-	32,062	-	-	42	4,294	-	49,075	85,473
Payables and credit balances	387,460	-	250	-	139,322	55,904	-	3,254,277	3,837,213
Liabilities for notes, ETNs, short ETNs, composite ETNs and structured bonds	-	-	-	-	-	-	158,000	-	158,000
Payable dividend	-	-	-	-	-	-	-	-	-
Financial liabilities (*)	2,763,031	952,516	603,544	-	475,879	3,584,906	-	6,568,939	14,948,815
Total liabilities	**3,183,402**	**984,578**	**603,794**	**28,688**	**1,785,930**	**3,652,443**	**158,000**	**139,030,005**	**149,426,840**
Total exposure	**(1,481,045)**	**(419,538)**	**122,224**	**2,915,367**	**1,291,768**	**862,603**	**1,000**	**7,905,897**	**11,198,276**

(*) Against CPI-linked financial liabilities, the Company holds Series PHONIX B12 Bonds, which is CPI-linked.

Linkage bases of assets and liabilities in the consolidated balance sheet (in NIS thousand) as of June 30, 2023

	NIS								
	Non-linked	CPI-linked	Foreign currency	Other non-monetary items	pension companies in	companies in Israel	ETNs - linkage to various indices	Israeli insurance company	Total
Intangible Assets	-	-	-	1,830,784	476,861	10,618	-	1,008,191	3,326,454
Deferred tax assets	-	-	-	80,623	779	10,036	-	6,448	97,886
Deferred acquisition costs	-	-	-	-	1,034,541	-	-	1,619,991	2,654,532
Property, plant & equipment	-	-	-	147,634	2,100	10,792	-	1,077,415	1,237,941
Investments in investees	23,439	19,929	-	140,995	-	-	-	1,456,411	1,640,774
Investment property in respect of yield-dependent contracts	-	-	-	-	-	-	-	2,206,935	2,206,935
Investment property - other	-	-	-	-	-	-	-	1,186,334	1,186,334
Reinsurance assets	-	-	-	-	-	-	-	3,604,340	3,604,340
Credit for purchase of securities	644,000	-	111,000	-	-	-	-	-	755,000
Current tax assets	-	20,815	-	-	2	6	-	226,554	247,377
Receivables and debit balances	415,725	-	8,013	-	48,818	7,574	-	446,532	926,662
Premiums collectible	-	-	-	-	-	-	-	1,026,855	1,026,855
Financial investments in respect of yield-dependent contracts	-	-	-	-	-	-	-	80,603,591	80,603,591
Financial investments for holders of notes, ETNs, short ETNs, composite ETNs, deposit certificates and structured bonds	-	-	-	-	-	-	194,000	-	194,000
Credit in respect of factoring, acquiring and financing	-	-	-	-	-	3,488,853	-	-	3,488,853
Liquid debt assets	9,815	14,417	203	-	140,828	-	-	5,646,108	5,811,371
Illiquid debt assets	502,511	529,446	29,000	-	937,552	12,003	-	15,276,930	17,287,442
Shares	-	-	-	293,821	14,820	-	-	1,909,806	2,218,447
Other	-	-	17,149	55,096	51,722	-	-	5,512,779	5,636,746
Cash and cash equivalents in respect of yield-dependent contracts	-	-	-	-	-	-	-	18,728,467	18,728,467
Other cash and cash equivalents	460,532	-	63,000	-	90,583	33,191	-	2,065,752	2,713,058
					-	-			
Total assets	**2,056,022**	**584,607**	**228,365**	**2,548,953**	**2,798,606**	**3,573,073**	**194,000**	**143,609,439**	**155,593,065**
Liabilities in respect of insurance contracts and non-yield-dependent investment contracts	-	-	-	-	1,045,054	-	-	24,477,836	25,522,890
Liabilities in respect of insurance contracts and yield-dependent investment contracts	-	-	-	-	-	-	-	100,075,110	100,075,110
Liabilities in respect of deferred taxes	-	-	-	35,623	85,469	-	-	426,280	547,372
Liability for employee benefits, net	24,105	-	-	-	-	4,208	-	47,185	75,498
Liability in respect of current taxes	-	57,186	-	-	4,798	9,491	-	5,636	77,111
Payables and credit balances	482,763	-	429	-	93,776	42,378	-	3,566,793	4,186,139
Liabilities for notes, ETNs, short ETNs, composite ETNs and structured bonds	-	-	-	-	-	-	193,000	-	193,000
Payable dividend	-	-	-	-	-	-	-	-	-
Financial liabilities (*)	2,329,576	912,655	142,000	-	2,817	3,027,610	-	7,998,480	14,413,138
Total liabilities	**2,836,444**	**969,841**	**142,429**	**35,623**	**1,231,914**	**3,083,687**	**193,000**	**136,597,320**	**145,090,258**
Total exposure	**(780,422)**	**(385,234)**	**85,936**	**2,513,330**	**1,566,692**	**489,386**	**1,000**	**7,012,119**	**10,502,807**

(*) Against CPI-linked financial liabilities, the Company holds Series PHONIX B12 Bonds, which is CPI-linked.

Linkage bases of assets and liabilities in the consolidated balance sheet (in NIS thousand) as of December 31, 2023

	NIS								
	Non-linked	CPI-linked	Foreign currency	Other non-monetary items	pension companies in	Credit company in Israel	ETNs - linkage to various indices	Israeli insurance company	Total
Intangible Assets	-	-	-	2,031,620	495,623	12,916	-	1,057,709	3,597,868
Deferred tax assets	-	-	-	98,043	-	10,055	-	1,232	109,330
Deferred acquisition costs	-	-	-	-	1,149,413	-	-	1,536,857	2,686,270
Property, plant & equipment	-	-	-	135,009	1,706	39,922	-	1,283,755	1,460,392
Investments in investees	-	-	-	184,695	-	-	-	1,467,137	1,651,832
Investment property in respect of yield-dependent contracts	-	-	-	-	-	-	-	2,283,063	2,283,063
Investment property - other	-	-	-	-	-	-	-	1,238,524	1,238,524
Reinsurance assets	-	-	-	-	-	-	-	4,028,261	4,028,261
Credit for purchase of securities	637,000	-	80,000	-	-	-	-	-	717,000
Current tax assets	-	13,844	-	-	-	5	-	143,813	157,662
Receivables and debit balances	112,575	-	-	-	69,477	4,025	-	861,015	1,047,092
Premiums collectible	-	-	-	-	-	-	-	998,295	998,295
Financial investments in respect of yield-dependent contracts	-	-	-	-	-	-	-	82,817,937	82,817,937
Financial investments for holders of notes, ETNs, short ETNs, composite ETNs, deposit certificates and structured bonds	-	-	-	-	-	-	173,000	-	173,000
Credit in respect of factoring, acquiring and financing	-	-	-	-	-	3,700,349	-	-	3,700,349
Liquid debt assets	13,550	23,804	-	-	192,694	-	-	5,543,389	5,773,437
Illiquid debt assets	515,151	484,326	-	-	938,313	-	-	14,656,131	16,593,921
Shares	-	-	-	96,873	14,888	-	-	2,175,831	2,287,592
Other	-	-	29,804	21,561	35,407	-	-	6,029,562	6,116,334
Cash and cash equivalents in respect of yield-dependent contracts	-	-	-	-	-	-	-	19,303,547	19,303,547
Other cash and cash equivalents	860,754	-	35,008	-	58,080	14,667	-	2,084,514	3,053,023
					-	-			
Total assets	**2,139,030**	**521,974**	**144,812**	**2,567,801**	**2,955,601**	**3,781,939**	**173,000**	**147,510,572**	**159,794,729**
Liabilities in respect of insurance contracts and non-yield-dependent investment contracts	-	-	-	-	1,063,094	-	-	24,534,102	25,597,196
Liabilities in respect of insurance contracts and yield-dependent investment contracts	-	-	-	-	-	-	-	102,973,291	102,973,291
Liabilities in respect of deferred taxes	-	-	-	34,489	88,789	-	-	641,044	764,322
Liability for employee benefits, net	24,867	-	-	-	-	6,541	-	42,998	74,406
Liability in respect of current taxes	-	65,539	-	-	3,497	4,977	-	395	74,408
Payables and credit balances	502,310	-	-	-	-	61,615	-	3,105,240	3,669,165
Liabilities for notes, ETNs, short ETNs, composite ETNs and structured bonds	-	-	-	-	-	-	171,000	-	171,000
Payable dividend	-	-	-	-	-	-	-	-	-
Financial liabilities (*)	2,392,420	1,026,119	101,000	-	449,884	3,193,170	-	8,413,316	15,575,909
Total liabilities	**2,919,597**	**1,091,658**	**101,000**	**34,489**	**1,605,264**	**3,266,303**	**171,000**	**139,710,386**	**148,899,697**
Total exposure	**(780,567)**	**(569,684)**	**43,812**	**2,533,312**	**1,350,337**	**515,636**	**2,000**	**7,800,186**	**10,895,032**

(*) Against CPI-linked financial liabilities, the Company holds Series PHONIX B12 Bonds, which is CPI-linked.

8. Corporate Governance Aspects

8.1 Effectiveness of Internal Control over Financial Reporting and Disclosure

8.1.1 Securities Regulations

Amendment No. 3 to the Securities Regulations (Periodic and Immediate Reports), 2009 (hereinafter - "ISOX"), which deals with internal controls over financial reporting and the disclosure thereof (hereinafter - the "**Regulations**"), was published in December 2009. The amendment enacts a number of changes aimed at improving the quality of financial reporting and disclosure by reporting corporations.

As from the publication date of the ISOX amendment, and as detailed in the Company's previous Reports of the Board of Directors, the Company has acted and is acting on an ongoing basis to implement the required procedure in Phoenix group in accordance with the provisions of the ISOX amendment. In accordance with the provisions of the ISOX amendment, the Company opted to implement to the internal controls of all of its consolidated institutional entities the provisions of the circulars of the Commissioner of the Capital Market, Insurance and Savings applicable thereto - the Institutional Entities Circular 2009-9-10, "Management's Responsibility for Internal Control over Financial Reporting"; Institutional Entities Circular 2010-9-6, "Management's Responsibility for Internal Control over Financial Reporting - Amendment"; Circular 2010-9-7 "Internal Control over Financial Reporting - Statements, Reports and Disclosures" (hereinafter - "**Management's Responsibility Circulars**").

The reports and statements required in accordance with the ISOX amendment are attached below to the periodic Financial Statements, see Part 5 - Report on the Effectiveness of Internal Controls over Financial Reporting and Disclosure.
The processes relating to the activities of institutional entities are also addressed in the Insurance Commissioner's Circulars, see Section 8.1.2 below.

8.1.2 Insurance Commissioner's Circulars

Alongside the process described in Section 8.1.1 above, the Phoenix group's institutional entities apply the provisions of Management's Responsibility Circulars pertaining to controls and procedures regarding disclosure and internal controls over financial reporting of an institutional entity, and implement the procedures required in connection therewith, as detailed below; this is done in accordance with the stages and dates set out in the abovementioned circulars and in collaboration with external consultants engaged for that purpose. As part of this process, the Group's institutional entities adopted the internal control model of COSO - the Committee of Sponsoring Organization of the Treadway Commission - which is a generally accepted framework for assessment of internal controls.

- **Disclosure controls and procedures**

  Managements of the institutional entities, together with their CEOs and CFOs, assessed the effectiveness of the controls and procedures concerning the said institutional entities' disclosure in their Financial Statements as of the end of the period covered in this report. Based on this assessment, the CEOs and CFOs of the institutional entities in the Phoenix group concluded that, as of the end of this period, the controls and procedures as to the institutional entities' disclosure are sufficiently effective for recording, processing, summarizing, and reporting the information that the institutional entities are required to disclose in their quarterly report in accordance with the provisions of the law and the reporting provisions set by the Commissioner of the Capital Market, Insurance, and Savings and on the date set out in these provisions.

- **Internal control over financial reporting**

  During the reporting period ending June 30, 2024, no changes took place in the internal control over financial reporting of the Group's institutional entities that had a material effect, or is expected to have a material effect, on the institutional entities' internal control over financial reporting. Furthermore, the Group's institutional entities are improving and streamlining processes and/or internal controls and/or customer service.

  The Financial Statements relating to the relevant processes are attached to the Financial Statements of Phoenix group's institutional entities, in accordance with the provisions of Management's Responsibility Circulars.

8.2 Disclosure on the Financial Statements' approval process in a reporting entity

Pursuant to the Israel Securities Authority's directive on disclosures required in the Report of the Board of Directors as to the Financial Statements' approval process in a reporting entity, the corporate organs charged with governance in the corporation should be identified, and disclosure must be made of the procedures implemented by those charged with governance in the corporation, prior to the Financial Statements' approval. The directive does not apply to insurance companies. The Group's institutional entities are subject to the Supervisor's directives, and accordingly follow Sections 404 and 302 to the Sarbanes-Oxley Act of 2002 (hereinafter - "**SOX**"), including review of work processes and internal controls in institutional entities. The Financial Statements of the said institutional entities include managers' statements as to the fairness of the financial data presented in the Financial Statements and the existence and effectiveness of internal controls in relation to these Financial Statements. For further details, see Section 5.4 to the Report on the Corporation's Business.

As part of the review of the financial results, meetings are held which are attended by the CEO, the CFO, division heads and other relevant officers, in which participants discuss material issues concerning financial reporting, including material transactions outside the ordinary course of business, material valuations used in the Financial Statements, the reasonability of the data and the accounting policies applied.

The Company's Board of Directors is the organ charged with governance and approval of the Financial Statements. The Company's Board of Directors has appointed a Financial Statements Review Committee (hereinafter - the "**Balance Sheet Committee**" or the "**Committee**"); the Committee submits to the Board of Directors its recommendations concerning the approval of the Financial Statements, prior to their approval by the Board. The Committee is not an Audit Committee.

9. Disclosure Provisions Relating to the Corporation's Financial Reporting

9.1 Events subsequent to the balance sheet date

For further details regarding events subsequent to the balance sheet date, see Note 9 to the Financial Statements.

9.2 Dedicated disclosure for the Company's bond holders

Series/issuance date	Bonds (Series 4)	Bonds (Series 5)	Bonds (Series 6)
Rating agency	Midroog / Maalot	Midroog / Maalot	Midroog / Maalot
Rating as of the report date	Aa2.il / ilAA	Aa2.il / ilAA	Aa2.il / ilAA
Par value on issuance date	NIS 487,564,542	NIS 957,578,000	NIS 737,650,000
Interest type	Unlinked	CPI-linked	Unlinked
Nominal interest	The Bank of Israel's variable quarterly interest rate plus a 1.28% spread	0.44%	1.94%
Effective interest rate on issuance date	1.7%	0.55%	4.6%
Listed on the TASE	Yes	Yes	Yes
Principal payment dates	2 equal annual installments of 12% on July 30 of each of the years 2020 and 2021 and 4 equal annual installments of 19% on July 30 of each of the years 2025 through 2028.	3 equal annual installments of 4% on July 1 of each of the years 2022 through 2024, one installment of 28% on May 1, 2028, and 2 equal annual installments of 30% on May 1 of each of the years 2029 through 2030.	9 annual installments: 1 installment of 4% on December 30, 2024, 3 equal installments of 12% on December 30 of each of the years 2025 through 2027, 3 equal installments of 10% on December 30 of each of the years 2028 through 2030, and 2 installments of 15% in each of the years 2030 through 2032.
Interest payment dates	Quarterly interest on January 31, April 30, July 31, and October 31	Semi-annual interest on May 1 and November 1	Semi-annual interest on June 30 and December 31
Nominal p.v. as of June 30, 2024	NIS 398 million	NIS 853 million	NIS 613 million
CPI-linked nominal p.v. as of June 30, 2024	NIS 398 million	NIS 966 million	NIS 613 million
Carrying amount of bonds' outstanding balances as of June 30, 2024	Approx. NIS 397 million	Approx. NIS 934 million	Approx. NIS 546 million
Carrying amount of interest payable as of June 30, 2024	Approx. NIS 3.8 million	Approx. NIS 0.7 million	-
Market value as of June 30, 2024 (1)	Approx. NIS 405 million	Approx. NIS 862 million	Approx. NIS 524 million
Series' materiality	The series is material as this term is defined in Regulation 10(b)13(a) of the Securities Regulations (Periodic and Immediate Reports), 1970	The series is material as this term is defined in Regulation 10(b)13(a) of the Securities Regulations (Periodic and Immediate Reports), 1970	The series is material as this term is defined in Regulation 10(b)13(a) of the Securities Regulations (Periodic and Immediate Reports), 1970

1) The market value includes interest accrued as of June 30, 2024.

Contractual restrictions and financial covenants

As part of the deed of trust of the Company's Bonds (Series 4), the Company undertook not to place a general floating charge on its assets as long as Bonds (Series 4) are not repaid in full, unless it has obtained the bond holders' consent in advance and placed on that date a lien of the same rank in favor of Series 4 bond holders. Furthermore, with respect to Bonds (Series 4), the Company assumed restrictions on dividend distribution and expansion of the Bonds (Series 4); the Company also undertook to comply with financial covenants whereby its shareholders' equity will not fall below NIS 2.9 billion for two consecutive quarters, and that the Company's net financial debt to total assets ratio will not exceed 50% for two consecutive quarters. For further details, see the Shelf Offering Report dated May 7, 2019.

As part of the deed of trust of the Company's Bonds (Series 5), the Company undertook not to place a general floating charge on its assets as long as Bonds (Series 5) are not repaid in full, unless it has obtained the bond holders' consent in advance and placed on that date a lien of the same rank in favor of Series 5 bond holders.

Furthermore, with respect to Bonds (Series 5), the Company assumed restrictions on dividend distribution; the Company also undertook to comply with financial covenants whereby its shareholders' equity will not fall below NIS 3.2 billion for two consecutive quarters, and that the Company's net financial debt to total assets ratio will not exceed 50% for two consecutive quarters. In addition, a mechanism for adjusting the rate of change in interest rate due to noncompliance with financial covenants was set: In the event that the Company's shareholders' equity falls below NIS 3.5 billion, the annual interest rate will increase by the rate set in Section 5.9 of the Deed of Trust. For further details, see the shelf offering report dated February 20, 2020.

As part of the deed of trust of the Company's Bonds (Series 6), the Company undertook not to place a general floating charge on its assets as long as Bonds (Series 6) are not repaid in full, unless it has obtained the bond holders' consent in advance and placed on that date a lien of the same rank in favor of Series 6 bond holders. Furthermore, with respect to Bonds (Series 6), the Company assumed restrictions on dividend distribution and expansion of the Bonds (Series 6); the Company also undertook to comply with financial covenants whereby its shareholders' equity will not fall below NIS 3.6 billion for two consecutive quarters, and that the Company's net financial debt to total assets ratio will not exceed 48% for two consecutive quarters. For further details, see the Shelf Offering Report dated January 5, 2022.

As of balance sheet date, the Company complies with the financial covenants described above. The net financial debt ratio as of June 30, 2024 was approx. 3.83% (including Restricted Tier 1 capital instrument issued by Phoenix Insurance through Phoenix Capital Raising), and the Company's shareholders' equity as per its Separate Financial Statements as of June 30, 2024, was approx. NIS 10,863 million, which is higher than the above required shareholders' equity.

For further details – see Note 5 to the Company's Financial Statements as of June 30, 2024.

The members of the Board of Directors thank the Company's management, employees and agents for their contribution to the Company.

Benjamin Gabbay **Chairman of the** **Board of Directors**	**Eyal Ben Simon** **CEO**

August 21, 2024

Part 2

Consolidated Interim Financial Statements



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Auditors' Review Report to the Shareholders of The Phoenix Financial Ltd. (Formerly: Phoenix Holdings Ltd.)

Introduction

We have reviewed the accompanying financial information of The Phoenix Financial Ltd. (formerly Phoenix Holdings Ltd.) And subsidiaries (the "Company"), the condensed consolidated statement of financial position as of June 30, 2024, the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six and three-months periods then ended. The Company's Board of Directors and management are responsible for the preparation and presentation of financial information for these interim periods in accordance with the Israel Securities Regulations (Periodic and Immediate Reports), 1970, which pertain to insurers' holding companies, as described in Note 2(a). Our responsibility is to express a conclusion regarding the financial information for these interim periods based on our review.

We did not review the condensed interim financial information of certain subsidiary, whose assets included in consolidation constitute approximately 2.9% of the total consolidated assets as of June 30, 2024 and whose revenues included in consolidation constitutes approximately 1.8% and 2.6% of total consolidated revenues for the six and three months periods then ended, respectively. Furthermore, we did not review condensed financial information for the interim periods of companies presented on the basis of the equity method. the investment in which, at equity, amounted to approximately NIS 630,178 thousand as of June 30, 2024, and the Company's share in the earning amounted to approximately NIS 26,842 thousand and 19,240 thousand for the six and three months periods then ended, respectively. The condensed interim financial information of those companies was reviewed by other auditors, whose review reports have been furnished to us, and our conclusion, insofar as it relates to financial information in respect of these companies, is based on the review reports of the other independent auditors.

Scope of the Review

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

Conclusion

Based on our review and the review reports of other auditors, nothing has come to our attention that causes us to believe that the above mentioned financial information does not comply, in all material respects, with the Israel Securities Regulations (Periodic and Immediate Reports), 1970, which pertain to insurers' holding companies, as described in Note 2(a) to the financial information.

Emphasis of matter

Without qualifying the above conclusion, we draw attention to Note 7 to the financial statements regarding exposure to contingent liabilities.

Tel Aviv,
August 21, 2024

Kost Forer Gabbay & Kasierer
Certified Public Accountants

	Note	As of June 30, 2024 Unaudited	As of June 30, 2023 Unaudited	As of December 31, 2023 Audited
		NIS thousand		
Assets				
Intangible assets	4	**3,840,116**	**3,326,454**	**3,597,868**
Deferred tax assets		**98,038**	**97,886**	**109,330**
Deferred acquisition costs		**2,773,643**	**2,654,532**	**2,686,270**
Property, plant & equipment		**1,659,095**	**1,237,941**	**1,460,392**
Investments in associates	8P	**1,996,653**	**1,640,774**	**1,651,832**
Investment property in respect of yield-dependent contracts		**2,324,446**	**2,206,935**	**2,283,063**
Investment property - other		**1,267,814**	**1,186,334**	**1,238,524**
Reinsurance assets		**4,073,853**	**3,604,340**	**4,028,261**
Credit for purchase of securities		**753,000**	**755,000**	**717,000**
Current tax assets		**28,307**	**247,377**	**157,662**
Receivables and debit balances		**988,403**	**926,662**	**1,047,092**
Premiums collectible		**931,970**	**1,026,855**	**998,295**
Financial investments in respect of yield-dependent contracts	5A	**83,620,829**	**80,603,591**	**82,817,937**
Financial investments for holders of certificates of deposit and structured bonds		**159,000**	**194,000**	**173,000**
Credit assets in respect of factoring, acquiring and financing	5C, 8E	**4,445,491**	**3,488,853**	**3,700,349**
Other financial investments:				
Liquid debt assets		**5,650,270**	**5,811,371**	**5,773,437**
Illiquid debt assets	8E	**16,239,789**	**17,287,442**	**16,593,921**
Shares		**2,499,171**	**2,218,447**	**2,287,592**
Other		**5,929,521**	**5,636,746**	**6,116,334**
Total other financial investments	5B	**30,318,751**	**30,954,006**	**30,771,284**
Cash and cash equivalents in respect of yield-dependent contracts		**18,685,733**	**18,728,467**	**19,303,547**
Other cash and cash equivalents		**2,659,974**	**2,713,058**	**3,053,023**
Total assets		**160,625,116**	**155,593,065**	**159,794,729**
Total assets for yield-dependent contracts		**104,901,319**	**101,743,507**	**104,769,512**

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

	Note	As of June 30, 2024 Unaudited	As of June 30, 2023 Unaudited	As of December 31, 2023 Audited
		NIS thousand		
Equity				
Share capital		**314,728**	**313,168**	**313,340**
Premium and capital reserves in respect of shares		**865,504**	**858,022**	**860,345**
Treasury shares	8C, 9B	**(310,101)**	**(167,733)**	**(193,866)**
Capital reserves		**1,106,322**	**1,210,070**	**1,101,414**
Retained earnings		**8,872,143**	**7,841,012**	**8,499,062**
Total equity attributable to the Company's shareholders		**10,848,596**	**10,054,539**	**10,580,295**
Non-controlling interests		**349,680**	**448,268**	**314,737**
Total equity		**11,198,276**	**10,502,807**	**10,895,032**
Liabilities				
Liabilities in respect of insurance contracts and non-yield-dependent investment contracts		**26,074,411**	**25,522,890 (*)**	**25,597,196**
Liabilities in respect of insurance contracts and yield-dependent investment contracts		**103,511,823**	**100,075,110 (*)**	**102,973,291**
Liabilities in respect of deferred taxes		**715,501**	**547,372**	**764,322**
Liability for employee benefits, net		**95,604**	**75,498**	**74,406**
Liability in respect of current taxes		**85,473**	**77,111**	**74,408**
Payables and credit balances		**3,837,213**	**4,186,139**	**3,669,165**
Liabilities in respect of structured products		**158,000**	**193,000**	**171,000**
Financial liabilities	5D	**14,948,815**	**14,413,138**	**15,575,909**
Total liabilities		**149,426,840**	**145,090,258**	**148,899,697**
Total equity and liabilities		**160,625,116**	**155,593,065**	**159,794,729**

(*) Reclassified, for details, see Note 2C.

Benjamin Gabbay	Eyal Ben Simon	Eli Schwartz
Chairman of the Board	CEO	EVP, CFO

Approval date of the financial statements - August 21, 2024

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

	For the six months ended June 30		For the three months ended June 30		For the year ended December 31
	2024	2023	2024	2023	2023
	Unaudited				Audited
	NIS thousand				
Premiums earned, gross	5,318,071	5,939,588	2,656,580	2,987,989	11,988,386
Premiums earned by reinsurers	806,863	797,567	405,777	405,735	1,632,527
Premiums earned - retention	4,511,208	5,142,021	2,250,803	2,582,254	10,355,859
Investment income, net and finance income	7,591,989	5,289,458	1,822,795	4,371,716	9,910,316
Revenue from management fees	953,283	817,870	496,399	409,328	1,721,616
Revenue from fees and commissions	481,880	406,078	250,991	192,710	887,730
Revenue from other financial services	186,000	160,000	90,000	90,000	329,000
Revenue from factoring and acquiring	93,453	90,568	45,377	44,356	178,784
Other income	15,277	142,083	7,952	137,539	156,137
Total income	13,833,090	12,048,078	4,964,317	7,827,903	23,539,442
Payments and change in liabilities in respect of insurance contracts and investment contracts, gross	10,870,830	10,639,493	3,243,397	7,089,554	19,296,717
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	437,842	740,826	184,859	369,803	1,673,990
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	10,432,988	9,898,667	3,058,538	6,719,751	17,622,727
Fees and commissions, marketing expenses and other purchase expenses	1,109,608	1,009,544	583,785	501,784	2,175,699
General and administrative expenses	1,057,922	1,003,194	538,029	511,566	2,105,868
Other expenses	46,466	59,846	21,103	39,191	136,160
Finance expenses	259,081	191,536	147,681	95,176	393,717
Total expenses	12,906,065	12,162,787	4,349,136	7,867,468	22,434,171
Share in income of equity-accounted investees	39,964	43,073	14,796	37,037	42,413
Profit (loss) before taxes on income	966,989	(71,636)	629,977	(2,528)	1,147,684
Income tax expense (tax benefit)	275,803	(125,984)	187,058	(90,054)	262,747
Income for the period	691,186	54,348	442,919	87,526	884,937
Attributable to:					
Company's shareholders	636,076	1,594	417,722	58,642	777,403
Non-controlling interests	55,110	52,754	25,197	28,884	107,534
Income for the period	691,186	54,348	442,919	87,526	884,937
Earnings per share attributable to the Company's shareholders (in NIS):					
Basic earnings per share					
Earnings per ordinary share of NIS 1 par value (in NIS)	2.51	0.01	2.75	0.24	3.07
Diluted earnings per share					
Earnings per ordinary share of NIS 1 par value (in NIS)	2.50	0.01	2.73	0.23	3.04

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

	For the six months ended June 30		For the three months ended June 30		For the year ended December 31
	2024	2023	2024	2023	2023
	Unaudited		Unaudited		Audited
	NIS thousand				
Income for the period	**691,186**	**54,348**	**442,919**	**87,526**	**884,937**
Other comprehensive income (loss):					
Amounts that will be or that have been reclassified to profit or loss when specific conditions are met					
Net change in fair value of financial assets classified as available for sale, carried to capital reserves	**201,444**	**203,942**	**(615)**	**191,480**	**245,739**
Net change in fair value of financial assets classified as available for sale, carried to the statement of profit and loss	**(289,641)**	**(88,771)**	**(134,258)**	**(41,580)**	**(290,390)**
Gain on impairment of financial assets classified as available for sale, carried to the statement of profit and loss	**139,989**	**296,895**	**69,956**	**76,981**	**476,005**
Group's share in other comprehensive income of investees	**7,559**	**25,734**	**7,998**	**9,904**	**22,476**
Tax effect	**(28,397)**	**(140,886)**	**22,194**	**(78,052)**	**(147,481)**
Total components of net other comprehensive income subsequently reclassified to profit or loss	**30,954**	**296,914**	**(34,725)**	**158,733**	**306,349**
Amounts that shall not be subsequently reclassified to profit or loss					
Revaluation of property, plant and equipment	**-**	**-**	**-**	**-**	**11,558**
Actuarial gain (loss) in respect of defined benefit plans	**-**	**-**	**-**	**-**	**291**
Tax effect	**-**	**-**	**-**	**-**	**(2,754)**
Total net income components that will not be subsequently reclassified to profit or loss	**-**	**-**	**-**	**-**	**9,095**
Total other comprehensive income (loss), net	**30,954**	**296,914**	**(34,725)**	**158,733**	**315,444**
Total comprehensive income for the period	**722,140**	**351,262**	**408,194**	**246,259**	**1,200,381**
Attributable to:					
Company's shareholders	**667,030**	**298,508**	**382,997**	**217,375**	**1,092,824**
Non-controlling interests	**55,110**	**52,754**	**25,197**	**28,884**	**107,557**
Comprehensive income for the period	**722,140**	**351,262**	**408,194**	**246,259**	**1,200,381**

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

	Attributable to Company's shareholders												
	Share capital	Premium and capital reserves in respect of shares	Treasury shares	Retained earnings	Capital reserve from transactions with non-controlling interests	Capital reserve from transaction with controlling shareholder - bonus	Capital reserve from share-based payment	Revaluation reserve	Reserve from translation differences	Capital reserve in respect of available-for-sale assets	Total	Non-controlling interests	Total equity
	NIS thousand												
Balance as of January 1, 2024 (audited)	313,340	860,345	(193,866)	8,499,062	(395,095)	11,000	69,507	228,941	8,041	1,179,020	10,580,295	314,737	10,895,032
Net income	-	-	-	636,076	-	-	-	-	-	-	636,076	55,110	691,186
Total other comprehensive income	-	-	-	-	-	-	-	-	7,559	23,395	30,954	-	30,954
Total comprehensive income	-	-	-	636,076	-	-	-	-	7,559	23,395	667,030	55,110	722,140
Share-based payment	-	(3,023)	-	-	-		12,638	-	-	-	9,615	-	9,615
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(43,375)	(43,375)
Acquisition of treasury shares	-	-	(116,235)	-	-	-	-	-	-	-	(116,235)	-	(116,235)
Commencement of consolidation (see Note 4)	-	-	-	-	-	-	-	-	-	-	-	22,305	22,305
Exercise of employee options	1,388	8,182	-	-	-	-	(9,570)	-	-	-	-	-	-
Transfer from revaluation reserve in respect of revaluation of property, plant, and equipment, at the depreciation amount	-	-	-	2,005	-	-	-	(2,005)	-	-	-	-	-
Dividend (Note 8C)	-	-	-	(265,000)	-	-	-	-	-	-	(265,000)	-	(265,000)
Allocation of shares of a consolidated company to minority interests	-	-	-	-	-	-	-	-	-	-	-	7,432	7,432
Acquisition of minority interests	-	-	-	-	(4,598)	-	-	-	-	-	(4,598)	(6,529)	(11,127)
Transaction with minority interest	-	-	-	-	(22,511)	-	-	-	-	-	(22,511)	-	(22,511)
Balance as of June 30, 2024 (unaudited)	314,728	865,504	(310,101)	8,872,143	(422,204)	11,000	72,575	226,936	15,600	1,202,415	10,848,596	349,680	11,198,276

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

	Attributable to Company's shareholders												
	Share capital	Premium and capital reserves in respect of shares	Treasury shares	Retained earnings	Capital reserve from transactions with non-controlling interests	Capital reserve from transaction with controlling shareholder - bonus	Capital reserve from share-based payment	Revaluation reserve	Reserve from translation differences	Capital reserve in respect of available-for-sale assets	Total	Non-controlling interests	Total equity
	NIS thousand												
Balance as of January 1, 2023 (audited)	311,640	851,918	(155,628)	8,013,123	(56,503)	11,000	62,920	224,054	(14,435)	896,669	10,144,758	388,640	10,533,398
Effect of first-time application of IFRS 9	-	-	-	1,522	-	-	-	-	-	(1,522)	-	-	-
Balance as of January 1, 2023 after first-time application of IFRS 9	311,640	851,918	(155,628)	8,014,645	(56,503)	11,000	62,920	224,054	(14,435)	895,147	10,144,758	388,640	10,533,398
Net income	-	-	-	1,594	-	-	-	-	-	-	1,594	52,754	54,348
Other comprehensive income	-	-	-	-	-	-	-	-	25,734	271,180	296,914	-	296,914
Total comprehensive income	-	-	-	1,594	-	-	-	-	25,734	271,180	298,508	52,754	351,262
Share-based payment	-	(216)	-	-	-		9,489	-	-	-	9,273	-	9,273
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(176,639)	(176,639)
Acquisition of treasury shares	-	-	(12,105)	-	-	-	-	-	-	-	(12,105)	-	(12,105)
Exercise of employee options	1,528	6,320	-	-	-	-	(7,848)	-	-	-	-	-	-
Commencement of consolidation	-	-	-	-	-	-	-	-	-	-	-	27,309	27,309
Transfer from revaluation reserve in respect of revaluation of property, plant, and equipment, at the depreciation amount	-	-	-	1,945	-	-	-	(1,945)	-	-	-	-	-
Dividend	-	-	-	(177,172)	-	-	-	-	-	-	(177,172)	-	(177,172)
Acquisition of non-controlling interests	-	-	-	-	(10,848)	-	-	-	-	-	(10,848)	(43,089)	(53,937)
Allocation of shares of a consolidated company to minority interests	-	-	-	-	1,730	-	-	-	-	-	1,730	2,781	4,511
Transaction with minority interest	-	-	-	-	(199,605)	-	-	-	-	-	(199,605)	196,512	(3,093)
Balance as of June 30, 2023 (unaudited)	313,168	858,022	(167,733)	7,841,012	(265,226)	11,000	64,561	222,109	11,299	1,166,327	10,054,539	448,268	10,502,807

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

	Attributable to Company's shareholders												
	Share capital	Premium and capital reserves in respect of shares	Treasury shares	Retained earnings	Capital reserve from transactions with non-controlling interests	Capital reserve from transaction with controlling shareholder - bonus	Capital reserve from share-based payment	Revaluation reserve	Reserve from translation differences	Capital reserve in respect of available-for-sale assets	Total	Non-controlling interests	Total equity
	NIS thousand												
Balance as of April 1, 2024 (unaudited)	313,664	863,725	(193,866)	8,453,418	(416,732)	11,000	69,668	227,939	7,602	1,245,138	10,581,556	318,350	10,899,906
Net income	-	-	-	417,722	-	-	-	-	-	-	417,722	25,197	442,919
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	7,998	(42,723)	(34,725)	-	(34,725)
Total comprehensive income	-	-	-	417,722	-	-	-	-	7,998	(42,723)	382,997	25,197	408,194
Share-based payment	-	(3,439)	-	-	-	-	9,189	-	-	-	5,750	-	5,750
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(18,974)	(18,974)
Acquisition of treasury shares	-	-	(116,235)	-	-	-	-	-	-	-	(116,235)	-	(116,235)
Commencement of consolidation	-	-	-	-	-	-	-	-	-	-	-	22,305	22,305
Exercise of employee options	1,064	5,218	-	-	-	-	(6,282)	-	-	-	-	-	-
Transfer from revaluation reserve in respect of revaluation of property, plant, and equipment, at the depreciation amount	-	-	-	1,003	-	-	-	(1,003)	-	-	-	-	-
Allocation of shares of a consolidated company to minority interests	-	-	-	-	-	-	-	-	-	-	-	5,132	5,132
Acquisition of minority interests	-	-	-	-	(4,598)	-	-	-	-	-	(4,598)	(6,529)	(11,127)
Transaction with minority interest	-	-	-	-	(874)	-	-	-	-	-	(874)	4,199	3,325
Balance as of June 30, 2024 (unaudited)	314,728	865,504	(310,101)	8,872,143	(422,204)	11,000	72,575	226,936	15,600	1,202,415	10,848,596	349,680	11,198,276

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

	Attributable to Company's shareholders												
	Share capital	Premium and capital reserves in respect of shares	Treasury shares	Retained earnings	Capital reserve from transactions with non-controlling interests	Capital reserve from transaction with controlling shareholder - bonus	Capital reserve from share-based payment	Revaluation reserve	Reserve from translation differences	Capital reserve in respect of available-for-sale assets	Total	Non-controlling interests	Total equity
	NIS thousand												
Balance as of April 1, 2023 (unaudited)	311,817	851,225	(161,926)	7,781,449	(135,725)	11,000	67,407	223,030	1,395	1,017,498	9,967,170	449,122	10,416,292
Net income	-	-	-	58,642	-	-	-	-	-	-	58,642	28,884	87,526
Other comprehensive income	-	-	-	-	-	-	-	-	9,904	148,829	158,733	-	158,733
Total comprehensive income	-	-	-	58,642	-	-	-	-	9,904	148,829	217,375	28,884	246,259
Share-based payment	-	1,428	-	-	-	-	3,874	-	-	-	5,302	-	5,302
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(148,818)	(148,818)
Acquisition of treasury shares	-	-	(5,807)	-	-	-	-	-	-	-	(5,807)	-	(5,807)
Exercise of employee options	1,351	5,369	-	-	-	-	(6,720)	-	-	-	-	-	-
Commencement of consolidation	-	-	-	-	-	-	-	-	-	-	-	27,309	27,309
Transfer from revaluation reserve in respect of revaluation of property, plant, and equipment, at the depreciation amount	-	-	-	921	-	-	-	(921)	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	(9,985)	-	-	-	-	-	(9,985)	(30,479)	(40,464)
Allocation of shares of a consolidated company to minority interests	-	-	-	-	896	-	-	-	-	-	896	1,838	2,734
Transaction with minority interest	-	-	-	-	(120,412)	-	-	-	-	-	(120,412)	120,412	-
Balance as of June 30, 2023 (unaudited)	313,168	858,022	(167,733)	7,841,012	(265,226)	11,000	64,561	222,109	11,299	1,166,327	10,054,539	448,268	10,502,807

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

	Attributable to Company's shareholders												
	Share capital	Premium and capital reserves in respect of shares	Treasury shares	Retained earnings	Capital reserve from transactions with non-controlling interests	Capital reserve from transactions with controlling shareholders	Capital reserve from share-based payment	Revaluation reserve	Reserve from translation differences	Capital reserve in respect of available-for-sale assets	Total	Non-controlling interests	Total equity
	NIS thousand												
Balance as of January 1, 2023 (audited)	311,640	851,918	(155,628)	8,013,123	(56,503)	11,000	62,920	224,054	(14,435)	896,669	10,144,758	388,640	10,533,398
Effect of first-time application of IFRS 9	-	-	-	1,522	-	-	-	-	-	(1,522)	-	-	-
Balance as of January 1, 2023 after first-time application of IFRS 9 (audited)	311,640	851,918	(155,628)	8,014,645	(56,503)	11,000	62,920	224,054	(14,435)	895,147	10,144,758	388,640	10,533,398
Net income	-	-	-	777,403	-	-	-	-	-	-	777,403	107,534	884,937
Total other comprehensive income	-	-	-	172	-	-	-	8,900	22,476	283,873	315,421	23	315,444
Total comprehensive income	-	-	-	777,575	-	-	-	8,900	22,476	283,873	1,092,824	107,557	1,200,381
Share-based payment	-	493	-	-	-		16,221	-	-	-	16,714	-	16,714
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(214,488)	(214,488)
Acquisition of treasury shares	-	-	(38,238)	-	-	-	-	-	-	-	(38,238)	-	(38,238)
Commencement of consolidation	-	-	-	-	-	-	-	-	-	-	-	38,687	38,687
Sale of previously-consolidated company	-	-	-	-	-	-	-	-	-	-	-	5,228	5,228
Exercise of employee options	1,700	7,934	-	-	-	-	(9,634)	-	-	-	-	-	-
Transfer from revaluation reserve in respect of revaluation of property, plant, and equipment, at the depreciation amount	-	-	-	4,013	-	-	-	(4,013)	-	-	-	-	-
Dividend	-	-	-	(297,171)	-	-	-	-	-	-	(297,171)	-	(297,171)
Allocation of shares of a consolidated company to minority interests	-	-	-	-	(2,184)	-	-	-	-	-	(2,184)	6,781	4,597
Acquisition of non-controlling interests	-	-	-	-	(136,803)	-	-	-	-	-	(136,803)	(214,180)	(350,983)
Transaction with minority interest	-	-	-	-	(199,605)	-	-	-	-	-	(199,605)	196,512	(3,093)
Balance as of December 31, 2023 (audited)	313,340	860,345	(193,866)	8,499,062	(395,095)	11,000	69,507	228,941	8,041	1,179,020	10,580,295	314,737	10,895,032

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

	Appendix	For the six months ended June 30		For the three months ended June 30		For the year ended December 31
		2024	2023	2024	2023	2023
		Unaudited				Audited
		NIS thousand				
Cash flows from operating activities						
Income for the period		691,186	54,348	442,919	87,526	884,937
Adjustments required to present cash flows from operating activities	(a)	486,952	1,694,335	325,075	2,527,725	1,296,692
Net cash provided by operating activities		1,178,138	1,748,683	767,994	2,615,251	2,181,629
Cash flows used for investing activities						
Purchase of property, plant and equipment		(169,909)	(168,618)	(71,287)	(85,146)	(389,181)
Proceeds from disposal of property, plant and equipment		500	8	-	6	1,032
Investment in associates		(425,217)	(88,032)	(153,383)	(64,212)	(115,865)
Dividend from associates		9,074	11,749	6,519	10,448	23,497
Change in loans granted to associates		442	530	802	1,056	(290)
Acquisition of consolidated companies consolidated for the first time	(b)	(56,343)	(48,000)	(56,184)	-	(90,340)
Sale of previously-consolidated company	(c)	-	-	-	-	(828)
Proceeds from the sale of pension funds, provident funds, and fees and commissions portfolios		1,287	45	-	-	1,723
Acquisition of minority interest in a consolidated company		-	(39,925)	-	(27,395)	(344,202)
Proceeds from disposal of investment in associate		157,360	101,209	107,229	81,457	101,258
Acquisition and capitalization of intangible assets costs		(321,053)	(200,128)	(72,589)	(117,376)	(648,882)
Net cash used for investing activities		(803,859)	(431,162)	(238,893)	(201,162)	(1,462,078)
Cash flows provided by financing activities						
Acquisition of Company shares		(116,235)	(12,105)	(116,235)	(5,807)	(38,238)
Short-term credit from banks, net		66,000	(93,000)	7,000	(129,000)	(408,000)
Repayment of financial liabilities		(714,003)	(661,079)	(270,485)	(181,719)	(751,162)
Dividend to shareholders		(265,000)	(177,172)	(265,000)	(177,172)	(297,171)
Repayment of lease liability principal		(28,289)	(21,842)	(14,222)	(11,071)	(54,467)
Issuance/receipt of financial liabilities		1,046,429	557,038	771,621	408,670	2,440,322
Change in liability for REPO, net		(1,325,658)	771,559	109,081	(273,461)	1,161,948
Dividend paid to non-controlling interests		(43,375)	(37,670)	(18,974)	(9,849)	(214,488)
Repayment of contingent liability in respect of a put option to minority interest		(5,011)	-	(5,011)	-	-
Net cash provided by (used for) financing activities		(1,385,142)	325,729	197,775	(379,409)	1,838,744
Increase in cash and cash equivalents		(1,010,863)	1,643,250	726,876	2,034,680	2,558,295
Balance of cash and cash equivalents at beginning of period	(d)	22,356,570	19,798,275	20,618,831	19,406,845	19,798,275
Balance of cash and cash equivalents at end of period	(d)	21,345,707	21,441,525	21,345,707	21,441,525	22,356,570

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

		For the six months ended June 30		For the three months ended June 30		For the year ended December 31
		2024	2023	2024	2023	2023
		Unaudited				Audited
		NIS thousand				
(a)	Adjustments required to present cash flows from operating activities:					
	Items not involving cash flows					
	Net losses on financial investments in respect of insurance contracts and yield-dependent investment contract	(6,288,596)	(4,317,567)	(1,251,354)	(3,480,401)	(7,714,268)
	Change in fair value of investment property in respect of yield-dependent contracts	(6,821)	8,571	(6,821)	-	(20,609)
	Losses (income), net on other financial investments					
	Liquid debt assets	115,375	67,891	107,545	(46,459)	(29,270)
	Illiquid debt assets	(815,713)	(886,428)	(471,092)	(448,521)	(1,510,938)
	Shares	(107,853)	48,849	(37,973)	21	26,296
	Other	51,140	362,726	118,761	91,722	143,072
	Depreciation and amortization	250,084	218,262	111,935	106,835	499,147
	Loss from disposal of property, plant and equipment	-	-	(3)	-	3
	Change in fair value of investment property	(3,409)	4,676	(3,409)	-	(14,513)
	Gain on notional disposal as a result of assuming control of an investee	966	(129,096)	-	(129,096)	(128,989)
	Change in financial liabilities	238,709	726,529	391,866	(201,922)	(29,749)
	Income tax expense (tax benefit)	275,803	(125,984)	187,058	(90,054)	262,747
	Company's share in the profits of associates, net	(39,964)	(43,073)	(14,796)	(37,037)	(42,413)
	Payroll expenses in respect of share-based payment	12,638	9,489	9,189	3,874	16,221
	Issuance of shares to non-controlling interests in a consolidated company	7,432	-	5,132	-	-
	Changes in other on-balance sheet line items, net:					
	Change in liabilities in respect of non-yield-dependent insurance contracts	477,215	1,375,249 (*)	(76,500)	831,626 (*)	1,449,555
	Change in liabilities in respect of yield-dependent contracts	4,793,466	4,722,162 (*)	1,410,315	4,050,121 (*)	7,620,343
	Change in liabilities for notes, ETFs	(13,000)	(7,698)	6,000	7,543	(29,698)
	Change in financial investments for holders of ETFs, certificates of deposit	14,000	7,000	(6,000)	(9,000)	28,000
	Change in credit assets in respect of factoring, acquiring and financing	(153,137)	(45,516)	(190,124)	(50,074)	(257,012)
	Change in deferred acquisition costs	(87,373)	(201,149)	(21,196)	(60,474)	(232,887)
	Change in reinsurance assets	(45,592)	(432,091)	(11,819)	(225,141)	(856,012)
	Change in liabilities for employee benefits, net	20,034	8,831	(1,773)	2,006	7,014
	Change in receivables, debit balances and collectible premiums	118,387	(449,948)	67,123	90,418	(565,939)
	Change in payables and credit balances	94,573	558,719	166,316	637,889	251,832
	Change in credit for purchase of securities	(36,000)	10,000	(71,000)	(46,000)	48,000
	Change in loans granted to associates	(2,267)	453	(1,936)	-	(1,148)
	Financial investments and investment property in respect of insurance contracts and yield-dependent investment contracts:					
	Acquisition of real estate properties	(34,562)	(73,432)	(16,876)	(65,455)	(120,380)
	Sales (acquisitions), net of financial investments	1,230,770	1,108,247	173,003	1,107,704	2,290,602
	Financial investments and other investment property:					
	Sales (acquisitions), net of financial investments	660,283	(592,115)	(140,945)	576,970	573,770
	Acquisition of real estate properties	(25,881)	(42,130)	(11,624)	(37,470)	(76,112)
	Cash paid and received during the period for:					
	Taxes paid	(248,015)	(262,132)	(128,345)	(51,899)	(357,754)
	Taxes received	34,260	65,040	34,418	(1)	67,781
	Total cash flows provided by (used for) operating activities	486,952	1,694,335	325,075	2,527,725	1,296,692

(*) Reclassified, for details, see Note 2C.

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

		For the six months ended June 30		For the three months ended June 30		For the year ended December 31
		2024	2023	2024	2023	2023
		Unaudited				Audited
		NIS thousand				
(b)	Acquisition of consolidated companies consolidated for the first time					
	Assets and liabilities of the consolidated companies as of acquisition date:					
	Working capital (excluding cash and cash equivalents)	19,769	(3,000)	19,664	-	(5,078)
	Other financial investments	(3,238)	-	(3,238)	-	-
	Property, plant and equipment, net	(3,317)	-	(1,679)	-	(685)
	Goodwill arising from acquisition	(36,868)	(149,793)	(36,868)	(113,793)	(156,520)
	Intangible assets	(78,951)	(115,277)	(74,878)	(103,277)	(161,439)
	Deferred taxes	17,507	38,310	17,373	35,310	53,943
	Minority interests	22,305	27,309	22,305	27,309	38,687
	Investments in investees	-	-	-	-	-
	Disposal of investment in an associate	-	129,096	-	129,096	129,030
	Financial liabilities	1,061	-	-	-	-
	Loan from parent company	4,225	-	(27)	-	-
	Liability for payment in respect of acquisition of an investee	-	-	-	-	10,706
	Liabilities for employee benefits	1,164	-	1,164	-	1,016
	Payables for acquisition of a subsidiary	-	25,355	-	25,355	
		(56,343)	(48,000)	(56,184)	-	(90,340)
(c)	Sale of previously-consolidated company					
	Working capital (excluding cash and cash equivalents)	-	-	-	-	(6,056)
	Minority interests	-	-	-	-	5,228
		-	-	-	-	(828)
(d)	Cash and cash equivalents					
	Balance of cash and cash equivalents at beginning of period:					
	Cash and cash equivalents	3,053,023	3,439,766	2,728,652	2,267,523	3,439,766
	Cash and cash equivalents in respect of yield-dependent contracts	19,303,547	16,358,509	17,890,179	17,139,322	16,358,509
		22,356,570	19,798,275	20,618,831	19,406,845	19,798,275
	Balance of cash and cash equivalents at end of period:					
	Cash and cash equivalents	2,659,974	2,713,058	2,659,974	2,713,058	3,053,023
	Cash and cash equivalents in respect of yield-dependent contracts	18,685,733	18,728,467	18,685,733	18,728,467	19,303,547
		21,345,707	21,441,525	21,345,707	21,441,525	22,356,570
(e)	Significant non-cash activities					
	Recognition of right-of-use asset against a lease liability	(111,346)	(17,147)	(49,420)	(9,317)	(90,780)
	Purchase of intangible assets	-	-	-	-	(8,161)
	Dividend declared for non-controlling interests	-	(138,969)	-	(138,969)	-
	Sale of a consolidated company consolidated for the first time	-	(25,355)	-	(25,355)	-
	Acquisition of minority interest in a consolidated company	-	(11,231)	-	(11,231)	-
(f)	Breakdown of amounts included in operating activities					
	Interest paid	187,887	135,581	103,917	63,261	280,810
	Interest received	670,679	609,626	421,335	446,202	1,224,477
	Dividend received	26,990	34,672	21,770	14,084	49,193

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

NOTE 1 - GENERAL

A. Phoenix Financial Ltd., formerly Phoenix Holdings Ltd. (hereinafter - the "Company") is an Israeli resident company incorporated in Israel, whose official address is 53 Derech Hashalom St., Givatayim, Israel. These financial statements were prepared in condensed format as of June 30, 2024 and for the six- and three-month periods then ended (hereinafter - the "Condensed Consolidated Interim Financial Statements"). These financial statements should be read in conjunction with the Company's Annual Financial Statements as of December 31, 2023 and for the year then ended and the accompanying notes (hereinafter - the "Consolidated Annual Financial Statements").

B. **Definitions**

The Company	-	Phoenix Financial Ltd. (Formerly: Phoenix Holdings Ltd.).
The Group	-	Phoenix Financial Ltd. and its consolidated companies.
Phoenix Insurance	-	Phoenix Insurance Company Ltd., a wholly-owned subsidiary of the Company.
Phoenix Investments	-	Phoenix Investments and Finances Ltd., a wholly-owned subsidiary of the Company.
Phoenix Investment House	-	Phoenix Investment House Ltd., a subsidiary of Phoenix Investments.
Gama		Gama Management and Clearing Ltd., a subsidiary of Phoenix Investments.
Phoenix Agencies	-	Phoenix Insurance Agencies 1989 Ltd. - a company under the Company's control.
Phoenix Pension and Provident Funds	-	Phoenix Pension and Provident Funds Ltd., a wholly-owned subsidiary of the Company.
Phoenix Capital Raising	-	Phoenix Capital Raising (2009) Ltd., a wholly-owned subsidiary of Phoenix Insurance.
Phoenix Construction Financing		Phoenix Construction Financing and Guarantees Ltd. is a wholly-owned subsidiary of Gama. For further details, see Note 8E.
Platinum	-	Platinum Finance and Factoring Ltd., a wholly-owned subsidiary of the Company.
Phoenix Retail Credit		Phoenix Retail Credit Ltd. a wholly-owned subsidiary of Platinum
Phoenix Advanced Investments	-	Phoenix Advanced Investments Ltd., a wholly-owned subsidiary of Phoenix Investments.
Belenus Lux S.a.r.l	-	The controlling shareholder until July 17, 2024, held indirectly by Centerbridge Partners LP and Gallatin Point Capital LLC (hereinafter - the "Funds"). Centerbridge Partners LP is controlled by CCP III Cayman GP Ltd. and Gallatin Point Capital LLC is controlled by Matthew Botein, Lewis (Lee) Sachs (for further details, see Section 1D).

C. **A change to the Company's name**

On August 14, 2024, the Company's General Meeting approved the change of its name from Phoenix Holdings Ltd. to Phoenix Financial Ltd., such that it will reflect its diverse insurance, asset management, distribution and credit activities.
On August 19, 2024 the Registrar of Companies approved the name change.

NOTE 1 - GENERAL (cont.)

D. Control of Phoenix Financial

During July and August 2024, the Company's controlling shareholder sold shares of the company, such that as of the report publication date the Company became a company without a controlling core. Immediately prior to the sale of the shares, the controlling shareholder held approx. 31% of the Company's shares, and as of the report publication date it holds 14.95% and its ownership interest may decline to 10% if a transaction for the sale of 4.95% of the Company's shares to the Affinity Partners fund (hereinafter - "Affinity") will be completed. This transaction depends on the receipt of a holding permit by the fund, as detailed below:

Through July 17, 2024 was Belenus Lux S.à.r.l. (hereinafter - "Belenus"), which is indirectly held through a chain of companies, by CCP III Cayman GP Ltd., Matthew Botein, Lewis (Lee) Sachs the Company's controlling shareholders (hereinafter - the "Controlling Shareholder").

On April 21, 2024, Belenus informed the Company that the Capital Market, Insurance and Savings Authority awarded the controlling shareholders a permit to hold means of control in the Company and in Phoenix Insurance at a rate of up to 10% of the means of control in the Company (hereinafter - the "New Holding Permit").

The New Holding Permit includes various provisions, including provisions regarding the structure of the board of directors in the Company and in the subsidiaries, which are regulated by the Capital Market, Insurance and Savings Authority, and regarding maintaining the control structure of the controlling shareholders; provisions regarding sale or transfer - by Belenus - of means of control in the Company; as from the date on which the control permit will come into effect, the controlling shareholders are precluded from using their votes in relation to appointment and termination of service of Company directors if their holding is higher than 10% of the Company's share capital;

On July 15, 2024, Belenus informed the Company that it engaged in several transactions with international entities and with Delek Group Ltd. for the sale of up to approx. 21.4% of its holdings in the Company.

Consequently, the New Holding Permit came into effect on July 17, 2024 on which the holding rate of the controlling shareholders through Belenus fell below 30% (fully diluted). On the effective date of the New Holding Permit, the control permit expired.

At of the report publication date, all the abovementioned transactions were completed, excluding an additional acquisition transaction with Affinity (which holds - as of the report publication date - 4.95% of the Company's shares) for the acquisition of further 4.95% of Belenus' holdings in the Company, which is conditional upon the receipt by Affinity of a holding permit from the Capital Market, Insurance and Savings Authority. The deadline for the completion of the additional transaction with Affinity is six months from its signing date (i.e., July 15, 2024).

For further details, see the immediate reports dated April 21, 2024, July 16, 2024 and August 8, 2024 (Ref. Nos.: 2024-01-044958, 2024-01-074239 and 2024-01-085306, respectively).

E. Restructuring in Asset Management and Credit

As part of the implementation of the strategic plan regarding the Asset Management and Credit Activity, and the Company's wish to concentrate each of activities under separate arms, in July 2024, the Company's Board of Directors passed an in-principle resolution regarding a restructuring, which will include statutory mergers in accordance with the Eighth Part of the Companies Law, and the transfer of activities and assets of various group companies, as follows:

NOTE 1 - GENERAL (cont.)

E. Restructuring in Asset Management and Credit (cont.)

Approval of mergers of companies in Phoenix group

The Company's Board of Directors approved that statutory mergers will be carried out between the Company and Phoenix Investments (hereinafter - the "First Merger") and between the Company and Platinum (hereinafter - the "Second Merger"). As a result of the mergers all of the assets and liabilities of Phoenix Investments and Platinum, and they will cease to exist as separate companies.
The mergers will be presented for the approval of the boards of directors and relevant organs of Group companies.

The completion of the mergers will be conditional, among other things, on the fulfillment of all of the following conditions: (a) Receipt of the Israel Tax Authority's approval for a restructuring and merger, which is exempted from corporate income tax in respect of each of the mergers, in accordance with Section 103I to the Income Tax Ordinance; and (b) the execution of the actions required to complete each of the mergers in accordance with the Companies Law and Companies Regulations (Merger), 2000.

Approval of additional structural changes to be executed subject to completion of the mergers

Subject to the completion of the First Merger, the Company will transfer to a privately-held subsidiary, which will be established and wholly-owned by the Company (hereinafter - the "New Company") the entire asset management activity, which was carried out in Phoenix Investments prior to the merger date; its holding in all shares of Phoenix Advanced Investments Ltd.' (hereinafter - "Phoenix Advanced Investments"); and its 19.9% stake in the shares of Phoenix Underwriting Ltd. In addition, the Company's holdings in the shares of Tehuda Management Service Ltd. and Safra Ltd., which were held by Phoenix Investments, will be transferred to Phoenix Advanced Investments.
Subject to the completion of the Second Merger, the Company will transfer to Gama Management and Clearing Ltd. all shares of Phoenix Retail Credit.
The completion of the move, including the abovementioned mergers, require, among other things, the approval of the mergers by the organs in the various group companies, the Israel Tax Authority's approval of the merger as a tax-exempt merger, other regulatory approvals, where required, and receipt of merger certificates from the Registrar of Companies.

F. The Iron Swords War

On October 7, 2023, the Iron Swords War between the State of Israel and the Gaza-based "Hamas" terror organization broke out (hereinafter - the "War"), following a murderous attack by Hamas on localities in southern Israel. Based on published data, as of the report publication date, more than 1,500 Israeli citizens, soldiers and members of the defense and rescue forces were killed in the line of duty or murdered as part of the War, 109 citizens and soldiers are held as hostages in the Gaza Strip, and approx. 11,500 sustained various injuries. In addition to the War in Gaza, Israel is involved in an armed conflict and military operational activity of varying intensities and in a number of fronts, the main of which is the conflict in the north of Israel, which has also driven tens of thousands of Israelis from their homes. The War and all of the activities in the various fronts have an adverse effect on the Israeli economy.

NOTE 1 - GENERAL (cont.)

F. The Iron Sword War (cont.)

Following the above, the rating agency Moody's placed the State of Israel's credit rating on the Rating Watch Negative list, and thereafter, on February 9, 2024, downgraded the State of Israel's credit rating to A2 with a negative outlook and on May 11, 2024, Moody's reiterated the rating and outlook.
Rating agency Fitch announced on October 17, 2023 that it was placing the State of Israel on the Rating Watch Negative list. On August 12, 2024, Fitch rating agency announced it was downgrading the State of Israel's rating from A+ to A with a negative outlook.
Rating agency S&P announced on October 24, 2023 its revision of the rating outlook for the State of Israel to negative; on April 18, 2024, S&P announced it was downgrading the State of Israel's rating from AA- to A+, with a negative outlook.

Due to its activity, Phoenix group is exposed to declines in the financial markets, a slowdown in activity, and to other risks arising from the War. For further details on sensitivity and exposure to risk factors, see also Note 41 to the Consolidated Annual Financial Statements.

At this stage, there is uncertainty as to the development of the War, its scope and duration. Therefore, at this stage it is impossible to assess the full effect of the War on the Company and its results in the medium term; however, as of the report publication date, this effect is not expected to be material.

The potential risks associated with the War include slumps in the Israeli capital market, decline in investments in the Israeli economy, including foreign investments and investments in high-tech companies, decline in GDP, budget deficit, downgrade of Israel's credit rating, higher inflation, changes in yield curves and in central bank's interest rate, insurance risks, and more.
Further to Note 1C(2)a to the Consolidated Annual Financial Statements regarding the effects of the Iron Swords War on the Life Insurance and Long-Term Savings Segment, in the reporting period claims were assessed and filed in life and disability insurance amounting to approx. NIS 20 million (retention).

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

A. Preparation format of the consolidated interim financial statements

The Consolidated Interim Financial Statements of the Company have been drawn up in accordance with the provisions of the Securities Regulations (Periodic and Immediate Reports), 1970. In accordance with these provisions, those financial statements data that relate to a consolidated subsidiary, which falls within the scope of the definition of insurer, as defined in the Securities Regulations (Preparation of Annual Financial Statements), 2010, are drawn up in accordance with the requirements set by the Commissioner in accordance with the Financial Services Supervision Law (Insurance), 1981.

In accordance with requirements set by the Commissioner, the first-time application date of IFRS 17 regarding Insurance Contracts and IFRS 9 regarding Financial Instruments was postponed to January 1, 2025 (instead of the first-time application date that was set in the standard itself - January 1, 2023). Consequently, during the periods through the date of first-time application in Israel, those data in the financial statements that relate to Phoenix Insurance, as stated above, continue to be drawn up in accordance with IFRS 4 regarding Insurance Contracts, and IAS 39, Financial Instruments (of 2017).

In addition, data included in Phoenix Insurance's consolidated financial statements, which do not relate to IFRS 17 and IFRS 9 as stated above, and the remaining data in the consolidated financial statements, are drawn up in accordance with IAS 34 - "Interim Financial Reporting".

In preparing the condensed financial statements in accordance with the above, the Company is required to exercise discretion in assessments, estimates and assumptions that affect the implementation of the policy and the amounts of assets and liabilities, revenue and expenses. It is clarified that the actual results may differ from those estimates.
Management's discretion in applying the Group's accounting policies and the key assumptions used in assessments involving uncertainty is consistent with that which is applied in the preparation of the Consolidated Annual Financial Statements. For further information regarding changes in critical estimates and assumptions used to calculate the insurance reserves, see Note 8.A.

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

B. Disclosure of the new IFRSs in the period prior to their application

1. IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the International Accounting Standards Board (IASB) published IFRS 18 - Presentation and Disclosure in Financial Statements (hereinafter - the "New Standard") - which supersedes IAS 1 - Presentation of Financial Statements (hereinafter - "IAS 1").

The New Standard is aimed at improving the comparability and transparency of communication of financial statements.

The New Standard includes requirements previously included in IAS 1, and introduces new requirements on presentation within the statement of profit or loss, including the presentation of totals and subtotals required under the New Standard, disclosure of management-defined performance measures, and new requirements for the aggregation and disaggregation of financial information.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. Disclosure of the new IFRSs in the period prior to their application (cont.)

1. IFRS 18, Presentation and Disclosure in Financial Statements (cont.)

The New Standard does not change the provisions regarding recognition and measurement of items in the financial statements. However, since items in the statement of profit or loss must be classified into one of five categories (operating, investing, financing, income taxes, and discontinued operations), it may change the structure of the Company's statement of profit or loss. In addition, the publication of the New Standard triggered limited amendments to other accounting standards, including IAS 7 - Statement of Cash Flows - and IAS 34 - Interim Financial Reporting

The New Standard was applied retrospectively as from annual periods beginning on January 1, 2027. In accordance with the resolution of the Israel Securities Authority, early application is permitted as from the period starting on January 1, 2025, provided a disclosure is made.

The Company is studying the effect - on the consolidated financial statements - of the New Standard, including the effect of consequential amendments to other accounting standards.

C. Reclassified

The Company classified liabilities in comparative figures as of June 30, 2023 in respect of Collective Long-Term Care (Maccabi Healthcare Services) from the "Liabilities in respect of insurance contracts and non-yield-dependent investment contracts" line item to the "Liabilities in respect of insurance contracts and yield-dependent investment contracts" line item. The reclassifications did not have an effect on the equity, profit and loss and comprehensive income.

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

	CPI		Representative exchange rate of USD
	Known CPI %	In lieu CPI %	%
For the six months ended on:			
June 30, 2024	1.9	2.1	3.6
June 30, 2023	2.5	2.2	5.1
For the three months ended on:			
June 30, 2024	1.6	1.1	2.1
June 30, 2023	1.4	1.0	2.4
For the year ended December 31, 2023	3.0	3.3	3.1

NOTE 3 - OPERATING SEGMENTS

The Company operates in the following operating segments:

1. **Life and Savings Segment**

   The Life and Savings Segment includes the life insurance subsegments and related coverages. The segment includes various categories of insurance policies as well insurance coverages in respect of various risks such as: death, disability, permanent health insurance, and more. Furthermore, as from July 1, 2023, the results of FNX Private Policy Profits - are consolidated in the results of this segment (for further details, see Note 4B to the Consolidated Annual Financial Statements).

2. **Health Insurance Segment**

   The Health Insurance Segment includes the Group's health insurance activity. The segment includes long-term care, medical expenses, surgery and transplants, dental, travel and foreign workers insurance and more.

3. **Property and Casualty Segment**

   The Property and Casualty Insurance Segment includes the Lability and Property Subsegments. In accordance with the Commissioner's directives, the Property and Casualty Insurance Segment in Israel is broken down into Compulsory Motor Insurance, Motor Property, Other Property and Other Liability Subsegments:

   - Compulsory Motor Subsegment
     The Compulsory Motor Subsegment focuses on coverage, the purchase of which by the vehicle owner or driver is mandatory, in respect of bodily injury caused as a result of the use of a motor vehicle (to the driver, passengers, or pedestrians).

   - Motor Property Subsegment
     The motor property subsegment focuses on coverage against property damage to the policyholder's vehicle and third-party property damage caused by the insured vehicle.

   - Other Liability subsegments
     The Liability subsegments provide coverage in respect of the policyholder's liability for any third-party damage he/she may cause. These subsegments include: third-party liability, employer liability, professional liability, product liability and other subsegments.

   - Property and Other Segment
     Property subsegments other than Motor and Liability as well as other insurance subsegments.

4. **Retirement (Pension and Provident) Segment**

   The Retirement (Pension and Provident) Segment includes the management of pension funds and provident funds through Phoenix Pension and Provident, which is a wholly-owned subsidiary of the Company. Furthermore, as from July 1, 2023, the results of "FNX Private Funds Profits, General Partnership" - are consolidated in the results of this segment. (For further details, see Note 4B to the Consolidated Annual Financial Statements).
   In accordance with the Commissioner's directives, segment activity is described separately for the Retirement (Pension and Provident) Activity.

NOTE 3 - OPERATING SEGMENTS (cont.)

5. Investment House and Wealth Segment

The Investment House and Wealth Segment includes the results of Phoenix Investment House. The segment includes investment management activity, including mutual funds, ETFs, execution services on the Stock Exchange, brokerage services, underwriting services, market making in various securities and other services.
In addition, the results of this segment include those of Phoenix Investments including Phoenix group's alternative investment funds.

6. Distribution (Agencies) Segment

The Distribution (Agencies) Segment includes the activity of the pension arrangement agencies and other insurance agencies in the group.

7. Credit Segment

The Credit Segment mostly includes Gama. Gama is a credit aggregator providing financing against acquiring and factoring of debit vouchers, financing against post-dated checks (check factoring), financing against real estate properties, loans and credit, equipment financing and factoring. Further to Note 8E(8) to the Consolidated Annual Financial Statements, on January 1, 2024, Phoenix Financing and Construction was transferred from the Company to Gama, such that, as of that date, the segment includes the operating results of Phoenix Financing and Construction. In addition, the results of the segment include the consumer credit activity under an investee, providing all-purpose loans.

8. Activity not attributed to operating segments

This activity includes part of the Group's HQ function that is not attributed to the operating segments, activities which are ancillary/overlapping with the Group's activity and holding assets and liabilities against the Company's share capital in accordance with the Capital Regulations.
Financial liabilities that serve the Company's capital requirements and finance expenses in respect thereof are not allocated to the operating segments.
It should be noted that the Company allocates the assets which are not measured at fair value in accordance with the provisions of the law and Company's procedures, and specifically the allocation in accordance with the consolidated circular on testing the appropriateness of the LAT reserve and the Commissioner's Position - Best Practice for Calculation of Reserves in Property and Casualty Insurance (for further details, see Note 41, Sections 5.1 and 5.2 to the Annual Financial Statements). This allocation may have an effect on investment income attributable to the various segments.

NOTE 3 - OPERATING SEGMENTS (cont.)

A. Reportable segment

	For the 6-month period ended June 30, 2024									
	Life and Savings (a)	Health (b)	P&C (c)	Retirement (Pension and Provident) (d)	Investment House and Wealth	Distribution (Agencies)	Credit	Not attributed to operating segments	Adjustments and offsets	Total
	Unaudited									
	NIS thousand									
Premiums earned, gross	2,015,120	1,044,243	2,258,708	-	-	-	-	-	-	5,318,071
Premiums earned by reinsurers	130,957	75,906	600,000	-	-	-	-	-	-	806,863
Premiums earned - retention	1,884,163	968,337	1,658,708	-	-	-	-	-	-	4,511,208
Investment income, net and finance income	6,642,018	600,923	137,515	53,566	7,367	7,995	114,839	55,917	(28,151)	7,591,989
Revenue from management fees	324,484	-	-	398,182	259,996	3,788	533	12,588	(46,288)	953,283
Revenue from fees and commissions (e)	20,859	17,623	133,414	-	-	427,023	-	-	(117,039)	481,880
Revenue from Investment House and Wealth	-	-	-	-	186,000	-	-	-	-	186,000
Revenue from factoring and acquiring	-	-	-	-	-	-	93,453	-	-	93,453
Other income	244	-	-	970	876	11,043	-	2,757	(613)	15,277
Total income	8,871,768	1,586,883	1,929,637	452,718	454,239	449,849	208,825	71,262	(192,091)	13,833,090
Payments and change in liabilities in respect of insurance contracts and investment contracts, gross	8,529,412	1,115,302	1,179,794	46,322	-	-	-	-	-	10,870,830
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	119,203	80,314	238,325	-	-	-	-	-	-	437,842
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	8,410,209	1,034,988	941,469	46,322	-	-	-	-	-	10,432,988
Fees and commissions and other purchase expenses	289,999	245,461	425,809	201,015	44,831	-	2,702	-	(100,209)	1,109,608
General and administrative expenses	201,398	68,445	65,371	126,641	253,625	263,963	70,030	63,117	(54,668)	1,057,922
Other expenses	6,968	-	3,723	15,383	2,857	13,701	4,059	-	(225)	46,466
Finance expenses	19,938	-	3,866	16,182	10,283	19,431	61,321	149,768	(21,708)	259,081
Total expenses	8,928,512	1,348,894	1,440,238	405,543	311,596	297,095	138,112	212,885	(176,810)	12,906,065
Company's share in the net results of investees	(3,549)	18,278	15,097	-	8,341	1,863	-	(66)	-	39,964
Profit (loss) before taxes on income	(60,293)	256,267	504,496	47,175	150,984	154,617	70,713	(141,689)	(15,281)	966,989
Other comprehensive income before income tax	17,913	3,122	2,811	-	-	-	-	35,505	-	59,351
Total comprehensive income (loss) before taxes on income	(42,380)	259,389	507,307	47,175	150,984	154,617	70,713	(106,184)	(15,281)	1,026,340
	As of June 30, 2024									
	Unaudited									
	NIS thousand									
Liabilities, gross in respect of insurance contracts and yield-dependent investment contracts	100,437,139	3,074,684	-	-	-	-	-	-	-	103,511,823
Liabilities, gross in respect of insurance contracts and non-yield-dependent investment contracts	13,082,545	3,758,009	8,154,862	1,078,995	-	-	-	-	-	26,074,411

(a) For additional data regarding the Life Insurance and Savings Subsegments, see Section B below.
(b) For additional data regarding the Health Insurance Subsegments, see Section C below.
(c) For additional data regarding the Property and Casualty insurance subsegments, see Section d below.
(d) For more data regarding the Retirement (Pension and Provident) subsegments, see Section E below.
(e) Arises from fees and commissions income received from agencies owned by the Group, mainly from activities in the Life and Savings Segment.

NOTE 3 - OPERATING SEGMENTS (cont.)

A. Reportable segment (cont.)

	For the 6-month period ended June 30, 2023									
	Life and Savings (a)	Health (b)	P&C (c)	Retirement (Pension and Provident) (d)	Investment House and Wealth	Distribution (Agencies)	Credit	Not attributed to operating segments	Adjustments and offsets	Total
	Unaudited									
	NIS thousand									
Premiums earned, gross	2,352,787	1,638,610	1,948,191	-	-	-	-	-	-	5,939,588
Premiums earned by reinsurers	138,246	116,624	542,697	-	-	-	-	-	-	797,567
Premiums earned - retention	2,214,541	1,521,986	1,405,494	-	-	-	-	-	-	5,142,021
Investment income (losses), net and finance income	4,750,212	464,406	89,425	55,835	16,521	11,525	74,461	(160,123)	(12,804)	5,289,458
Revenue from management fees	294,599	-	-	361,442	177,543	1,030	-	2,162	(18,906)	817,870
Revenue from fees and commissions (e)	17,474	21,243	117,841	-	-	385,599	-	-	(136,079)	406,078
Revenue from Investment House and Wealth	-	-	-	-	160,000	-	-	-	-	160,000
Revenue from factoring and acquiring	-	-	-	-	-	-	90,568	-	-	90,568
Other income	255	113,454	-	16,826	3,241	8,874	-	8	(575)	142,083
Total income (expenses)	7,277,081	2,121,089	1,612,760	434,103	357,305	407,028	165,029	(157,953)	(168,364)	12,048,078
Payments and change in liabilities in respect of insurance contracts and investment contracts, gross	7,148,603	1,981,131	1,459,815	49,944	-	-	-	-	-	10,639,493
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	134,217	219,337	387,272	-	-	-	-	-	-	740,826
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	7,014,386	1,761,794	1,072,543	49,944	-	-	-	-	-	9,898,667
Fees and commissions and other purchase expenses	301,480	253,314	356,182	181,637	29,468	-	2,822	63	(115,422)	1,009,544
General and administrative expenses	203,855	88,611	73,461	118,879	205,054	237,754	51,533	46,276	(22,229)	1,003,194
Other expenses (income)	(662)	-	-	17,107	13,613	13,078	4,059	12,877	(226)	59,846
Finance expenses	13,854	-	8,400	7,183	3,944	2,231	51,761	115,638	(11,475)	191,536
Total expenses	7,532,913	2,103,719	1,510,586	374,750	252,079	253,063	110,175	174,854	(149,352)	12,162,787
Company's share in the net results of investees	10,413	26,984	747	362	5,396	1,289	-	(2,118)	-	43,073
Profit (loss) before taxes on income	(245,419)	44,354	102,921	59,715	110,622	155,254	54,854	(334,925)	(19,012)	(71,636)
Other comprehensive income before income tax	162,053	28,512	69,665	-	-	-	-	177,570	-	437,800
Total comprehensive income (loss) before taxes on income	(83,366)	72,866	172,586	59,715	110,622	155,254	54,854	(157,355)	(19,012)	366,164
	As of June 30, 2023									
	Unaudited									
	NIS thousand									
Liabilities, gross in respect of insurance contracts and yield-dependent investment contracts	92,392,142	7,682,968 (*)	-	-	-	-	-	-	-	100,075,110
Liabilities, gross in respect of insurance contracts and non-yield-dependent investment contracts	12,806,395	3,833,840 (*)	7,837,601	1,045,054	-	-	-	-	-	25,522,890

(a) For additional data regarding the Life Insurance and Savings Subsegments, see Section B below.
(b) For additional data regarding the Health Insurance Subsegments, see Section C below.
(c) For additional data regarding the Property and Casualty insurance subsegments, see Section d below.
(d) For more data regarding the Retirement (Pension and Provident) subsegments, see Section E below.
(e) Arises from fees and commissions income received from agencies owned by the Group, mainly from activities in the Life and Savings Segment.
(*) Reclassified, for details, see Note 2C.

NOTE 3 - OPERATING SEGMENTS (cont.)

A. Reportable segment (cont.)

	For the 3-month period ended June 30, 2024									
	Life and Savings (a)	Health (b)	P&C (c)	Retirement (Pension and Provident) (d)	Investment House and Wealth	Distribution (Agencies)	Credit	Not attributed to operating segments	Adjustments and offsets	Total
	Unaudited									
	NIS thousand									
Premiums earned, gross	986,650	533,105	1,136,825	-	-	-	-	-	-	2,656,580
Premiums earned by reinsurers	65,711	38,444	301,622	-	-	-	-	-	-	405,777
Premiums earned - retention	920,939	494,661	835,203	-	-	-	-	-	-	2,250,803
Investment income (losses), net and finance income	1,727,951	20,320	49,511	30,325	(4,901)	3,476	60,711	(43,310)	(21,288)	1,822,795
Revenue from management fees	158,194	-	-	198,847	155,235	2,359	333	11,838	(30,407)	496,399
Revenue from fees and commissions (e)	12,043	9,002	55,454	-	-	220,088	-	-	(45,596)	250,991
Revenue from Investment House and Wealth	-	-	-	-	90,000	-	-	-	-	90,000
Revenue from factoring and acquiring	-	-	-	-	-	-	45,377	-	-	45,377
Other income	-	-	-	491	399	7,220	-	-	(158)	7,952
Total income	2,819,127	523,983	940,168	229,663	240,733	233,143	106,421	(31,472)	(97,449)	4,964,317
Payments and change in liabilities in respect of insurance contracts and investment contracts, gross	2,593,796	89,474	529,864	30,263	-	-	-	-	-	3,243,397
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	52,641	37,937	94,281	-	-	-	-	-	-	184,859
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	2,541,155	51,537	435,583	30,263	-	-	-	-	-	3,058,538
Fees and commissions and other purchase expenses	142,768	124,251	226,519	102,099	26,905	-	966	-	(39,723)	583,785
General and administrative expenses	103,472	34,010	32,014	64,420	134,954	129,349	31,010	45,801	(37,001)	538,029
Other expenses (income)	4,086	-	3,723	6,645	1,429	7,025	2,029	(3,723)	(111)	21,103
Finance expenses	10,424	-	1,897	9,621	2,265	15,895	32,640	90,452	(15,513)	147,681
Total expenses	2,801,905	209,798	699,736	213,048	165,553	152,269	66,645	132,530	(92,348)	4,349,136
Company's share in the net results of investees	871	2,996	8,494	-	4,098	1,283	-	(2,946)	-	14,796
Profit (loss) before taxes on income	18,093	317,181	248,926	16,615	79,278	82,157	39,776	(166,948)	(5,101)	629,977
Other comprehensive income (loss) before income tax	22,891	4,054	7,388	-	-	-	-	(91,252)	-	(56,919)
Total comprehensive income (loss) before taxes on income	40,984	321,235	256,314	16,615	79,278	82,157	39,776	(258,200)	(5,101)	573,058
	As of June 30, 2024									
	Unaudited									
	NIS thousand									
Liabilities, gross in respect of insurance contracts and yield-dependent investment contracts	100,437,139	3,074,684	-	-	-	-	-	-	-	103,511,823
Liabilities, gross in respect of insurance contracts and non-yield-dependent investment contracts	13,082,545	3,758,009	8,154,862	1,078,995	-	-	-	-	-	26,074,411

(a) For additional data regarding the Life Insurance and Savings Subsegments, see Section B below.
(b) For additional data regarding the Health Insurance Subsegments, see Section C below.
(c) For additional data regarding the Property and Casualty insurance subsegments, see Section d below.
(d) For more data regarding the Retirement (Pension and Provident) subsegments, see Section E below.
(e) Arises from fees and commissions income received from agencies owned by the Group, mainly from activities in the Life and Savings Segment.

NOTE 3 - OPERATING SEGMENTS (cont.)

A. Reportable segment (cont.)

	For the 3-month period ended June 30, 2023									
	Life and Savings (a)	Health (b)	P&C (c)	Retirement (Pension and Provident) (d)	Investment House and Wealth	Distribution (Agencies)	Credit	Not attributed to operating segments	Adjustments and offsets	Total
	Unaudited									
	NIS thousand									
Premiums earned, gross	1,145,188	830,869	1,011,932	-	-	-	-	-	-	2,987,989
Premiums earned by reinsurers	69,676	58,727	277,332	-	-	-	-	-	-	405,735
Premiums earned - retention	1,075,512	772,142	734,600	-	-	-	-	-	-	2,582,254
Investment income, net and finance income	3,842,791	366,709	65,665	34,084	5,524	5,938	39,117	19,698	(7,810)	4,371,716
Revenue from management fees	146,727	-	-	183,154	89,512	595	-	1,167	(11,827)	409,328
Revenue from fees and commissions (e)	2,634	10,821	58,507	-	-	194,314	-	-	(73,566)(e)	192,710
Revenue from Investment House and Wealth	-	-	-	-	90,000	-	-	-	-	90,000
Revenue from factoring and acquiring	-	-	-	-	-	-	44,356	-	-	44,356
Other income	-	113,454	-	16,356	2,118	5,772	-	8	(169)	137,539
Total income	5,067,664	1,263,126	858,772	233,594	187,154	206,619	83,473	20,873	(93,372)	7,827,903
Payments and change in liabilities in respect of insurance contracts and investment contracts, gross	5,002,336	1,321,485	739,092	26,641	-	-	-	-	-	7,089,554
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	87,656	136,440	145,707	-	-	-	-	-	-	369,803
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	4,914,680	1,185,045	593,385	26,641	-	-	-	-	-	6,719,751
Fees and commissions and other purchase expenses	143,036	130,510	183,705	92,694	12,597	-	1,232	63	(62,053)	501,784
General and administrative expenses	105,413	43,599	37,551	61,685	107,287	116,524	25,591	27,240	(13,324)	511,566
Other expenses	404	-	-	9,300	8,037	6,657	2,029	12,877	(113)	39,191
Finance expenses	8,785	-	3,851	4,227	1,593	1,468	27,803	54,594	(7,145)	95,176
Total expenses	5,172,318	1,359,154	818,492	194,547	129,514	124,649	56,655	94,774	(82,635)	7,867,468
Company's share in the net results of investees	7,325	2,358	25,009	362	2,120	388	-	(525)	-	37,037
Profit (loss) before taxes on income	(97,329)	(93,670)	65,289	39,409	59,760	82,358	26,818	(74,426)	(10,737)	(2,528)
Other comprehensive income before income tax	91,348	16,269	31,543	-	-	-	-	97,625	-	236,785
Total comprehensive income (loss) before taxes on income	(5,981)	(77,401)	96,832	39,409	59,760	82,358	26,818	23,199	(10,737)	234,257
	As of June 30, 2023									
	Unaudited									
	NIS thousand									
Liabilities, gross in respect of insurance contracts and yield-dependent investment contracts	92,392,142	7,682,968 (*)	-	-	-	-	-	-	-	100,075,110
Liabilities, gross in respect of insurance contracts and non-yield-dependent investment contracts	12,806,395	3,833,840 (*)	7,837,601	1,045,054	-	-	-	-	-	25,522,890

(a) For additional data regarding the Life Insurance and Savings Subsegments, see Section B below.
(b) For additional data regarding the Health Insurance Subsegments, see Section C below.
(c) For additional data regarding the property and casualty insurance subsegments, see Section d below.
(d) For more data regarding the Retirement (Pension and Provident) subsegments, see Section E below.
(e) Arises from fees and commissions income received from agencies owned by the Group, mainly from activities in the Life and Savings Segment.
(*) Reclassified, for details, see Note 2C.

NOTE 3 - OPERATING SEGMENTS (cont.)

A. Reportable segment (cont.)

	For the year ended December 31, 2023									
	Life and Savings (a)	Health (b)	P&C (c)	Retirement (Pension and Provident) (d)	Investment House and Wealth	Distribution (Agencies)	Credit	Not attributed to operating segments	Adjustments and offsets	Total
	Audited									
	NIS thousand									
Premiums earned, gross	4,542,139	3,308,850	4,137,397	-	-	-	-	-	-	11,988,386
Premiums earned by reinsurers	273,029	234,511	1,124,987	-	-	-	-	-	-	1,632,527
Premiums earned - retention	4,269,110	3,074,339	3,012,410	-	-	-	-	-	-	10,355,859
Investment income, net and finance income	8,510,675	913,918	192,026	100,985	27,750	18,361	160,590	6,407	(20,396)	9,910,316
Revenue from management fees	607,839	-	-	750,982	399,068	4,624	824	3,110	(44,831)	1,721,616
Revenue from fees and commissions (e)	38,166	42,817	248,594	-	-	777,872	-	-	(219,719)	887,730
Revenue from Investment House and Wealth	-	-	-	-	329,000	-	-	-	-	329,000
Revenue from factoring and acquiring	-	-	-	-	-	-	178,784	-	-	178,784
Other income	854	113,454	-	18,386	6,754	17,996	-	98	(1,405)	156,137
Total income	13,426,644	4,144,528	3,453,030	870,353	762,572	818,853	340,198	9,615	(286,351)	23,539,442
Increase in insurance liabilities and payments in respect of insurance contracts	12,782,987	3,576,357	2,848,452	88,921	-	-	-	-	-	19,296,717
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	274,686	419,814	979,490	-	-	-	-	-	-	1,673,990
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	12,508,301	3,156,543	1,868,962	88,921	-	-	-	-	-	17,622,727
Fees and commissions and other purchase expenses	597,982	517,803	805,041	376,687	67,375	-	5,776	-	(194,965)	2,175,699
General and administrative expenses	398,244	169,824	143,210	274,776	412,520	481,680	126,933	150,590	(51,909)	2,105,868
Other expenses	3,252	-	-	36,620	42,072	25,773	8,118	20,779	(454)	136,160
Finance expenses	28,687	-	12,679	20,639	12,747	5,473	108,045	223,185	(17,738)	393,717
Total expenses	13,536,466	3,844,170	2,829,892	797,643	534,714	512,926	248,872	394,554	(265,066)	22,434,171
Company's share in the net results of investees	9,150	25,970	(3,601)	306	12,688	1,055	-	(3,155)	-	42,413
Profit (loss) before taxes on income	(100,672)	326,328	619,537	73,016	240,546	306,982	91,326	(388,094)	(21,285)	1,147,684
Other comprehensive income before income tax	109,507	21,293	83,888	-	792	30	-	250,169	-	465,679
Comprehensive income (loss) before income tax	8,835	347,621	703,425	73,016	241,338	307,012	91,326	(137,925)	(21,285)	1,613,363
	As of December 31, 2023									
	Audited									
	NIS thousand									
Liabilities, gross in respect of insurance contracts and yield-dependent investment contracts	94,693,723	8,279,568	-	-	-	-	-	-	-	102,973,291
Liabilities, gross in respect of insurance contracts and non-yield-dependent investment contracts	12,871,690	3,811,834	7,850,579	1,063,093	-	-	-	-	-	25,597,196

(a) For additional data regarding the Life Insurance and Savings Subsegments, see Section B below.
(b) For additional data regarding the Health Insurance Subsegments, see Section C below.
(c) For additional data regarding the Property and Casualty insurance subsegments, see Section d below.
(d) For more data regarding the Retirement (Pension and Provident) subsegments, see Section E below.
(e) Arises from fees and commissions income received from agencies owned by the Group, mainly from activities in the Life and Savings Segment.

NOTE 3 - OPERATING SEGMENTS (cont.)

B. Additional information regarding the Life Insurance and Long-Term Savings Segment

Breakdown of results by type of policy

For the six-month period ended June 30, 2024:

	Policies including a saving component (including appendices) by policy issuance date			Policies without a savings component sold as a single policy		
			From 2004			
	Until 1990 (1)	Until 2003	Yield-dependent	Individual	Collective	Total
	Unaudited					
	NIS thousand					
Gross premiums	23,631	561,299	1,020,449	357,463	52,278	2,015,120
Proceeds in respect of investment contracts credited directly to insurance reserves	-	-	3,409,264	-	-	3,409,264
Financial margin including management fees (2)	(123,086)	111,372 (3)	212,357	-	-	200,643
Payments and change in liabilities in respect of insurance contracts, gross	396,287	2,591,353 (4)	3,263,790 (4)	263,252	37,438	6,552,120
Payments and changes in liabilities in respect of investment contracts	-	-	1,977,292 (4)	-	-	1,977,292
Total payments and change in liabilities from Life Insurance and Savings Segment						8,529,412
Total comprehensive income (loss) from Life Insurance and Savings Business	(46,299) (5)	6,665 (5)(6)	51,777	(67,808) (7)	13,285	(42,380)

(1) Products issued until 1990 (including increases in respect thereof) were mainly guaranteed return policies that were backed mainly by designated bonds.

(2) The financial margin does not include additional income of the Company collected as a percentage of the premium and is calculated before deducting investment management expenses. The financial margin in guaranteed return policies is based on actual investment income, for the reporting year, less the product of the annual guaranteed rate of return, multiplied by the average reserve per year in the various insurance reserves. In this matter, investment income also includes the change in the fair value of available-for-sale financial assets that is charged to the statement of comprehensive income. In yield-dependent contracts, the financial margin is the total fixed and variable management fees calculated on the basis of the yield and average balance of insurance reserves.

(3) As of June 30, 2024, the estimated management fees which were not collected due to negative yield in respect of participating policies amounted to approx. NIS 264 million. As of the report publication date, the estimated management fees which will not be collected amounted to approx. NIS 228 million.

(4) This amount includes investment income or losses carried to participating policies.

(5) Includes a loss in respect of the effect of changes in the discount rate and mortality rate assumptions totaling approx. NIS 74 million, before tax. For further details, see Note 8A.

(6) Including income in respect of the change in the K value, amounting to approx. NIS 210 million, before tax. For further details, see Note 8A.

(7) The loss includes, among other things, the effect of the Iron Swords War amounting to approx. NIS 20 million (retention); for further details, see Note 1F.

NOTE 3 - OPERATING SEGMENTS (cont.)

B. Additional information regarding the Life Insurance and Long-Term Savings Segment (cont.)

Breakdown of results by type of policy (cont.)

For the six-month period ended June 30, 2023:

	Policies including a saving component (including appendices) by policy issuance date			Policies without a savings component sold as a single policy		
			From 2004			
	Until 1990 (1)	Until 2003	Yield-dependent	Individual	Collective	Total
	Unaudited					
	NIS thousand					
Gross premiums	26,975	587,453	1,334,485	340,843	63,031	2,352,787
Proceeds in respect of investment contracts credited directly to insurance reserves	-	-	2,506,919	-	-	2,506,919
Financial margin including management fees (2)	(32,941)	101,643 (3)	192,365	-	-	261,067
Payments and change in liabilities in respect of insurance contracts, gross	549,754	2,083,421 (4)	3,097,176 (4)	168,950	44,881	5,944,182
Payments and changes in liabilities in respect of investment contracts	-	-	1,204,421 (4)	-	-	1,204,421
Total payments and change in liabilities from Life Insurance and Savings Segment						7,148,603
Total comprehensive income (loss) from Life Insurance and Savings Business	(59,337) (5)	(70,227) (5)	(16,639)	42,495 (5)	20,342	(83,366)

(1) Products issued until 1990 (including increases in respect thereof) were mainly guaranteed return policies that were backed mainly by designated bonds.

(2) The financial margin does not include additional income of the Company collected as a percentage of the premium and is calculated before deducting investment management expenses. The financial margin in guaranteed return policies is based on actual investment income, for the reporting year, less the product of the annual guaranteed rate of return, multiplied by the average reserve per year in the various insurance reserves. In this matter, investment income also includes the change in the fair value of available-for-sale financial assets that is charged to the statement of comprehensive income. In yield-dependent contracts, the financial margin is the total fixed and variable management fees calculated on the basis of the yield and average balance of insurance reserves.

(3) As of June 30, 2023, the estimated management fees which were not collected due to negative yield in respect of participating policies amounted to approx. NIS 571 million.

(4) This amount includes investment income or losses carried to participating policies.

(5) Includes income in respect of the effect of the changes in the discount rate and in the assumptions regarding the cost of claims for disability insurance totaling approx. approx. NIS 42 million, before tax. For further details, see Note 8A.

NOTE 3 - OPERATING SEGMENTS (cont.)

B. Additional information regarding the Life Insurance and Long-Term Savings Segment (cont.)

Breakdown of results by type of policy (cont.)

For the three-month period ended June 30, 2024:

	Policies including a saving component (including appendices) by policy issuance date			Policies without a savings component sold as a single policy		
			From 2004			
	Until 1990 (1)	Until 2003	Yield-dependent	Individual	Collective	Total
	Unaudited					
	NIS thousand					
Gross premiums	11,537	280,144	487,061	179,684	28,224	986,650
Proceeds in respect of investment contracts credited directly to insurance reserves	-	-	1,938,327	-	-	1,938,327
Financial margin including management fees (2)	(115,885)	56,120 (3)	101,694	-	-	41,929
Payments and change in liabilities in respect of insurance contracts, gross	206,327	591,406 (4)	1,018,250 (4)	107,870	18,163	1,942,016
Payments and changes in liabilities in respect of investment contracts	-	-	651,780 (4)	-	-	651,780
Total payments and change in liabilities from Life Insurance and Savings Segment						2,593,796
Total comprehensive income (loss) from Life Insurance and Savings Business	(6,981) (5)	54,022 (5)(6)	3,242	(18,329)	9,030	40,984

(1) Products issued until 1990 (including increases in respect thereof) were mainly guaranteed return policies that were backed mainly by designated bonds.

(2) The financial margin does not include additional income of the Company collected as a percentage of the premium and is calculated before deducting investment management expenses. The financial margin in guaranteed return policies is based on actual investment income, for the reporting year, less the product of the annual guaranteed rate of return, multiplied by the average reserve per year in the various insurance reserves. In this matter, investment income also includes the change in the fair value of available-for-sale financial assets that is charged to the statement of comprehensive income. In yield-dependent contracts, the financial margin is the total fixed and variable management fees calculated on the basis of the yield and average balance of insurance reserves.

(3) As of June 30, 2024, the estimated management fees which were not collected due to negative yield in respect of participating policies amounted to approx. NIS 264 million. As of the report publication date, the estimated management fees which will not be collected amounted to approx. NIS 228 million.

(4) This amount includes investment income or losses carried to participating policies.

(5) Includes a loss in respect of the effect of changes in the discount rate and mortality rate assumptions totaling approx. NIS 38 million, before tax. For further details, see Note 8A.

(6) Including income in respect of the change in the K value, amounting to approx. NIS 210 million, before tax. For further details, see Note 8A.

NOTE 3 - OPERATING SEGMENTS (cont.)

B. Additional information regarding the Life Insurance and Long-Term Savings Segment (cont.)

Breakdown of results by type of policy (cont.)

For the three-month period ended June 30, 2023:

	Policies including a saving component (including appendices) by policy issuance date			Policies without a savings component sold as a single policy		
			From 2004			
	Until 1990 (1)	Until 2003	Yield-dependent	Individual	Collective	Total
	Unaudited					
	NIS thousand					
Gross premiums	13,237	288,280	637,098	174,576	31,997	1,145,188
Proceeds in respect of investment contracts credited directly to insurance reserves	-	-	1,309,549	-	-	1,309,549
Financial margin including management fees (2)	58,971	51,132 (3)	95,221	-	-	205,324
Payments and change in liabilities in respect of insurance contracts, gross	324,077	1,598,478 (4)	2,049,775 (4)	79,049	22,458	4,073,837
Payments and changes in liabilities in respect of investment contracts	-	-	928,499 (4)	-	-	928,499
Total payments and change in liabilities from Life Insurance and Savings Segment						5,002,336
Total comprehensive income (loss) from Life Insurance and Savings Business	4,797 (5)	(50,048) (5)	(21,190)	46,520 (5)	13,940	(5,981)

(1) Products issued until 1990 (including increases in respect thereof) were mainly guaranteed return policies that were backed mainly by designated bonds.

(2) The financial margin does not include additional income of the Company collected as a percentage of the premium and is calculated before deducting investment management expenses. The financial margin in guaranteed return policies is based on actual investment income, for the reporting year, less the product of the annual guaranteed rate of return, multiplied by the average reserve per year in the various insurance reserves. In this matter, investment income also includes the change in the fair value of available-for-sale financial assets that is charged to the statement of comprehensive income. In yield-dependent contracts, the financial margin is the total fixed and variable management fees calculated on the basis of the yield and average balance of insurance reserves.

(3) As of June 30, 2023, the estimated management fees which were not collected due to negative yield in respect of participating policies amounted to approx. NIS 571 million.

(4) This amount includes investment income or losses carried to participating policies.

(5) Includes income in respect of the effect of the changes in the discount rate and in the assumptions regarding the cost of claims for disability insurance totaling approx. approx. NIS 16 million, before tax. For further details, see Note 8A.

NOTE 3 - OPERATING SEGMENTS (cont.)

B. Additional information regarding the Life Insurance and Long-Term Savings Segment (cont.)

Breakdown of results by type of policy (cont.)

Data for the year ended December 31, 2023:

	Policies including a saving component (including appendices) by policy issuance date			Policies without a savings component sold as a single policy		
			From 2004			
	Until 1990 (1)	Until 2003	Yield-dependent	Individual	Collective	Total
	Audited					
	NIS thousand					
Gross premiums	51,910	1,164,959	2,500,462	694,165	130,643	4,542,139
Proceeds in respect of investment contracts credited directly to insurance reserves	-	-	5,241,397	-	-	5,241,397
Financial margin including management fees (2)	(22,071)	205,548 (3)	400,947	-	-	584,424
Payments and change in liabilities in respect of insurance contracts, gross	793,692	3,993,585 (4)	5,415,055(4)	407,795	89,489	10,699,616
Payments and changes in liabilities in respect of investment contracts	-	-	2,083,371(4)	-	-	2,083,371
Total payments and change in liabilities from Life Insurance and Savings Segment						12,782,987
Total comprehensive income (loss) from Life Insurance and Savings Business	32,814 (5)	(102,532) (5)	27,244	12,037(6)	39,272	8,835

(1) Products issued until 1990 (including increases in respect thereof) were mainly guaranteed return policies that were backed mainly by designated bonds.

(2) The financial margin does not include additional income of the Company collected as a percentage of the premium and is calculated before deducting investment management expenses. The financial margin in guaranteed return policies is based on actual investment income, for the reporting year, less the product of the annual guaranteed rate of return, multiplied by the average reserve per year in the various insurance reserves. In this matter, investment income also includes the change in the fair value of available-for-sale financial assets that is charged to the statement of comprehensive income. In yield-dependent contracts, the financial margin is the total fixed and variable management fees calculated on the basis of the yield and average balance of insurance reserves.

(3) As of December 31, 2023, the estimated management fees which were not collected due to negative yield in respect of participating policies amounted to approx. NIS 449 million.

(4) This amount includes investment income or losses carried to participating policies.

(5) Includes income in respect of the effect of the changes in the discount rate and in the assumptions regarding the cost of claims for disability insurance totaling approx. approx. NIS 153 million, before tax. For details, see Note 8A.

(6) The income includes, among other things, the effect of the Iron Swords War amounting to approx. NIS 40 million (retention). For details, see Note 1C.

NOTE 3 - OPERATING SEGMENTS (cont.)

C. Additional data regarding the Health Insurance Segment

	For the 6-month period ended June 30, 2024				
	LTC		Other (2)		
	Individual	Collective (5)	Long-term	Short-term	Total
	Unaudited				
	NIS thousand				
Gross premiums	140,426	-	895,338(1)	38,359(1)	1,074,123
Payments and change in liabilities in respect of insurance contracts, gross	141,079	483,146	474,993	16,084	1,115,302
Total comprehensive income from the Health Insurance Business	108,458(3)	8,104(3)	137,774	5,053	259,389

(1) Of this, individual premiums in the amount of NIS 584.008 thousand and collective premiums in the amount of NIS 349,689 thousand.

	For the 6-month period ended June 30, 2023				
	LTC		Other (2)		
	Individual	Collective	Long-term	Short-term	Total
	Unaudited				
	NIS thousand				
Gross premiums	139,891	613,328	826,336(1)	56,905(1)	1,636,460
Payments and change in liabilities in respect of insurance contracts, gross	337,211	1,089,391	534,174	20,355	1,981,131
Total comprehensive income (loss) from Health Insurance Business	5,293(3)	(9,959)(3)	66,407	11,125	72,866

(1) Of this, individual premiums in the amount of NIS 570.651 thousand and collective premiums in the amount of NIS 312,590 thousand.

	For the 3-month period ended June 30, 2024				
	LTC		Other (2)		
	Individual	Collective (5)	Long-term	Short-term	Total
	Unaudited				
	NIS thousand				
Gross premiums	70,376	-	445,214(1)	25,269(1)	540,859
Payments and change in liabilities in respect of insurance contracts, gross	(89,828)	(26,009)	193,998	11,313	89,474
Total comprehensive income from Health Insurance Business	202,457(4)	3,812(4)	111,452	3,514	321,235

(1) Of this, individual premiums in the amount of NIS 298.874 thousand and collective premiums in the amount of NIS 171,609 thousand.

NOTE 3 - OPERATING SEGMENTS (cont.)

C. Additional data regarding the Health Insurance Segment (cont.)

	For the 3-month period ended June 30, 2023				
	LTC		Other (2)		
	Individual	Collective	Long-term	Short-term	Total
	Unaudited				
	NIS thousand				
Gross premiums	70,017	309,372	423,456(1)	29,741(1)	832,586
Payments and change in liabilities in respect of insurance contracts, gross	350,671	695,294	266,053	9,467	1,321,485
Total comprehensive income (loss) from Health Insurance Business	(136,178)(4)	(6,202)(4)	56,895	8,084	(77,401)

(1) Of this, individual premiums in the amount of NIS 289.523 thousand and collective premiums in the amount of NIS 163,674 thousand.

	For the year ended December 31, 2023				
	LTC		Other (2)		
	Individual	Collective	Long-term	Short-term	Total
	Audited				
	NIS thousand				
Gross premiums	280,228	1,245,009	1,674,467(1)	112,245(1)	3,311,949
Payments and change in liabilities in respect of insurance contracts, gross	306,713	2,184,549	1,035,070	50,026	3,576,358
Total comprehensive income (loss) from Health Insurance Business	218,675	(36,973)	149,899	16,020	347,621

(1) Of this, individual premiums in the amount of NIS 1160951 thousand and collective premiums in the amount of NIS 625,761 thousand.

(2) The most material coverage included in Other Long-Term Health Insurance in each of the years is medical expenses; in Short-Term Health Insurance - travel insurance.

(3) The income in the six-month period ended June 30, 2024 includes an approx. NIS 74 million decrease in the insurance reserves (LAT) until the reserve was zeroed out, and the income in the six-month period ended June 30, 2023 includes an approx. NIS 117 million increase in the insurance reserves (LAT).

(4) The income in the three-month period ended June 30, 2024 includes a decrease in the LAT reserves, until the reserve is zeroed out, in the amount of approx. NIS 199 million, and a loss in the three-month period ended June 30, 2023 includes an increase in the LAT reserves of approx. NIS 222 million.

(5) Until December 31, 2023, Phoenix Insurance provided collective long-term care insurance services to the members of Maccabi Healthcare Services (hereinafter - "Maccabi"), including operational services for long-term care policyholders of Maccabi Magen - Mutual Medical Insurance Association Ltd. In accordance with the agreement with Maccabi, Phoenix Insurance will continue paying insurance benefits in the existing claims, and will deal with new claims that will be filed as long as the insured event took place through December 31, 2023. For that purpose, Phoenix Insurance will retain under its management a claims reserve, that will include the reserves amount, plus a margin of conservatism of 20%, in accordance with the provisions of the agreement. In accordance with the above, most of the decrease in liabilities in respect of insurance contracts and yield-dependent investment contracts in the Health Insurance Segment arises from the discontinuation of long-term care insurance for Maccabi members.

NOTE 3 - OPERATING SEGMENTS (cont.)

D. Additional data regarding the Property and Casualty Insurance Segment

	For the 6-month period ended June 30, 2024				
	Compulsory Motor	Motor Property	Property and Other Segment (*)	Other Liability Subsegments (**)	Total
	Unaudited				
	NIS thousand				
Gross premiums	408,751	1,067,415	584,496	437,036	2,497,698
Reinsurance premiums	13,772	-	397,593	228,498	639,863
Premiums - retention	394,979	1,067,415	186,903	208,538	1,857,835
Change in unearned premium balance, retention	48,651	124,246	18,553	7,677	199,127
Premiums earned - retention	346,328	943,169	168,350	200,861	1,658,708
Investment income, net and finance income	57,606	30,356	6,902	42,651	137,515
Revenue from fees and commissions	6,072	-	98,613	28,729	133,414
Total income	410,006	973,525	273,865	272,241	1,929,637
Payments and change in liabilities in respect of insurance contracts, gross	206,274	638,951	186,752	147,817	1,179,794
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	(21,033)	(29)	145,821	113,566	238,325
Payments and change in liabilities for insurance contracts - retention	227,307	638,980	40,931	34,251	941,469
Fees and commissions, marketing expenses and other purchase expenses	38,029	175,308	123,113	89,359	425,809
General and administrative expenses	10,956	24,711	13,658	16,046	65,371
Other expenses	1,560	822	187	1,154	3,723
Finance expenses	2,078	-	249	1,539	3,866
Total expenses	279,930	839,821	178,138	142,349	1,440,238
Company's share in the net results of investees	6,271	3,432	751	4,643	15,097
Net income before income tax	136,347	137,136	96,478	134,535	504,496
Other comprehensive income before income tax	1,168	639	140	864	2,811
Total comprehensive income for the period before taxes on income	137,515	137,775	96,618	135,399	507,307
Liabilities in respect of insurance contracts, gross, as of June 30, 2024 (unaudited)	2,987,764	1,341,604	1,255,134	2,570,360	8,154,862
Liabilities in respect of insurance contracts - retention - as of June 30, 2024 (unaudited)	2,163,186	1,341,585	261,100	1,549,648	5,315,519

(*) Property and Other insurance subsegments mainly include data from the comprehensive home insurance, comprehensive business insurance and property loss insurance subsegments, whose activity constitutes 79% of total premiums in these subsegments.

(**) Other Liability subsegments mainly include data from the following segments: third-party insurance, professional liability insurance and employers' liability insurance, the activity of which constitutes 80% of total premiums in these subsegments.

NOTE 3 - OPERATING SEGMENTS (cont.)

D. Additional data regarding the Property and Casualty Insurance Segment (cont.)

	For the 6-month period ended June 30, 2023				
	Compulsory Motor	Motor Property	Property and Other Segment (*)	Other Liability Subsegments (**)	Total
	Unaudited				
	NIS thousand				
Gross premiums	388,714	997,604	554,322	417,882	2,358,522
Reinsurance premiums	26,800	-	387,603	192,410	606,813
Premiums - retention	361,914	997,604	166,719	225,472	1,751,709
Change in unearned premium balance, retention	63,772	219,119	22,175	41,149	346,215
Premiums earned - retention	298,142	778,485	144,544	184,323	1,405,494
Investment income, net and finance income	37,636	16,490	3,659	31,640	89,425
Revenue from fees and commissions	15,689	9	78,547	23,596	117,841
Total income	351,467	794,984	226,750	239,559	1,612,760
Payments and change in liabilities in respect of insurance contracts, gross	286,838	669,482	298,322	205,173	1,459,815
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	33,674	(57)	244,856	108,799	387,272
Payments and change in liabilities for insurance contracts - retention	253,164	669,539	53,466	96,374	1,072,543
Fees and commissions, marketing expenses and other purchase expenses	37,828	137,093	109,003	72,258	356,182
General and administrative expenses	15,568	26,183	15,310	16,400	73,461
Finance expenses	4,334	-	422	3,644	8,400
Total expenses	310,894	832,815	178,201	188,676	1,510,586
Company's share in the net results of investees	307	152	30	258	747
Profit (loss) before taxes on income	40,880	(37,679)	48,579	51,141	102,921
Other comprehensive income before taxes on income	28,633	14,178	2,783	24,071	69,665
Total comprehensive income (loss) for the period before taxes on income	69,513	(23,501)	51,362	75,212	172,586
Liabilities in respect of insurance contracts, gross, as of June 30, 2023 (unaudited)	3,140,226	1,262,198	894,524	2,540,653	7,837,601
Liabilities in respect of insurance contracts - retention - as of June 30, 2023 (unaudited)	2,083,847	1,262,186	229,278	1,712,529	5,287,840

(*) Property and Other insurance subsegments mainly include data from the comprehensive home insurance, comprehensive business insurance and property loss insurance subsegments, whose activity constitutes 82% of total premiums in these subsegments.

(**) Other Liability subsegments mainly include data from the following segments: third-party insurance, professional liability insurance and employers' liability insurance, the activity of which constitutes 79% of total premiums in these subsegments.

NOTE 3 - OPERATING SEGMENTS (cont.)

D. Additional data regarding the Property and Casualty Insurance Segment (cont.)

	For the 3-month period ended June 30, 2024				
	Compulsory Motor	Motor Property	Property and Other Segment (*)	Other Liability Subsegments (**)	Total
	Unaudited				
	NIS thousand				
Gross premiums	182,121	482,172	283,540	213,114	1,160,947
Reinsurance premiums	6,253	-	198,603	123,001	327,857
Premiums - retention	175,868	482,172	84,937	90,113	833,090
Change in unearned premium balance, retention	6,727	7,082	(5,173)	(10,749)	(2,113)
Premiums earned - retention	169,141	475,090	90,110	100,862	835,203
Investment income, net and finance income	20,720	11,029	2,676	15,086	49,511
Revenue from fees and commissions	2,685	-	38,625	14,144	55,454
Total income	192,546	486,119	131,411	130,092	940,168
Payments and change in liabilities in respect of insurance contracts, gross	70,327	336,209	91,305	32,023	529,864
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	(21,292)	(19)	65,277	50,315	94,281
Payments and change in liabilities for insurance contracts - retention	91,619	336,228	26,028	(18,292)	435,583
Fees and commissions, marketing expenses and other purchase expenses	21,865	95,182	65,429	44,043	226,519
General and administrative expenses	5,486	12,248	6,553	7,727	32,014
Other expenses	1,560	822	187	1,154	3,723
Finance expenses	1,020	-	128	749	1,897
Total expenses	121,550	444,480	98,325	35,381	699,736
Company's share in the net results of investees	3,521	1,949	436	2,588	8,494
Net income before income tax	74,517	43,588	33,522	97,299	248,926
Other comprehensive income before income tax	3,074	1,668	358	2,288	7,388
Total comprehensive income for the period before taxes on income	77,591	45,256	33,880	99,587	256,314
Liabilities in respect of insurance contracts, gross, as of June 30, 2024 (unaudited)	2,987,764	1,341,604	1,255,134	2,570,360	8,154,862
Liabilities in respect of insurance contracts - retention - as of June 30, 2024 (unaudited)	2,163,186	1,341,585	261,100	1,549,648	5,315,519

(*) Property and Other insurance subsegments mainly include data from the comprehensive home insurance, comprehensive business insurance and property loss insurance subsegments, whose activity constitutes 78% of total premiums in these subsegments.

(**) Other Liability subsegments mainly include data from the following segments: third-party insurance, professional liability insurance and employers' liability insurance, the activity of which constitutes 81% of total premiums in these subsegments.

NOTE 3 - OPERATING SEGMENTS (cont.)

D. Additional data regarding the Property and Casualty Insurance Segment (cont.)

	For the 3-month period ended June 30, 2023				
	Compulsory Motor	Motor Property	Property and Other Segment (*)	Other Liability Subsegments (**)	Total
	Unaudited				
	NIS thousand				
Gross premiums	187,934	469,401	270,637	199,008	1,126,980
Reinsurance premiums	13,248	-	199,255	99,548	312,051
Premiums - retention	174,686	469,401	71,382	99,460	814,929
Change in unearned premium balance, retention	18,508	61,371	(3,429)	3,879	80,329
Premiums earned - retention	156,178	408,030	74,811	95,581	734,600
Investment income, net and finance income	27,425	12,578	2,725	22,937	65,665
Revenue from fees and commissions	7,373	13	39,331	11,790	58,507
Total income	190,976	420,621	116,867	130,308	858,772
Payments and change in liabilities in respect of insurance contracts, gross	136,460	358,206	111,304	133,122	739,092
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	7,782	(56)	82,783	55,198	145,707
Payments and change in liabilities for insurance contracts - retention	128,678	358,262	28,521	77,924	593,385
Fees and commissions, marketing expenses and other purchase expenses	20,290	71,650	55,106	36,659	183,705
General and administrative expenses	8,945	11,709	7,652	9,245	37,551
Finance expenses	1,994	-	208	1,649	3,851
Total expenses	159,907	441,621	91,487	125,477	818,492
Company's share in the net results of investees	10,246	5,093	940	8,730	25,009
Profit (loss) before taxes on income	41,315	(15,907)	26,320	13,561	65,289
Other comprehensive income before taxes on income	13,016	6,415	1,354	10,758	31,543
Total comprehensive income (loss) for the period before taxes on income	54,331	(9,492)	27,674	24,319	96,832
Liabilities in respect of insurance contracts, gross, as of June 30, 2023 (unaudited)	3,140,226	1,262,198	894,524	2,540,653	7,837,601
Liabilities in respect of insurance contracts - retention - as of June 30, 2023 (unaudited)	2,083,847	1,262,186	229,278	1,712,529	5,287,840

(*) Property and Other insurance subsegments mainly include data from the comprehensive home insurance, comprehensive business insurance and property loss insurance subsegments, whose activity constitutes 82% of total premiums in these subsegments.

(**) Other Liability subsegments mainly include data from the following segments: third-party insurance, professional liability insurance and employers' liability insurance, the activity of which constitutes 77% of total premiums in these subsegments.

NOTE 3 - OPERATING SEGMENTS (cont.)

D. Additional data regarding the Property and Casualty Insurance Segment (cont.)

	For the year ended December 31, 2023				
	Compulsory Motor	Motor Property	Property and Other Segment (*)	Other Liability Subsegments (**)	Total
	Audited				
	NIS thousand				
Gross premiums	726,648	1,840,326	1,102,867	799,166	4,469,007
Reinsurance premiums	50,617	-	771,906	380,906	1,203,429
Premiums - retention	676,031	1,840,326	330,961	418,260	3,265,578
Change in unearned premium balance, retention	39,064	158,245	27,501	28,358	253,168
Premiums earned - retention	636,967	1,682,081	303,460	389,902	3,012,410
Investment income, net and finance income	80,939	35,226	8,951	66,910	192,026
Revenue from fees and commissions	25,971	5	172,429	50,189	248,594
Total income	743,877	1,717,312	484,840	507,001	3,453,030
Payments and change in liabilities in respect of insurance contracts, gross	383,635	1,332,795	861,869	270,153	2,848,452
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	7,584	(60)	753,983	217,983	979,490
Payments and change in liabilities for insurance contracts - retention	376,051	1,332,855	107,886	52,170	1,868,962
Fees and commissions, marketing expenses and other purchase expenses	86,058	324,285	242,397	152,301	805,041
General and administrative expenses	31,227	52,220	30,424	29,339	143,210
Finance expenses	6,545	-	724	5,410	12,679
Total expenses	499,881	1,709,360	381,431	239,220	2,829,892
Company's share in the net results of investees	(1,494)	(707)	(165)	(1,235)	(3,601)
Net income before income tax	242,502	7,245	103,244	266,546	619,537
Other comprehensive income before taxes on income	34,797	16,477	3,848	28,766	83,888
Total comprehensive income for the period before taxes on income	277,299	23,722	107,092	295,312	703,425
Liabilities in respect of insurance contracts, gross, as of December 31, 2023 (audited)	2,985,505	1,176,543	1,213,941	2,474,590	7,850,579
Liabilities in respect of insurance contracts - retention - as of December 31, 2023 (audited)	2,043,714	1,176,505	241,380	1,571,803	5,033,402

(*) Property and Other subsegments mainly include data from the comprehensive home insurance, comprehensive business insurance and property loss insurance subsegments, whose activity constitutes 80% of total premiums in these subsegments.

(**) Other Liability subsegments mainly include data from the following segments: third-party insurance, professional liability insurance and employers' liability insurance, the activity of which constitutes 81% of total premiums in these subsegments.

NOTE 3 - OPERATING SEGMENTS (cont.)

E. Additional data regarding the Retirement (Pension and Provident) Segment

	For the 6-month period ended June 30, 2024		
	Provident	Pension	Total
	Unaudited		
	NIS thousand		
Investment income, net and finance income	49,845	3,721	53,566
Revenue from management fees	226,601	171,581	398,182
Other income	38	932	970
Total income	276,484	176,234	452,718
Change in liabilities for investment contracts	46,322	-	46,322
Fees and commissions, marketing expenses and other purchase expenses	104,327	96,688	201,015
General and administrative expenses	70,819	55,822	126,641
Other expenses	8,293	7,090	15,383
Finance expenses	6,864	9,318	16,182
Total expenses	236,625	168,918	405,543
Total comprehensive income for the period before taxes on income	39,859	7,316	47,175

	For the 6-month period ended June 30, 2023		
	Provident	Pension	Total
	Unaudited		
	NIS thousand		
Investment income, net and finance income	51,865	3,970	55,835
Revenue from management fees	214,073	147,369	361,442
Other income	15,616	1,210	16,826
Total income	281,554	152,549	434,103
Change in liabilities for investment contracts	49,944	-	49,944
Fees and commissions, marketing expenses and other purchase expenses	94,414	87,223	181,637
General and administrative expenses	69,698	49,181	118,879
Other expenses	9,823	7,284	17,107
Finance expenses	4,647	2,536	7,183
Total expenses	228,526	146,224	374,750
Company's share in the net results of an investee	362	-	362
Total comprehensive income for the period before taxes on income	53,390	6,325	59,715

NOTE 3 - OPERATING SEGMENTS (cont.)

E. Additional data regarding the Retirement (Pension and Provident) Segment (cont.)

	For the 3-month period ended June 30, 2024		
	Provident	Pension	Total
	Unaudited		
	NIS thousand		
Investment income, net and finance income	30,706	(381)	30,325
Revenue from management fees	113,792	85,055	198,847
Other income	-	491	491
Total income	144,498	85,165	229,663
Change in liabilities for investment contracts	30,263	-	30,263
Fees and commissions, marketing expenses and other purchase expenses	53,227	48,872	102,099
General and administrative expenses	35,913	28,507	64,420
Other expenses	3,301	3,344	6,645
Finance expenses	4,524	5,097	9,621
Total expenses	127,228	85,820	213,048
Total comprehensive income for the period before taxes on income	17,270	(655)	16,615

	For the 3-month period ended June 30, 2023		
	Provident	Pension	Total
	Unaudited		
	NIS thousand		
Investment income, net and finance income	30,719	3,365	34,084
Revenue from management fees	107,946	75,208	183,154
Other income	15,616	740	16,356
Total income	154,281	79,313	233,594
Change in liabilities for investment contracts	26,641	-	26,641
Fees and commissions, marketing expenses and other purchase expenses	48,482	44,212	92,694
General and administrative expenses	35,442	26,243	61,685
Other expenses	5,240	4,060	9,300
Finance expenses	2,578	1,649	4,227
Total expenses	118,383	76,164	194,547
Company's share in the net results of an investee	362	-	362
Total comprehensive income for the period before taxes on income	36,260	3,149	39,409

NOTE 3 - OPERATING SEGMENTS (cont.)

E. Additional data regarding the Retirement (Pension and Provident) Segment (cont.)

	For the year ended December 31, 2023		
	Provident	Pension	Total
	Audited		
	NIS thousand		
Investment income, net and finance income	91,840	9,145	100,985
Revenue from management fees	438,935	312,047	750,982
Other income	15,904	2,482	18,386
Total income	546,679	323,674	870,353
Change in liabilities for investment contracts	88,921	-	88,921
Fees and commissions, marketing expenses and other purchase expenses	195,455	181,232	376,687
General and administrative expenses	170,409	104,367	274,776
Other expenses	20,934	15,686	36,620
Finance expenses	9,501	11,138	20,639
Total expenses	485,220	312,423	797,643
Company's share in the net results of an investee	306	-	306
Total comprehensive income for the period before taxes on income	61,765	11,251	73,016

NOTE 4 - BUSINESS COMBINATIONS

A. Acquisition of the active mutual funds activity from Psagot by Phoenix Investment House (including through subsidiaries)

On December 19, 2023, Phoenix Investment House engaged with companies of the Psagot Investment House group in a binding agreement for a total consideration of approx. NIS 150 million (hereinafter - the "Consideration Amount"), as detailed below:

The agreement between Phoenix Investment House and KSM Mutual Funds Ltd., Psagot Finance and Investment Group Ltd., and Psagot Mutual Funds Ltd. (hereinafter - "Psagot Funds"), whereunder Psagot Funds will sell all the active funds, that are currently under the management of Psagot Funds with assets under management of approx. NIS 22.2 billion (hereinafter - the "Active Funds"); the agreement includes a non-compete undertaking by Psagot Group and Psagot Investment House with respect to Active Funds for a period of 4 years (hereinafter jointly - the "Funds Sale Agreement").

On March 21, 2024, after the fulfillment of all the conditions precedent, the transaction was completed in consideration for approx. NIS 151 million and assets under management of active funds at the total value of approx. NIS 22.8 billion were transferred to Phoenix Investment House.

For the purpose of the said acquisition, Phoenix Investment House took a bank loan at the total amount of approx. NIS 100 million for a period of 7 years. The loan principal will bear an interest of Prime minus 0.5%.

Phoenix Investment House recognized the fair value of the assets acquired and the liabilities assumed as part of the business combination according to a provisional measurement. As of the approval date of the financial statements, a final valuation has not yet been received by an external appraiser in relation to the fair value of the identified assets acquired and the liabilities assumed. A final adjustment of the consideration for the acquisition as well as the fair value of the assets and liabilities acquired can be carried out up to 12 months from the acquisition date. At the final measurement date, the adjustments are made by way of a restating the comparative figures previously reported according to the provisional measurement.

As a result of this purchase, Phoenix Investment House recorded intangible assets, which include customer relations and non-compete agreement in the amount of approx. NIS 41 million, and goodwill in the amount of approx. NIS 110 million.

B. Assuming control in Yoram Zilberman Insurance Agency N.S.R (2000) Ltd.

In August 2023, a subsidiary of Phoenix Agencies and Yoram Zilberman Insurance Agency N.S.R (2000) Ltd. (hereinafter - "Zilberman") entered into a binding agreement for the purchase of 70% of Zilberman's shares, in consideration for a total of approx. NIS 46 million.

In June 2024, after all conditions precedent have been met, the agreement was completed in consideration for approx. NIS 46 million, of which approx. NIS 6 million was paid subsequent to the balance sheet date.

Phoenix Agencies recognized the fair value of the assets acquired and the liabilities taken as part of the business combination according to a provisional measurement. As of the approval date of the financial statements, a final valuation has not yet been received by an external appraiser in relation to the fair value of the identified assets acquired and the liabilities assumed. A final adjustment of the consideration for the acquisition as well as the fair value of the assets and liabilities acquired can be carried out up to 12 months from the acquisition date. At the final measurement date, the adjustments are made by way of a restating the comparative figures previously reported according to the provisional measurement.

NOTE 4 - BUSINESS COMBINATIONS (cont.)

B. Assuming control in Yoram Zilberman Insurance Agency N.S.R (2000) Ltd. (cont.)

As a result of the acquisition, Phoenix Agencies recognized intangible assets comprising mainly customer portfolios totaling approx. NIS 46 million and goodwill totaling approx. NIS 18 million.

C. Additional acquisitions in consolidated companies of Phoenix Agencies (excluding Section B above)

During the reporting period, consolidated companies of Phoenix Agencies purchased insurance portfolios/ a controlling stake in insurance agencies. As a result of these acquisitions, consolidated companies of Phoenix Agencies recognized intangible assets comprising mainly customer portfolios totaling approx. NIS 33 million and goodwill totaling approx. NIS 19 million.

NOTE 5 - FINANCIAL INSTRUMENTS

A. Assets for yield-dependent contracts

1. Following is a breakdown of assets held against insurance contracts and investment contracts presented at fair value through profit and loss:

	As of June 30		As of December 31
	2024	2023	2023
	Unaudited		Audited
	NIS thousand		
Investment property	2,324,446	2,206,935	2,283,063
Financial investments:			
Liquid debt assets	21,375,966	22,297,970	22,136,113
Illiquid debt assets	8,263,250	8,131,412	7,849,659
Shares	20,002,548	19,755,597	19,844,102
Other financial investments	33,979,065	30,418,612	32,988,063
Total financial investments	83,620,829	80,603,591	82,817,937
Cash and cash equivalents	18,685,733	18,728,467	19,303,547
Other	270,311	204,514	364,965
Total assets for yield-dependent contracts	**104,901,319**	**101,743,507**	**104,769,512**

2. Fair value of financial assets by level:

The following table presents an analysis of assets held against insurance contracts and investment contracts presented at fair value through profit and loss. The different levels were defined as follows:

Level 1 - fair value measured using quoted prices (unadjusted) in an active market for identical instruments.
Level 2 - fair value measured using observable inputs, either directly or indirectly, that are not included in Level 1 above.
Level 3 - fair value measured using inputs that are not based on observable market inputs.

For financial instruments periodically recognized at fair value, the Company estimates, at the end of each reporting period, whether transfers have been made between the various levels of the fair value hierarchy.
During the reporting periods there were no material transfers between Level 1 and Level 2.

NOTE 5 - FINANCIAL INSTRUMENTS (cont.)

A. Assets for yield-dependent contracts (cont.)

2. Fair value of financial assets by level (cont.)

The Company holds the financial instruments measured at fair value according to the following classifications:

	As of June 30, 2024			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Financial investments:				
Liquid debt assets	15,647,770	5,728,196	-	21,375,966
Illiquid debt assets	-	5,439,057	2,824,193	8,263,250
Shares	17,478,667	114,922	2,408,959	20,002,548
Other financial investments	11,333,816	941,853	21,703,396	33,979,065
Total	**44,460,253**	**12,224,028**	**26,936,548**	**83,620,829**

	As of June 30, 2023			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Financial investments:				
Liquid debt assets	15,941,467	6,356,503	-	22,297,970
Illiquid debt assets	-	5,484,598	2,646,814	8,131,412
Shares	17,267,570	339,715	2,148,312	19,755,597
Other financial investments	10,485,451	1,096,654	18,836,507	30,418,612
Total	**43,694,488**	**13,277,470**	**23,631,633**	**80,603,591**

	As of December 31, 2023			
	Level 1	Level 2	Level 3	Total
	Audited			
	NIS thousand			
Financial investments:				
Liquid debt assets	16,876,330	5,259,783	-	22,136,113
Illiquid debt assets	-	5,154,886	2,694,773	7,849,659
Shares	17,550,366	189,265	2,104,471	19,844,102
Other financial investments	11,902,152	1,855,238	19,230,673	32,988,063
Total	**46,328,848**	**12,459,172**	**24,029,917**	**82,817,937**

NOTE 5 - FINANCIAL INSTRUMENTS (cont.)

A. Assets for yield-dependent contracts (cont.)

2. Fair value of financial assets by level (cont.)

Assets measured at fair value - Level 3

	Fair value measurement at the reporting date				
	Financial assets at fair value through profit and loss				
	Liquid debt assets	Illiquid debt assets	Shares	Other financial investments	Total
	NIS thousand				
Balance as of January 1, 2024 (audited)	-	2,694,773	2,104,471	19,230,673	24,029,917
Total gains recognized in profit or loss (*)	-	157,583	10,992	1,694,144	1,862,719
Purchases	-	467,948	313,928	2,277,188	3,059,064
Proceeds from interest and dividend	-	(69,659)	(20,294)	(438,386)	(528,339)
Redemptions / sales	-	(407,656)	(138)	(1,060,223)	(1,468,017)
Transfers from Level 3 (**)	-	(18,796)	-	-	(18,796)
Balance as of June 30, 2024 (unaudited)	-	2,824,193	2,408,959	21,703,396	26,936,548
(*) Of which: Total unrealized gains (losses) for the period recognized in profit and loss in respect of assets held as of June 30 2024 (unaudited)	-	68,890	(9,054)	1,022,496	1,082,332

(**)Transfers from Level 3 stem mainly from securities whose rating changed.

	Fair value measurement at the reporting date				
	Financial assets at fair value through profit and loss				
	Liquid debt assets	Illiquid debt assets	Shares	Other financial investments	Total
	NIS thousand				
Balance as of January 1, 2023 (audited)	-	1,916,398	1,876,296	17,268,806	21,061,500
Total gains recognized in profit or loss (*)	-	176,470	14,342	1,151,755	1,342,567
Purchases	-	709,408	349,235	1,917,563	2,976,206
Proceeds from interest and dividend	-	(46,434)	(13,085)	(448,352)	(507,871)
Redemptions / sales	-	(574,341)	(78,476)	(1,053,265)	(1,706,082)
Transfers into Level 3 (**)	-	569,646	-	-	569,646
Transfers from Level 3 (**)	-	(104,333)	-	-	(104,333)
Balance as of June 30, 2023 (unaudited)	-	2,646,814	2,148,312	18,836,507	23,631,633
(*) Of which: Total unrealized gains for the period recognized in profit and loss in respect of assets held as of June 30, 2023 (unaudited)	-	108,850	847	802,446	912,143

(**) Transfers into (from) Level 3 stem mainly from securities whose rating changed.

NOTE 5 - FINANCIAL INSTRUMENTS (cont.)

A. Assets for yield-dependent contracts (cont.)

2. Fair value of financial assets by level (cont.)

Assets measured at fair value - Level 3 (cont.)

	Fair value measurement at the reporting date				
	Financial assets at fair value through profit and loss				
	Liquid debt assets	Illiquid debt assets	Shares	Other financial investments	Total
	Unaudited				
	NIS thousand				
Balance as of April 1, 2024	-	2,724,147	2,265,590	20,332,627	25,322,364
Total gains (losses) recognized in profit or loss (*)	-	86,408	(14,257)	1,152,981	1,225,132
Purchases	-	263,179	170,336	1,037,178	1,470,693
Proceeds from interest and dividend	-	(48,131)	(12,572)	(180,870)	(241,573)
Redemptions / sales	-	(201,410)	(138)	(638,520)	(840,068)
Balance as of June 30, 2024	-	2,824,193	2,408,959	21,703,396	26,936,548
(*) Of which: Total unrealized gains (losses) for the period recognized in profit and loss in respect of assets held as of June 30 2024	-	32,287	(26,907)	988,939	994,319

	Fair value measurement at the reporting date				
	Financial assets at fair value through profit and loss				
	Liquid debt assets	Illiquid debt assets	Shares	Other financial investments	Total
	Unaudited				
	NIS thousand				
Balance as of April 1, 2023	-	2,251,160	1,798,085	17,973,706	22,022,951
Total gains recognized in profit or loss (*)	-	104,840	22,357	809,367	936,564
Purchases	-	441,207	342,815	956,352	1,740,374
Proceeds from interest and dividend	-	(25,496)	(5,553)	(265,229)	(296,278)
Redemptions / sales	-	(422,539)	(9,392)	(637,689)	(1,069,620)
Transfers into Level 3 (**)	-	297,642	-	-	297,642
Balance as of June 30, 2023	-	2,646,814	2,148,312	18,836,507	23,631,633
(*) Of which: Total unrealized gains for the period recognized in profit and loss in respect of assets held as of June 30, 2023	-	65,623	16,338	592,169	674,130

(**) Transfers to Level 3 stem mainly from securities the rating of which was revised.

NOTE 5 - FINANCIAL INSTRUMENTS (cont.)

A. Assets for yield-dependent contracts (cont.)

2. Fair value of financial assets by level (cont.)

Assets measured at fair value - Level 3 (cont.)

	Fair value measurement at the reporting date				
	Financial assets at fair value through profit and loss				
	Liquid debt assets	Illiquid debt assets	Shares	Other financial investments	Total
	Audited				
	NIS thousand				
Balance as of January 1, 2023	-	1,916,398	1,876,296	17,268,806	21,061,500
Total gains recognized in profit or loss (*)	-	283,440	94,851	1,442,721	1,821,012
Purchases	-	1,505,591	288,034	3,671,319	5,464,944
Proceeds from interest and dividend	-	(122,986)	(27,331)	(1,011,022)	(1,161,339)
Redemptions / sales	-	(1,233,422)	(127,379)	(2,082,158)	(3,442,959)
Transfers into Level 3 (**)	-	665,478	-	-	665,478
Transfers from Level 3 (**)	-	(319,726)	-	(58,993)	(378,719)
Balance as of December 31, 2023	-	2,694,773	2,104,471	19,230,673	24,029,917
(*) Of which: Total unrealized gains for the period included in profit and loss in respect of assets - balance held as of December 31, 2023	-	71,551	88,863	510,766	671,180

(**) Transfers into (from) Level 3 stem mainly from securities whose rating changed and from securities issued for the first time.

NOTE 5 - FINANCIAL INSTRUMENTS (cont.)

B. Other financial investments

1. Illiquid debt assets

Composition:

	As of June 30, 2024	
	Carrying amount	Fair value
	Unaudited	
	NIS thousand	
Government bonds		
Presented as loans and receivables:		
Designated bonds and treasury deposits (*)	8,455,448	10,134,436
Other non-convertible debt assets		
Presented at fair value through profit and loss	21,127	21,127
Presented as loans and receivables:		
Other non-convertible debt assets, excluding deposits with banks	6,766,709	6,725,250
Deposits with banks	996,505	999,741
Total other non-convertible debt assets	7,784,341	7,746,118
Total illiquid debt assets	16,239,789	17,880,554
Impairments carried to profit and loss (cumulative)	77,401	

(*) The fair value was calculated according to the contractual repayment date.

	As of June 30, 2023	
	Carrying amount	Fair value
	Unaudited	
	NIS thousand	
Government bonds		
Presented as loans and receivables:		
Designated bonds and treasury deposits (*)	8,808,980	11,439,046
Other non-convertible debt assets		
Presented as loans and receivables:		
Other non-convertible debt assets, excluding deposits with banks	7,179,943	7,112,671
Deposits with banks	1,298,519	1,306,702
Total other non-convertible debt assets	8,478,462	8,419,373
Total illiquid debt assets	17,287,442	19,858,419
Impairments carried to profit and loss (cumulative)	69,365	

(*) The fair value was calculated according to the contractual repayment date.

NOTE 5 - FINANCIAL INSTRUMENTS (cont.)

B. Other financial investments (cont.)

1. Illiquid debt assets (cont.)

Composition: (cont.)

	As of December 31, 2023	
	Carrying amount	Fair value
	Audited	
	NIS thousand	
Government bonds		
Presented as loans and receivables:		
Designated bonds and treasury deposits (*)	8,300,538	10,586,670
Other non-convertible debt assets		
Presented at fair value through profit and loss	21,060	21,060
Presented as loans and receivables:		
Other non-convertible debt assets, excluding deposits with banks	7,494,386	7,473,444
Deposits with banks	777,937	784,524
Total other non-convertible debt assets	8,293,383	8,279,028
Total illiquid debt assets	16,593,921	18,865,698
Impairments carried to profit and loss (cumulative)	103,271	

(*) The fair value was calculated according to the contractual repayment date.

NOTE 5 - FINANCIAL INSTRUMENTS (cont.)

B. Other financial investments (cont.)

2. Fair value of financial assets by level

The tables below depict an analysis of the financial instruments presented at fair value. During the reporting periods there were no material transfers between Level 1 and Level 2.

	As of June 30, 2024			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Liquid debt assets	4,448,889	1,201,381	-	5,650,270
Illiquid debt assets	-	-	21,127	21,127
Shares	1,865,366	41,952	591,853	2,499,171
Other	494,445	161,045	5,274,031	5,929,521
Total	6,808,700	1,404,378	5,887,011	14,100,089

	As of June 30, 2023			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Liquid debt assets	4,312,769	1,498,602	-	5,811,371
Shares	1,555,503	135,082	527,862	2,218,447
Other	506,941	377,009	4,752,796	5,636,746
Total	6,375,213	2,010,693	5,280,658	13,666,564

	As of December 31, 2023			
	Level 1	Level 2	Level 3	Total
	Audited			
	NIS thousand			
Liquid debt assets	4,913,289	860,148	-	5,773,437
Illiquid debt assets	-	-	21,060	21,060
Shares	1,696,440	65,547	525,605	2,287,592
Other	550,136	532,275	5,033,923	6,116,334
Total	7,159,865	1,457,970	5,580,588	14,198,423

NOTE 5 - FINANCIAL INSTRUMENTS (cont.)

B. Other financial investments (cont.)

2. Fair value of financial assets by level (cont.)

Assets measured at fair value - Level 3

	Fair value measurement at the reporting date				
	Financial assets at fair value through profit and loss and available-for-sale financial assets				
	Liquid debt assets	Illiquid debt assets	Shares	Other financial investments	Total
	NIS thousand				
Balance as of January 1, 2024 (audited)	-	21,060	525,605	5,033,923	5,580,588
Total gains (losses) recognized:					
In profit and loss (*)	-	67	25,165	171,268	196,500
In other comprehensive income	-	-	(28,477)	154,268	125,791
Purchases	-	-	97,400	492,961	590,361
Proceeds from interest and dividend	-	-	(1,323)	(107,024)	(108,347)
Redemptions / sales	-	-	(26,517)	(471,365)	(497,882)
Balance as of June 30, 2024 (unaudited)	-	21,127	591,853	5,274,031	5,887,011
(*) Of which: Total unrealized gains (losses) for the period recognized in profit and loss in respect of assets held as of June 30 2024 (unaudited)	-	67	2,244	(5,717)	(3,406)

	Fair value measurement at the reporting date				
	Financial assets at fair value through profit and loss and available-for-sale financial assets				
	Liquid debt assets	Illiquid debt assets	Shares	Other financial investments	Total
	NIS thousand				
Balance as of January 1, 2023 (audited)	-	-	486,793	4,111,483	4,598,276
Total gains recognized:					
In profit and loss (*)	-	-	1,958	125,125	127,083
In other comprehensive income	-	-	17,470	201,771	219,241
Purchases	-	-	23,168	605,450	628,618
Proceeds from interest and dividend	-	-	(1,527)	(127,962)	(129,489)
Redemptions / sales	-	-	-	(163,071)	(163,071)
Balance as of June 30, 2023 (unaudited)	-	-	527,862	4,752,796	5,280,658
(*) Of which: Total unrealized gains (losses) for the period recognized in profit and loss in respect of assets held as of June 30, 2023 (unaudited)	-	-	(1,000)	(24,415)	(25,415)

NOTE 5 - FINANCIAL INSTRUMENTS (cont.)

B. Other financial investments (cont.)

2. Fair value of financial assets by level (cont.)

Assets measured at fair value - Level 3 (cont.)

	Fair value measurement at the reporting date				
	Financial assets at fair value through profit and loss and available-for-sale financial assets				
	Liquid debt assets	Illiquid debt assets	Shares	Other financial investments	Total
	Unaudited				
	NIS thousand				
Balance as of April 1, 2024	-	21,428	547,402	4,987,426	5,556,256
Total gains (losses) recognized:					
In profit and loss (*)	-	(301)	1,147	66,391	67,237
In other comprehensive income	-	-	(10,084)	171,732	161,648
Purchases	-	-	53,388	232,902	286,290
Proceeds from interest and dividend	-	-	-	(42,550)	(42,550)
Redemptions / sales	-	-	-	(141,870)	(141,870)
Balance as of June 30, 2024	-	21,127	591,853	5,274,031	5,887,011
(*) Of which: Total unrealized gains (losses) for the period recognized in profit and loss in respect of assets held as of June 30 2024	-	(301)	144	(5,254)	(5,411)

	Fair value measurement at the reporting date				
	Financial assets at fair value through profit and loss and available-for-sale financial assets				
	Liquid debt assets	Illiquid debt assets	Shares	Other financial investments	Total
	Unaudited				
	NIS thousand				
Balance as of April 1, 2023	-	-	503,089	4,403,232	4,906,321
Total gains (losses) recognized:					
In profit and loss (*)	-	-	(973)	70,822	69,849
In other comprehensive income	-	-	7,660	127,554	135,214
Purchases	-	-	18,086	281,484	299,570
Proceeds from interest and dividend	-	-	-	(78,214)	(78,214)
Redemptions / sales	-	-	-	(52,082)	(52,082)
Balance as of June 30, 2023	-	-	527,862	4,752,796	5,280,658
(*) Of which: Total unrealized gains (losses) for the period recognized in profit and loss in respect of assets held as of June 30, 2023	-	-	(1,000)	(7,930)	(8,930)

NOTE 5 - FINANCIAL INSTRUMENTS (cont.)

B. Other financial investments (cont.)

2. Fair value of financial assets by level (cont.)

Assets measured at fair value - Level 3 (cont.)

	Fair value measurement at the reporting date				
	Financial assets at fair value through profit and loss and available-for-sale financial assets				
	Liquid debt assets	Illiquid debt assets	Shares	Other financial investments	Total
	Audited				
	NIS thousand				
Balance as of January 1, 2023	-	-	486,793	4,111,483	4,598,276
Total gains (losses) recognized:					
In profit and loss (*)	-	2,974	(16,455)	310,049	296,568
In other comprehensive income	-	-	44,079	159,098	203,177
Purchases	-	18,086	18,576	1,079,251	1,115,913
Proceeds from interest and dividend	-	-	(6,978)	(277,485)	(284,463)
Redemptions / sales	-	-	(410)	(321,957)	(322,367)
Transfers from Level 3 (**)	-	-	-	(26,516)	(26,516)
Balance as of December 31, 2023	-	21,060	525,605	5,033,923	5,580,588
(*) Of which: Total unrealized gains (losses) for the period included in profit and loss in respect of assets - balance held as of December 31, 2023	-	2,974	(26,269)	(45,060)	(68,355)

(**) Transfers from Level 3 stem mainly from securities whose rating changed.

C. Credit assets in respect of factoring, acquiring and financing

	As of June 30		As of December 31
	2024	2023	2023
	Unaudited		Audited
	NIS thousand		
Trade receivables and checks for collection (*)	1,088,384	1,024,287	858,113
Credit vouchers	19,509	18,866	10,539
Loans and checks for collection	1,484,786	1,023,219	1,016,231
Credit vouchers for sale	1,885,051	1,454,634	1,851,336
Loan loss provision (*)	(32,239)	(32,153)	(35,870)
Total	4,445,491	3,488,853	3,700,349

(*) For details regarding the restructuring in the Credit Segment, see Note 8E.

NOTE 5 - FINANCIAL INSTRUMENTS (cont.)

D. Financial liabilities

1. Breakdown of financial liabilities

	As of June 30, 2024	
	Carrying amount	Fair value
	Unaudited	
	NIS thousand	
Financial liabilities presented at amortized cost:		
Short-term credit and loans from banking corporations (see Note 8O)	1,361,109	1,361,109
Loans from non-bank entities (see Note 8N)	1,257,668	1,257,668
Bonds (see Note 8I)	2,477,250	2,391,493
Subordinated notes (1)	4,100,623	3,934,045
Additional Tier 1 capital subordinated bond (1) (see Note 8K)	367,088	337,672
Trade receivables for credit cards	1,798,528	1,798,528
REPO in respect of non-yield-dependent contracts (2)	746,743	746,743
Other (3)	44,034	44,034
Total financial liabilities presented at amortized cost	12,153,043	11,871,291
Financial liabilities presented at fair value through profit and loss:		
Derivatives held for yield-dependent contracts	958,494	958,494
Derivatives held for non-yield-dependent contracts	337,362	337,362
Liability for short sale of liquid securities	1,319,852	1,319,852
Total financial liabilities presented at fair value through profit and loss	2,615,708	2,615,708
Lease liabilities (4)	180,064	
Total financial liabilities	14,948,815	

(1) The notes were issued for the purpose of complying with the capital requirements.

(2) Phoenix Insurance has entered into repo and reverse repo agreements with foreign banks. The term of those transactions was up to one year, against liquid debt assets of the Government of Israel; they include a mechanism for the adjustment of the value of the collaterals that will be provided against the consideration that was received in the transaction.

(3) Mainly provision in respect of an option to acquire an investee and an undertaking to acquire portfolios.

(4) Disclosure of fair value was not required.

NOTE 5 - FINANCIAL INSTRUMENTS (cont.)

D. Financial liabilities (cont.)

1. Breakdown of financial liabilities (cont.)

	As of June 30, 2023	
	Carrying amount	Fair value
	Unaudited	
	NIS thousand	
Financial liabilities presented at amortized cost:		
Short-term credit and loans from banking corporations	815,705	815,705
Loans from non-bank entities	797,806	797,806
Bonds	2,141,941	2,051,986
Subordinated notes (1)	3,679,246	3,547,009
Additional Tier 1 capital subordinated bond (1)	215,044	190,731
Trade receivables for credit cards	1,637,003	1,637,003
REPO in respect of non-yield-dependent contracts (2)	753,384	753,384
Other (3)	27,362	27,362
Total financial liabilities presented at amortized cost	10,067,491	9,820,986
Financial liabilities presented at fair value through profit and loss:		
Derivatives held for yield-dependent contracts	1,501,978	1,501,978
Derivatives held for non-yield-dependent contracts	611,717	611,717
REPO in respect of non-yield-dependent contracts	855,992	855,992
Liability for short sale of liquid securities	1,269,828	1,269,828
Total financial liabilities presented at fair value through profit and loss	4,239,515	4,239,515
Lease liabilities (3)	106,132	
Total financial liabilities	14,413,138	

(1) The bonds were issued for the purpose of complying with the capital requirements.

(2) Phoenix Insurance has entered into repo and reverse repo agreements with foreign banks. The term of those transactions is up to one year, against liquid debt assets of the Government of Israel; they include a mechanism for the adjustment of the value of the collaterals that will be provided against the consideration that was received in the transaction.

(3) Mainly provision in respect of an option to acquire an investee and an undertaking to acquire portfolios.

(4) Disclosure of fair value was not required.

NOTE 5 - FINANCIAL INSTRUMENTS (cont.)

D. Financial liabilities (cont.)

1. Breakdown of financial liabilities (cont.)

	As of December 31, 2023	
	Carrying amount	Fair value
	Audited	
	NIS thousand	
Financial liabilities presented at amortized cost:		
Short-term credit and loans from banking corporations	1,011,800	1,011,800
Loans from non-bank entities	886,621	886,621
Bonds	2,495,765	2,439,861
Subordinated notes (1)	4,480,493	4,388,401
Subordinated notes - Additional Tier 1 capital (1)	217,644	240,359
Trade receivables for credit cards	1,754,711	1,754,711
REPO in respect of non-yield-dependent contracts (2)	833,501	833,501
Other (3)	54,069	54,069
Total financial liabilities presented at amortized cost	11,734,604	11,609,323
Financial liabilities presented at fair value through profit and loss:		
Derivatives held for yield-dependent contracts	1,052,783	1,052,783
Derivatives held for non-yield-dependent contracts	439,993	439,993
REPO in respect of yield-dependent contracts (2)	1,180,841	1,180,841
Liability for short sale of liquid securities	1,038,609	1,038,609
Other	6,000	6,000
Total financial liabilities presented at fair value through profit and loss	3,718,226	3,718,226
Lease liabilities (4)	123,079	
Total financial liabilities	15,575,909	

(1) The notes were issued for the purpose of complying with the capital requirements.

(2) Phoenix Insurance has entered into repo and reverse repo agreements with foreign banks. The term of those transactions was up to one year, against liquid debt assets of the Government of Israel; they include a mechanism for the adjustment of the value of the collaterals that will be provided against the consideration that was received in the transaction.

(3) Mainly provision in respect of an option to acquire an investee and an undertaking to acquire portfolios.

(4) Disclosure of fair value was not required.

NOTE 5 - FINANCIAL INSTRUMENTS (cont.)

D. Financial liabilities (cont.)

2. Fair value of financial liabilities by level

	As of June 30, 2024			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Liability for short sale of liquid securities	1,319,852	-	-	1,319,852
Derivatives	263,673	1,022,786	9,397	1,295,856
Financial liabilities presented at fair value	1,583,525	1,022,786	9,397	2,615,708

	As of June 30, 2023			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Liability for short sale of liquid securities	1,269,828	-	-	1,269,828
REPO in respect of yield-dependent contracts	-	855,992	-	855,992
Derivatives	167,902	1,935,410	10,383	2,113,695
Financial liabilities presented at fair value	1,437,730	2,791,402	10,383	4,239,515

	As of December 31, 2023			
	Level 1	Level 2	Level 3	Total
	Audited			
	NIS thousand			
Liability for short sale of liquid securities	1,044,609	-	-	1,044,609
REPO in respect of yield-dependent contracts	-	1,180,841	-	1,180,841
Derivatives	160,897	1,321,446	10,433	1,492,776
Financial liabilities presented at fair value	1,205,506	2,502,287	10,433	3,718,226

NOTE 5 - FINANCIAL INSTRUMENTS (cont.)

D. Financial liabilities (cont.)

3. Valuation techniques

The fair value of investments traded actively in regulated financial markets is determined based on market prices as of the reporting date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using transactions that were recently made at fair market value, reference to the current market value of another instrument which is substantially the same, discounted cash flows, or other valuation methods.

a) Illiquid debt assets

The fair value of illiquid debt assets, which are measured at fair value through profit and loss, and the fair value of illiquid financial debt assets, for which fair value information is provided solely for disclosure purposes, is determined by discounting the estimated future cash flows from those assets. The discount rates are based primarily on yields on government bonds and spreads of corporate bonds as measured on the Tel Aviv Stock Exchange. The quoted prices and interest rates used for discounting purposes are determined by a company which won the tender, published by the Ministry of Finance, for the setting up and operating a database of quoted prices and interest rates for institutional entities.

b) Illiquid shares

The fair value of the investment in illiquid shares was estimated using the discounted cash flow model (DCF). The estimate requires management to make certain assumptions regarding the model's data, including expected cash flows, discount rates, credit risk and volatility. The probabilities in respect of the estimates in the range can be measured reliably, and management uses them to determine and evaluate the fair value of these investments in illiquid shares.

c) Derivatives

The Company enters into transactions involving derivative financial instruments with multiple parties, especially financial institutions. The derivatives were valued using valuation models with observable market inputs are mainly interest rate swap contracts and foreign currency forwards. The most frequently used valuation techniques include prices of forwards and swap models using present value calculations. The models combine a number of inputs, including the credit rating of the parties to the financial transaction, spot/forward exchange rates, prices of forward contracts and interest rate curves. All derivative contracts are fully back against cash; therefore, there is no counterparty credit risk and non-performance risk of the Company itself in respect thereof.

d) Liability for REPO

The Company enters into REPO transactions with multiple parties, especially financial institutions. The underlying assets of these transactions are not derecognized from the Company's statements of financial position, since the Company is still exposed to the risks and economic benefits arising therefrom. Accordingly, the consideration received in the transaction is presented against a financial liability. The differences between the consideration received in the transaction and the future purchase price represents the transaction's implicit effective interest rate, which is used by the Company in the subsequent measurement of the financial liability in the statements of financial position.

NOTE 6 - SHAREHOLDERS' EQUITY AND CAPITAL REQUIREMENTS

It is management's policy to maintain a strong capital base in order to retain Company's ability to continue its activities such that it will be able to generate returns to its shareholders and support future business activities. Phoenix Insurance, Phoenix Investment House group, Retirement (Pension and Provident) management company and other institutional entities consolidated in the financial statements are subject to capital requirements set by the Commissioner.

A. Principles of the Solvency II-based Economic Solvency Regime

Phoenix Insurance is subject to the Solvency II-based Economic Solvency Regime in accordance with implementation provisions as published in June 2017 and revised in October 2020 (hereinafter - the "Economic Solvency Regime").

Economic solvency ratio

The economic solvency ratio is calculated as the ratio between the Insurance Company's recognized economic equity and the solvency capital requirement.
The recognized economic equity capital is determined as the sum of the core tier 1 capital derived from the economic balance sheet and debt instruments that include loss absorption mechanisms (Additional Tier 1 capital and Tier 2 capital instrument).
Economic balance sheet items are calculated based on economic value, with insurance liabilities calculated on the basis of a best estimate of all expected future cash flows from existing businesses, without conservatism margins, and plus a risk margin.
The solvency capital requirement (SCR) is designed to estimate the economic equity's exposure to a series of scenarios set out in the Provisions of the Economic Solvency Regime, and which reflect insurance risks, market and credit risks as well as operational risks.
The Economic Solvency Regime includes, among other things, transitional provisions in connection with compliance with capital requirements, and which allow increasing the economic capital by deducting from the insurance reserves an amount calculated in accordance with the Provisions of the Economic Solvency Regime (hereinafter - the "Deduction"). The Deduction will decrease gradually until 2032 (hereinafter - the "Transitional Period").

In accordance with the Provisions of the Economic Solvency Regime Report, the economic Solvency Ratio Report as of the December 31 and June 30 data of each year shall be included in the first periodic report published after the calculation date.

Furthermore, further to Note 27F3 to the Consolidated Annual Financial Statements, in view of the listing of Additional Tier 1 capital for trading on the Tel Aviv Stock Exchange's main list, and in accordance with Phoenix Insurance's undertakings under the deed of trust, as from 2023 the Company publishes, in the framework of the Report of the Board of Directors, the estimated quarterly solvency ratio as of March 31 and September 30, as part of the periodic report published following the calculation date. The calculation of the estimated quarterly solvency ratio is not audited or reviewed by the independent auditor, and the controls conducted by Phoenix Insurance for the purpose of publishing the estimated ratio are less in scope compared to those executed for the purpose of publishing the Solvency Ratio Report, which is published in accordance with the Commissioner's directives. In addition, if the Company's solvency ratio falls to 120% or below, it will publish a Full Solvency Ratio Report on a quarterly basis in a semi-annual format, instead of an estimated ratio.

NOTE 6 - SHAREHOLDERS' EQUITY AND CAPITAL REQUIREMENTS (cont.)

A. Principles of the Solvency II-based Economic Solvency Regime (cont.)

According to the above, the Company made an estimate of its economic solvency ratio as of March 31, 2024 (hereinafter - the "Estimate"); the Estimate is not audited or reviewed by the independent auditor. The calculation (of the Estimate) was carried out in accordance with the guidelines of the Solvency II-based Economic Solvency Regime, and in accordance with the provisions of Circular 2020-1-15 of the Commissioner of the Capital Market, Insurance and Savings (hereinafter - the "Commissioner") - "Amendment to the Consolidated Circular concerning Implementation of a Solvency II-Based Economic Solvency Regime for Insurance Companies". (hereinafter - the "Provisions of the Economic Solvency Regime"), which was published on October 14, 2020. The Company carries out the Estimate and publishes the quarterly disclosure in addition to the publication of a mandatory solvency ratio reports as required under the Provisions of the Economic Solvency Regime.
In accordance with the Solvency Ratio Report as of December 31, 2023, and the estimated quarterly solvency ratio as of March 31, 2024 as stated above, Phoenix Insurance has surplus capital, both when calculation is made having no regard to the transitional provisions and when it is made taking into account the transition provisions.

The calculation as of December 31, 2023 made by Phoenix Insurance was reviewed by Phoenix Insurance's independent auditors, in accordance with International Standard on Assurance Engagements (ISAE 3400) - The Examination of Prospective Financial Information. This standard is relevant to audits of solvency calculations and does not constitute part of the auditing standards that apply to financial statements.

It should be emphasized that the projections and assumptions on the basis of which the Economic Solvency Ratio Report was prepared are based mainly on past experience as arising from actuarial studies conducted from time to time. In view of the reforms in the capital market, insurance and savings, and the changes in the economic environment, past data do not necessarily reflect future results. The calculation is sometimes based on assumptions regarding future events, steps taken by management, and the pattern of the future development of the risk margin, that will not necessarily materialize or will materialize in a manner different than the assumptions used in the calculation. Furthermore, actual results may materially vary from the calculation, since the combined scenarios of events may materialize in a manner that is materially different than the assumptions made in the calculation.
In their special report, the independent auditors noted that they did not review the appropriateness of the Deduction During the Transitional Period as of December 31, 2023, except for verifying that the Deduction amount does not exceed the expected discounted amount of the risk margin and the capital required for solvency in respect of life and health insurance risks arising from existing businesses during the Transitional Period in accordance with the pattern of future development of the required capital, which affects both the calculation of the expected capital release and the release of the expected risk margin as detailed in the provisions on calculation of risk margin. Furthermore, attention is drawn to the Solvency Ratio Report regarding the uncertainty derived from regulatory changes and exposure to contingent liabilities, the effect of which on the solvency ratio cannot be estimated.
For further details, see Section 2.1 to the Report of the Board of Directors, and the Economic Solvency Ratio Report as of December 31, 2023.

NOTE 6 - SHAREHOLDERS' EQUITY AND CAPITAL REQUIREMENTS (cont.)

B. Dividend

According to the letter published by the Commissioner, in October 2017, (hereinafter - the "Dividend Distribution Letter") an insurance company shall be entitled to distribute a dividend only if, following the distribution, the company has a solvency ratio - according to the Provisions of the Economic Solvency Regime - of at least 100%, calculated without taking into account the transitional provisions and subject to the economic solvency ratio target set by the Company's Board of Directors. The aforesaid ratio shall be calculated without the relief granted in respect of the original difference attributed to the acquisition of the provident funds and management companies. In addition, the letter set out provisions for reporting to the Commissioner.

Phoenix Insurance's Board of Directors has set a minimum economic solvency ratio target and target range based on Solvency II. The economic solvency ratio target range, within which the Company seeks to be during and at the end of the Transitional Period, taking into account the Deduction during the Transitional Period and its gradual reduction is 150%-170%. In addition, the minimum economic solvency ratio target, taking into account the transitional provisions, is set at 135%. In addition, on August 21, 2024, the Company's Board of Directors increased the minimum economic solvency ratio target by 3 percentage points without taking into account the provisions during the Transitional Period - from a rate of 115% to a rate of 118% beginning on June 30, 2024. This minimum economic solvency ratio target is expected to reach 135% at the end of the Transitional Period, in accordance with the Company's capital plan.

On October 27, 2020, Phoenix Insurance's Board of Directors approval of the dividend distribution whereby, as from 2021, Phoenix Insurance shall distribute an annual dividend at a rate of 30% to 50% of its distributable comprehensive income as per its audited annual consolidated financial statements for the relevant year, as long as Phoenix Insurance meets the minimum economic solvency ratio targets in accordance with Solvency II, as described above.
On March 28, 2022, Phoenix Insurance's Board of Directors approved a revision of the dividend distribution policy that will apply to future dividend distributions to be made in connection with Phoenix Insurance's financial results for 2022 and thereafter. According to the update, the rate of dividend will not change, but Phoenix Insurance will take steps to distribute a dividend twice a year:

-Dividend at the discretion of the Board of Directors on the approval date of the Financial Statements for the second quarter of each calendar year.
-Supplementary dividend in accordance with the policy on the annual report's approval date of each calendar year.

On May 28, 2024, Phoenix Insurance's Board of Directors approved a revision of its dividend distribution policy whereby, as from 2024, Phoenix Insurance shall distribute an annual dividend at a rate of 40% to 60%.

Subsequent to the balance sheet date, on August 21, 2024, Phoenix Insurance's Board of Directors approved a cash dividend distribution in the amount of NIS 250 million. This dividend distribution was taken into account in the results of the quarterly solvency ratio as of March 31, 2024.

NOTE 6 - SHAREHOLDERS' EQUITY AND CAPITAL REQUIREMENTS (cont.)

B. Dividend (cont.)

It is hereby clarified that this policy should not be viewed as an undertaking by Phoenix Insurance to distribute dividends, and that any actual distribution shall be individually subject to the Board of Directors' approval, at its sole discretion; the Board of Directors of Phoenix Insurance may decide on actual distribution at different (higher or lower) rates, or not to distribute any dividend. Furthermore, the execution of any actual distribution shall be subject to compliance with the provisions of the law applicable to any dividend distribution, including, among other things, the provisions of the Companies Law, 1999, and to compliance with the financial covenants Phoenix Insurance has undertaken or/or will undertake to comply with, to Phoenix Insurance's having sufficient distributable profits on the relevant dates, to the condition that the distribution shall not adversely affect the terms of Phoenix Insurance's bonds and/or its cash flows, and to the extent to which Phoenix Insurance needs cash to finance its activities, including future investments, as shall be from time to time, and/or its expected and/or planned future activities.
The Board of Directors of Phoenix Insurance may review the dividend distribution policy from time to time and decide, at any given time, taking into account business considerations and the legal and regulatory provisions applicable to Phoenix Insurance, to change the dividend distribution policy, including the rate of dividend to be distributed.

C. Own Risk and Solvency Assessment of an Insurance Company (ORSA)

On January 5, 2022, the Commissioner published an Amendment to the Provisions of the Consolidated Circular - "Reporting to the Commissioner of Capital Market" - Own Risk and Solvency Assessment of an Insurance Company (ORSA) was published (hereinafter - the "ORSA Circular"); the ORSA Circular stipulates that an insurance company shall report to the Commissioner about Own Risk and Solvency Assessment of an Insurance Company (ORSA) once a year - in January. In accordance with the ORSA Circular, the Company shall provide the Commissioner with a report that will include a summary of its results, status of its business and interactions, risk exposure, assessment of solvency and capital requirement, forward-looking valuation, scenarios and sensitivity analyses. The circular's effective date is January 1, 2023. In January 2023, the Company reported its Own Risk and Solvency Assessment of an Insurance Company to the Commissioner for the first time, in accordance with the requirements of the ORSA Circular.
State of Emergency Directive of the Commissioner of the Capital Market, Insurance and Savings - October 2023 (Institutional Entities Circular 2023-9-7) stipulates that the deadline for submitting the Own Risk and Solvency Assessment (ORSA) will be postponed by 60 days to March 31, 2024.

In January 2024, the Company filed with the Commissioner its Own Risk and Solvency Assessment (ORSA) for an Insurance Company.

D. The Company undertook to supplement, at any time, the equity capital of Phoenix Pension and Provident Funds to the amount prescribed by the Income Tax Regulations (Rules for Approval and Management of Provident Funds), 1964. This undertaking will be fulfilled only when Phoenix Pension and Provident Funds' equity capital will be negative, provided that the supplement amount does not exceed the liabilities limit as aforesaid; the commitment will be in effect as long as the Company is the controlling shareholder of this entity.

E. Phoenix Pension and Provident Funds is required to maintain minimum equity in accordance with the Supervision of Financial Services Regulations (Provident Funds) (Minimum Equity Required from a Provident Fund or a Pension Fund's Management Company), 2012, and the Commissioner's directives, guidance issued by the Israel Securities Authority and/or the TASE Rules and Regulations. As of the financial statements date, Phoenix Pension and Provident complies with those requirements.

NOTE 6 - SHAREHOLDERS' EQUITY AND CAPITAL REQUIREMENTS (cont.)

F. For details regarding the Company's dividend distribution, see Notes 8D and 9C.

G. For details regarding the share buyback, see Notes 8C and 9B, respectively.

H. For details regarding the Company's dividend distribution policy, see Note 8L.

I. For details regarding the award of restricted share units (RSUs) subsequent to the balance sheet date, see Note 9F.

NOTE 7 - CONTINGENT LIABILITIES AND COMMITMENTS

A. Contingent liabilities

1. Class actions - motions to certify lawsuits as class actions and lawsuits certified as class actions

In recent years, there has been a significant increase in the number of motions to certify class actions filed against the Group and in the number of lawsuits recognized as class actions. This is part of an overall increase in motions to certify class actions in general, including against companies engaged in the Group's areas of activity, which stems mainly from the enactment of the Class Actions Law, 2006 (hereinafter - the "Class Actions Law"). This trend substantially increases the Group's potential exposure to losses in the event of a ruling against the Group companies in class actions.

Motions to certify class actions are filed through the hearing procedure mechanism set forth in the Class Actions Law. The hearings procedure for motions to certify class actions is divided into two main stages: The first stage is the motion to certify the claim as a class action (hereinafter - the "motion to certify" or the "certification stage", respectively). Provided the motion to certify is rejected by the court, the hearing stage at the class action level ends. A ruling at the certification stage may be subject to a motion for leave to appeal to the appellate courts. In the second stage, if the motion to certify is accepted, the class action will be heard (hereinafter - the "class action stage"). A judgment at the class action stage can be appealed to the appellate courts. Within the mechanism of the Class Actions Law, there are, inter alia, specific settlement agreements, both in the certification stage and in the class action stage, as well as arrangements with regard to the plaintiff's withdrawal of the motion to certify or class action lawsuit.

In the State of Israel, filing class action lawsuits does not entail payment of a fee derived from the claim amount; therefore the amounts of such claims may be significantly higher than the actual exposure for that claim.

In the motions to certify claims as class actions and/or claims certified as class actions, as detailed in Note 43A1 to the Company's financial statements as of December 31, 2023 and/or in the table below, which, in management's opinion - that is based, inter alia, on legal opinions whereby the Group's defense claims are more likely than not to be accepted and the motions to certify will be rejected - no provision was included in the financial statements, except for motions to certify class actions in which the Group is willing to reach a settlement. For motions to certify lawsuits as class actions (including lawsuits certified as class actions and the approval of which is under appeal), in which the Group's defense claims - in whole or in part - are more likely than not to be rejected, and in which the Group is willing to reach a compromise, provisions were included in the financial statements to cover the exposure as assessed by the Group or a provision in the amount for which the Group is willing to settle, as the case may be.

Management's assessment, which is based, inter alia, on legal opinions received, is included in the financial statements under adequate provisions, where such provisions were required, to cover the exposure as assessed by the Group or the amount for which the group is willing to settle, as the case may be.

Many of the motions to certify lawsuits as class actions have been filed against the Group on various matters related to insurance contracts and the Group's ordinary course of business, for which the Group has allocated insurance reserves.

In motions to certify lawsuits as class actions as set out in Sections 20, 27, 37, 42, 45-47, 49, 52, 57-59 to Note 43A1 to the Company's financial statements as of December 31, 2023 and Sections 9, 10, 13-18 in the table below, at this preliminary stage, the chances of the motions to certify lawsuits as class actions cannot be assessed and therefore no provision is included in respect thereof in the Financial Statements.

NOTE 7 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

A. Contingent liabilities (cont.)

1. Class actions - motions to certify lawsuits as class actions certified as class actions (cont.)

Except as detailed in the table below, as of the report publication date, there were no material changes in the motions to certify lawsuits as class actions, and lawsuits, which were certified as class actions, detailed in Note 43A1 to the Company's financial statements as of December 31, 2023.

Serial No.	Reference to the Company's financial statements as of December 31, 2023	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
1.	43A1(12)	June 2017 Central District Court Phoenix Insurance The amount of the claim was not estimated.	The lawsuit is concerned with a claim that service level agreements are marketed and sold, either directly or through agents on behalf of Phoenix Insurance, in violation of the provisions of the law regarding the marketing and sale procedure of such agreements.	In August 2021, the District Court issued a ruling granting the motion to certify the claim as a class action. The class on behalf of which the class action will be conducted is anyone who had purchased from Phoenix Insurance, whether directly or through its agents, service level agreements as part of the comprehensive car insurance policy, with Phoenix Insurance violating the law regarding the marketing and sale of service level agreements, in the period ranging from June 30, 2016 until the date of the ruling. On July 17, 2024, the parties filed with the Court a settlement agreement approval motion at amounts which are immaterial for Phoenix Insurance. The settlement agreement is subject to the Court's approval.

[1] The date on which the motion to certify the class action was originally filed.
[2] The court with which the motion to certify the class action was originally filed.
[3] The claim amount as assessed (if assessed) by the plaintiff(s) in the motion to certify the claim as a class action lawsuit.

NOTE 7 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

A. Contingent liabilities (cont.)

1. Class actions - motions to certify lawsuits as class actions certified as class actions (cont.)

Serial No.	Reference to the Company's financial statements as of December 31, 2023	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
2.	43A1(16)	June 2018 District Court - Jerusalem Phoenix Insurance and another insurance company The amount of the claim was not estimated.	According to the plaintiff, the claim deals with the defendants' unjustified refusal to recognize a surgical procedure that had medical justification as an insured event according to the health policies issued, by claiming that it is a "preventive surgical procedure".	In January 2022, the District Court issued a ruling granting the motion to certify the claim as a class action. As part of the certification ruling it was determined that the class on whose behalf the class action will be conducted will include any person who engaged in an health insurance contract with the defendants, including insurance coverage for surgical procedures, whose claim to have such procedure done was rejected for the reason that it is a preventative procedure which is not covered by the policy (even if the reason was presented differently in the letter rejecting the claim), and the joint questions for the class members are: Did the defendants breach the insurance contracts when they rejected the claims for insurance coverage by stating that the surgical procedure is a "preventative" one, and what are the remedies to which class members are entitled due to that. In January 2023, a motion to for leave to appeal submitted to the Supreme Court by Phoenix Insurance regarding the certification ruling was dismissed. The mediation between the parties was unsuccessful, and the class action continues to be heard in the District Court.

[1] The date on which the motion to certify the class action was originally filed.
[2] The court with which the motion to certify the class action was originally filed.
[3] The claim amount as assessed (if assessed) by the plaintiff(s) in the motion to certify the claim as a class action lawsuit.

NOTE 7 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

A. Contingent liabilities (cont.)

1. Class actions - motions to certify lawsuits as class actions certified as class actions (cont.)

Serial No.	Reference to the Company's financial statements as of December 31, 2023	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
3.	43A1(21)	August 2019 Central District Court Phoenix Insurance and other insurance companies The claim amount was not estimated, but it was stated that it was in the tens of millions of shekels or more.	The plaintiffs claim that in case of vehicle theft or total loss as a result of an accident, the defendants refuse to reimburse policyholders for the proportionate share of the insurance premiums (the premium) paid for riders (road recovery services, windscreen repair, towing, etc.) in respect of the period subsequent to the theft or total loss, despite the fact that the rider is canceled and the risk it covers no longer exists.	On December 5, 2023, a decision was issued by the District Court, granting the motion to certify the claim as a class action. Under the certification ruling, the class on whose behalf the class action will be litigated is anyone who purchased from the defendants, in addition to comprehensive insurance, services under a rider - as defined in Section 40 to the Financial Services Supervision Law (Insurance), 1981; the vehicle for which the rider was issued had been stolen or suffered total loss (including constructive total loss) as a result of the accident (or for another reason) and who did not receive a refund of the relative portion of the premium they had paid for the riders in respect of the remaining term of the engagement under the rider after the event, in relation to the service period which spanned, in whole or in part, as from seven years before the motion to certify was filed until the class action was filed, once it is certified. It was also found that the main questions common to the class members are whether, in the applicable legal and factual situation, the defendants are obligated to refund a relative portion of the payment they had collected in respect of the riders in cases of total loss; and whether a change to the clause stipulated on this matter in the riders issued by some of the defendants - denying refund for the remaining period - should be mandated in such cases. On May 23, 2024, the motion for leave to appeal filed by Phoenix Insurance to the Supreme Court against the certification ruling was struck out, while maintaining the parties' arguments, and the class action itself continues to be heard by the District Court.

[1] The date on which the motion to certify the class action was originally filed.
[2] The court with which the motion to certify the class action was originally filed.
[3] The claim amount as assessed (if assessed) by the plaintiff(s) in the motion to certify the claim as a class action lawsuit.

NOTE 7 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

A. Contingent liabilities (cont.)

1. Class actions - motions to certify lawsuits as class actions certified as class actions (cont.)

Serial No.	Reference to the Company's financial statements as of December 31, 2023	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
4.	43A1(28)	June 2020 Tel Aviv Regional Labor Court (the hearing was transferred from the Central District Court due to substantive jurisdiction) Phoenix Insurance and another insurance company Approx. NIS 10.5 million for each defendant.	According to the claim, the defendants overcharge customers in loan agreements they enter into with their customers; overcharging takes place due to a one-way linkage mechanism, which is in place under those agreements, whereby if the CPI increases above the base CPI, the defendants collect the linkage differences due to the increase; however, if the CPI decreases below the base index, the defendants do not credit their customers for the said decrease.	The mediation between the parties was unsuccessful. The motion to certify of the claim as a class action continues to be heard in court.
5.	43A1(32)	September 2020 Central District Court Phoenix Insurance and another insurance company NIS 84 million from all the defendants, of which NIS 67.2 million is attributed to Phoenix Insurance (a total of NIS 16.8 million in respect of critical illness insurance and a total of NIS 50.4 million in respect of permanent health insurance).	According to the claim, the defendants acted in violation of the provisions of critical illness insurance policies when they continued to charge policyholders the full amount of the monthly premium even after the first insured event had occurred. It was also alleged against Phoenix Insurance that contrary to its obligations, it charges its policyholders a monthly PHI insurance premium, even after the period of insurance coverage has ended.	In October 2022, the parties filed with the Court a motion to approve a settlement agreement. In view of clarifications and supplementary information requested by the Court in connection with the proposed settlement agreement, on July 18, 2024, the parties filed with the Court an amended settlement agreement at amounts which are immaterial for Phoenix Insurance. The settlement agreement is subject to the Court's approval.

[1] The date on which the motion to certify the class action was originally filed.
[2] The court with which the motion to certify the class action was originally filed.
[3] The claim amount as assessed (if assessed) by the plaintiff(s) in the motion to certify the claim as a class action lawsuit.

NOTE 7 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

A. Contingent liabilities (cont.)

1. Class actions - motions to certify lawsuits as class actions certified as class actions (cont.)

Serial No.	Reference to the Company's financial statements as of December 31, 2023	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
6.	43A1(33)	December 2020 Central District Court Phoenix Insurance The aggregate claim amount was not estimated but it was stated that it exceeds NIS 2.5 million.	According to the plaintiff, Phoenix Insurance allegedly does not indemnify its policyholders in motor insurance policies relating to vehicles other than private and commercial cars weighing up to 3.5 tons (such as trucks, taxis, etc.), in respect of the damage caused to their vehicle due to the insured event - which, the plaintiff claims, is in breach of the policy and the law. It is further claimed that Phoenix Insurance does not provide its policyholders with an appraiser's report, which includes an estimate of the impairment to the vehicle's value due to the insured event nor its manner of calculation.	On July 10, 2024, the parties filed with the Court a settlement agreement approval motion at amounts which are immaterial for Phoenix Insurance. The settlement agreement is subject to the Court's approval.
7.	43A1(40)	January 2022 Central District Court Phoenix Insurance and another insurance company The claim amount was not estimated but it was stated that it exceeds NIS 3 million.	According to the plaintiffs, the defendants renewed a home insurance policy automatically while increasing the premium, allegedly without obtaining policyholders' consent.	On April 7, 2024, the parties filed with the Court a settlement agreement approval motion at amounts which are immaterial for Phoenix Insurance. The settlement agreement is subject to the Court's approval.

[1] The date on which the motion to certify the class action was originally filed.
[2] The court with which the motion to certify the class action was originally filed.
[3] The claim amount as assessed (if assessed) by the plaintiff(s) in the motion to certify the claim as a class action lawsuit.

NOTE 7 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

A. Contingent liabilities (cont.)

1. Class actions - motions to certify lawsuits as class actions certified as class actions (cont.)

Serial No.	Reference to the Company's financial statements as of December 31, 2023	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
8.	43A1(41)	April 2022 Tel Aviv District Court Phoenix Insurance The claim amount was not estimated but it was stated as being (much) more than NIS 2.5 million.	The lawsuit deals with the claim that Phoenix Insurance has collected and is still collecting from policyholders an additional premium for the expansion of insurance coverage in respect of preventative surgical procedures, despite the fact that those procedures are allegedly covered by the basic tier of Phoenix Insurance's health insurance policies. According to the lawsuit, the plaintiff's claim is based on a decision of the Jerusalem District Court, to certify a lawsuit against Phoenix Insurance and another insurance company as a class action (see Section 2 in the table above).	The motion certify is not being heard at this stage in view of the proceeding in the class action against Phoenix Insurance and against another insurance company (see Section 2 above in the table). At the same time, the parties agreed to conduct a mediation proceeding.

[1] The date on which the motion to certify the class action was originally filed.
[2] The court with which the motion to certify the class action was originally filed.
[3] The claim amount as assessed (if assessed) by the plaintiff(s) in the motion to certify the claim as a class action lawsuit.

NOTE 7 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

A. Contingent liabilities (cont.)

1. Class actions - motions to certify lawsuits as class actions certified as class actions (cont.)

Serial No.	Reference to the Company's financial statements as of December 31, 2023	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
9.	43A1(43)	June 2022 Haifa Regional Labor Court Phoenix Insurance NIS 5 million.	The subject matter of the lawsuit is the claim that Phoenix Insurance breached its contractual obligation with regard to the insurance period in disability insurance, as reflected in the insurance offer, in contrast to the policy's provisions regarding "age for insurance purposes"; the lawsuit also deals with the claim that as part of the engagement, Phoenix Insurance did not provide fair disclosure regarding the insurance end date.	On May 24, 2024, the Court issued a resolution approving the motion to certify the claim as a class lawsuit. The certification ruling stipulated, among other things, that the group on whose behalf the class action will be pursued comprises all Phoenix Insurance's policyholders, who were insured under a disability insurance with Phoenix Insurance between May 19, 2015 (seven years prior to the lawsuit filing date) and through May 19, 2022, and only with respect to two appendices as defined in the certification ruling, and the definition of the "age for insurance purposes" condition, as raised in the proceeding by Phoenix Insurance, applies to their case, in accordance with the conditions set in the certification ruling. On June 30, 2024, Phoenix Insurance filed a motion for leave to appeal the certification ruling with the National Court, and a hearing was scheduled for December 23, 2024.

[1] The date on which the motion to certify the class action was originally filed.
[2] The court with which the motion to certify the class action was originally filed.
[3] The claim amount as assessed (if assessed) by the plaintiff(s) in the motion to certify the claim as a class action lawsuit.

NOTE 7 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

A. Contingent liabilities (cont.)

1. Class actions - motions to certify lawsuits as class actions certified as class actions (cont.)

Serial No.	Reference to the Company's financial statements as of December 31, 2023	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
10.	43A1(51)	August 2023 Tel Aviv Regional Labor Court Phoenix Insurance and Phoenix Pension and Provident The claim amount was not estimated but it was stated as being more than NIS 2.5 million.	The lawsuit concerns the claim that the defendants allegedly act contrary to the provisions of the law by transferring the redemption funds of their policyholders or planholders under a pension fund and/or executive insurance and/or annuity provident fund to an annuity after the stipulated date for this purpose under the law. Thus, the defendants are unjustly enriched, overcharge management fees, and do not compensate their policyholders / planholders with the interest on arrears plus the returns with respect to the alleged delay.	The parties are in a mediation procedure.

[1] The date on which the motion to certify the class action was originally filed.
[2] The court with which the motion to certify the class action was originally filed.
[3] The claim amount as assessed (if assessed) by the plaintiff(s) in the motion to certify the claim as a class action lawsuit.

NOTE 7 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

A. Contingent liabilities (cont.)

1. Class actions - motions to certify lawsuits as class actions certified as class actions (cont.)

Serial No.	Reference to the Company's financial statements as of December 31, 2023	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
11.	43A1(53)	September 2023 Haifa District Court Phoenix Insurance The claim amount was not estimated but it was stated as being more than NIS 2.5 million.	The lawsuit concerns the claim that Phoenix Insurance did not return the insurance premium to policyholders who had frozen their motor insurance policies, allegedly, for the period after the policy had been frozen and until the date of its retroactive cancellation, on the motor insurance policy's original termination date (with the lawful linkage differences and interest). It was further claimed that these policyholders who had been forced to contact Phoenix Insurance to receive a refund, and encountered difficulties, and that, as a result of this, they allegedly suffered non-pecuniary damage.	Phoenix Insurance's response to the motion to certify the claim as a class action has yet to be filed. The parties agreed to conduct a mediation procedure.
12.	43A1(54)	September 2023 Tel Aviv-Jaffa District Court Phoenix Insurance and other insurance companies The claim amount was estimated at NIS 80 million in relation to all of the defendants.	The lawsuit concerns the claim that policyholders whose vehicles require optional flatbed towing or must be towed using this method when the vehicle requires repair (and must be towed to an auto-repair shop), and who had purchased a rider for the defendants to provide towing services, had allegedly paid the defendants premiums in vain, as the defendants only provide conventional towing services, and they charge an additional, separate fee for flatbed towing, without disclosing this in the rider.	The plaintiff and Phoenix Insurance are in a mediation procedure.

[1] The date on which the motion to certify the class action was originally filed.
[2] The court with which the motion to certify the class action was originally filed.
[3] The claim amount as assessed (if assessed) by the plaintiff(s) in the motion to certify the claim as a class action lawsuit.

NOTE 7 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

A. Contingent liabilities (cont.)

1. Class actions - motions to certify lawsuits as class actions certified as class actions (cont.)

Serial No.	Reference to the Company's financial statements as of December 31, 2023	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
13.	-	May 2024 Haifa District Court Phoenix Insurance and other insurance companies The claim amount was assessed in relation to all plaintiffs at much more than NIS 2.5 million, and in relation to some of the class members, it is claimed that the estimated damage is NIS 27 million per year (since they claim that the period in question is seven years) (in relation to all defendants).	The subject matter of the lawsuit is the claim whereby in the case of policyholders, who hold a rider dealing with the fixing of windscreens, and who activated the rider, the installers of windscreens on behalf of the defendants did not conduct any testing and/or calibration of the safety system in their vehicle as part of the process of replacing the front windscreen, and if such a test and/or calibration was conducted, they were charged for that. Furthermore, according to the claim, when the policyholders purchased the rider, the defendants did not inform them that the coverage will not include the testing and calibration of the safety system during the replacement of the front windscreen.	Phoenix Insurance's response to the motion to certify the claim as a class action has yet to be filed. A hearing date has not yet been scheduled.

[1] The date on which the motion to certify the class action was originally filed.
[2] The court with which the motion to certify the as a class action was originally filed.
[3] The claim amount as assessed (if assessed) by the plaintiff(s) in the motion to certify the claim as a class action lawsuit.

NOTE 7 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

A. Contingent liabilities (cont.)

1. Class actions - motions to certify lawsuits as class actions certified as class actions (cont.)

Serial No.	Reference to the Company's financial statements as of December 31, 2023	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
14.	-	June 2024 Tel Aviv District Court Phoenix Insurance, three other insurance companies, and an insurance agency NIS 250,000 (in relation to all the defendants) and punitive compensation of NIS 26 billion (in relation to all the defendants)	The lawsuit concerns the plaintiff's claim of discrimination when providing services or products in travel insurance policies, since they do not include insurance coverage for "mental illness".	Phoenix Insurance's response to the motion to certify the claim as a class action has yet to be filed. A pre-trial hearing is scheduled for January 15, 2025. Without derogating from the other claims, it is noted that according to Phoenix Insurance's estimate, the claimed punitive compensation remedy has no basis in the law or facts.
15.	-	May 2024 Central District Court Phoenix Insurance, Phoenix Pension and Provident and additional companies The claim amount was assessed in relation to all of the defendants at more than NIS 2.5 million, and in relation to some of the class members, it is claimed that the estimated damage is NIS 17.95 million (in relation to some of the defendants).	The lawsuit concerns the claim that unreasonable expenses were imposed on the borrowers in execution procedures the defendants brought to collect a debt due to loans from the credit companies, borrowed by borrowers (such as the plaintiff), against which the borrowers had pledged their vehicles. With regard to Phoenix, the lawsuit refers to the loan agreements for loans granted by Direct Finance and that were assigned to Phoenix, whereas Direct Finance continued to manage them.	Phoenix Insurance and Phoenix Pension and Provident have yet to submit their response to the motion to certify the claim as a class action. A pre-trial hearing is scheduled for January 1, 2025.

[1] The date on which the motion to certify as the class action was originally filed.
[2] The court with which the motion to certify the class action was originally filed.
[3] The claim amount as assessed (if assessed) by the plaintiff(s) in the motion to certify the claim as a class action lawsuit.

NOTE 7 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

A. Contingent liabilities (cont.)

1. Class actions - motions to certify lawsuits as class actions certified as class actions (cont.)

Serial No.	Reference to the Company's financial statements as of December 31, 2023	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
16.	-	June 2024 Tel Aviv District Court Phoenix Insurance The claim amount was not estimated but it was stated as being more than NIS 2.5 million.	The lawsuit concerns the claim that Phoenix Insurance renewed home insurance policies (structure and/or structure and contents) without the policyholders' knowledge of and/or consent for the policy's renewal, including changes in the premium price and/or material changes to the policy itself.	Phoenix Insurance's response to the motion to certify the claim as a class action has yet to be filed. A hearing date has not yet been scheduled.
17.	-	June 2024 Tel Aviv District Court Phoenix Insurance The claim amount was not estimated but it was stated as being more than NIS 2.5 million.	The lawsuit concerns the claim that Phoenix Insurance sends the plaintiffs and the class members advertising materials without obtaining their express approval for sending advertising materials and/or sending advertising materials that deviate from the services they had agreed to receive.	Phoenix Insurance's response to the motion to certify the claim as a class action has yet to be filed. A pre-trial hearing is scheduled for March 26, 2025.

[1] The date on which the motion to certify the class action was originally filed.
[2] The court with which the motion to certify the class action was originally filed.
[3] The claim amount as assessed (if assessed) by the plaintiff(s) in the motion to certify the claim as a class action lawsuit.

NOTE 7 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

A. Contingent liabilities (cont.)

1. Class actions - motions to certify lawsuits as class actions certified as class actions (cont.)

Serial No.	Reference to the Company's financial statements as of December 31, 2023	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
18.	-	August 2024 Central District Court Phoenix Insurance The claim amount was not estimated but it was stated that it significantly exceeds NIS 2.5 million.	The lawsuit concerns collective health insurance, claiming that Phoenix Insurance does not publish on its website, or anywhere else, the price list for preferred physicians, nor does it indemnify the policyholders with the entire refund amount to which they were entitled with respect to surgeries conducted by non-preferred physicians or for an alternative non-surgical procedure with a non-preferred service provider.	Phoenix Insurance's response to the motion to certify the claim as a class action has yet to be filed. A hearing date has not yet been scheduled.

[1] The date on which the motion to certify the class action was originally filed.
[2] The court with which the motion to certify the class action was originally filed.
[3] The claim amount as assessed (if assessed) by the plaintiff(s) in the motion to certify the claim as a class action lawsuit.

NOTE 7 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

A. Contingent liabilities (cont.)

2. Concluded claims*

Serial No.	Reference to the Company's financial statements as of December 31, 2023	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
1.	43A1(8)	November 2016 Jerusalem Regional Labor Court Excellence Nessuah Gemel Ltd. (currently: Phoenix Pension and Provident Fund Ltd.) Approx. NIS 215 million.	The plaintiffs argue that under the bylaws of the Excellence Gemel provident fund, which were in effect until January 1, 2016, and according to the bylaws of the Excellence Advanced Education fund, Excellence Gemel may not collect investment management expenses from planholders, since collection of such expenses had to stipulated clearly and expressly in the rules and regulations of the funds.	On March 27, 2024, the court issued a ruling confirming the plaintiff's withdrawal from the motion to certify the claim as a class action.
2.	43A1(10)	June 2019 Jerusalem Regional Labor Court Halman Aldubi Provident and Pension Funds Ltd. (which was merged into Phoenix Pension and Provident Fund Ltd.) NIS 17.5 million.	The statement of claim alleges that IBI Provident and Study Fund Management Company Ltd. (which was merged with Halman Aldubi on July 1, 2018) charged the plaintiff and the other planholders of the advance education fund under its management, investment management expenses, in addition to the fund management fees, contrary to the fund's bylaws.	On April 7, 2024, the court issued a ruling confirming the plaintiff's withdrawal from the motion to certify the claim as a class action.

[1] The date on which the motion to certify the class action was originally filed.
[2] The court with which the motion to certify the class action was originally filed.
[3] The claim amount as assessed (if assessed) by the plaintiff(s) in the motion to certify the claim as a class action lawsuit.
* For additional claims concluded between January 1, 2024 and March 27, 2024, see Note 43A.2, Sections 8-10 of the table of concluded claims in the Company's financial statements as of December 31, 2023, published on March 27 (Ref. No. 2024-01-026677).

NOTE 7 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

A. Contingent liabilities (cont.)

2. Concluded claims* (cont.)

Serial No.	Reference to the Company's financial statements as of December 31, 2023	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
3.	43A1(9)	June 2019 Tel Aviv Regional Labor Court Phoenix Insurance Approx. NIS 351 million.	According to the plaintiff, Phoenix Insurance charges policyholders of insurance policies which combine a life insurance component and a pension saving component (executive insurance) for investment management expenses without such charges being included in the terms and conditions of the policy.	On April 21, 2024, the court issued a ruling confirming the plaintiff's withdrawal from the motion to certify the claim as a class action.
4.	43A1(25)	February 2020 Tel Aviv Regional Labor Court (the hearing was transferred from the Tel Aviv District Court) Halman Aldubi Provident and Pension Funds Ltd. (which was merged into Phoenix Pension and Provident Fund Ltd.) NIS 335 million (alternatively NIS 58 million, and alternatively 36 million).	The claim is that Halman Aldubi allegedly violated its duty to the plaintiff and to all beneficiaries in the provident funds of Halman Aldubi, of deceased planholders, and any planholder of the Halman Aldubi provident funds with whom contact was lost, to locate and inform the said beneficiaries, as well as the planholders with whom contact was lost, that they are entitled to funds in the Halman Aldubi funds, on the dates set forth to that effect in the Supervision of Financial Services Regulations (Provident Funds) (Locating Planholders and Beneficiaries), 2012, in the period beginning on January 1, 2013 until the date of the ruling in the lawsuit.	On April 25, 2024, the Court handed down a judgment dismissing the motion to certify the claim as a class action.

[1] The date on which the motion to certify the class action was originally filed.
[2] The court with which the motion to certify the class action was originally filed.
[3] The claim amount as assessed (if assessed) by the plaintiff(s) in the motion to certify the claim as a class action lawsuit.
* For additional claims concluded between January 1, 2024 and March 27, 2024, see Note 43A.2, Sections 8-10 of the table of concluded claims in the Company's financial statements as of December 31, 2023, published on March 27 (Ref. No. 2024-01-026677).

NOTE 7 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

A. Contingent liabilities (cont.)

2. Concluded claims* (cont.)

Serial No.	Reference to the Company's financial statements as of December 31, 2023	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
5.	43A1(18)	March 2019 Central District Court Phoenix Insurance Approx. NIS 2.6 million.	According to the plaintiff, the claim deals with Phoenix Insurance's practice to delay the repayment of the relative portion of insurance premiums upon cancellation of compulsory motor and property insurance policies rather than paying it within the period set by law; the plaintiff also claims that Phoenix Insurance repays the said amount without adding linked interest. The defendant also claims that Phoenix Insurance refrains from repaying full linkage when refunding the relative portion of the insurance premiums.	On June 2, 2024, the court issued a ruling confirming the plaintiff's withdrawal from the motion to certify the claim as a class action.

[1] The date on which the motion to certify the class action was originally filed.
[2] The court with which the motion to certify the class action was originally filed.
[3] The claim amount as assessed (if assessed) by the plaintiff(s) in the motion to certify the claim as a class action lawsuit.
* For additional claims concluded between January 1, 2024 and March 27, 2024, see Note 43A.2, Sections 8-10 of the table of concluded claims in the Company's financial statements as of December 31, 2023, published on March 27 (Ref. No. 2024-01-026677).

NOTE 7 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

A. Contingent liabilities (cont.)

2. Concluded claims* (cont.)

Serial No.	Reference to the Company's financial statements as of December 31, 2023	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
6.	43A1(13)	June 2017 Tel Aviv Regional Labor Court (the hearing was transferred from the Central District Court due to substantive jurisdiction). The National Insurance Institute (hereinafter - the "National Insurance Institute"). Phoenix Insurance and additional insurance companies (hereinafter, jointly: the "Official Respondents") The amount of the claim was not estimated.	According to the plaintiffs, the National Insurance Institute collects national insurance contributions and health insurance contributions illegally from the tax-exempt income of class members as defined below, in addition to collecting the minimum rate of health insurance contributions from class members' disability annuity. According to the plaintiffs, the National Insurance Institute overcharges class members for these contributions through the pension fund, the employer or any other third party. The plaintiffs point out that the Official Respondents are entities through which the insurance premiums were collected from the plaintiffs, and clarify that any employer and any entity paying an early pension and any entity paying a PHI benefit in Israel may be in a similar position to that of the Official Respondents. According to the plaintiffs, it is impossible to add all the parties as respondents and the court is asked to consider the Official Respondents that were added and which are related to the plaintiffs' case as class action defendants. The plaintiffs also stated that no operative remedy is requested in the case of the Official Respondents in the framework of the above claim.	On June 6, 2024, the Regional Labor Court issued a resolution granting the motion to certify the claim as a class action against the National Insurance Institute only, and not against the Official Respondents including Phoenix Insurance. The proceeding was thus concluded in relation to Phoenix Insurance, subject to a right to appeal.

[1] The date on which the motion to certify the class action was originally filed.
[2] The court with which the motion to certify the class action was originally filed.
[3] The claim amount as assessed (if assessed) by the plaintiff(s) in the motion to certify the claim as a class action lawsuit.
* For additional claims concluded between January 1, 2024 and March 27, 2024, see Note 43A.2, Sections 8-10 of the table of concluded claims in the Company's financial statements as of December 31, 2023, published on March 27 (Ref. No. 2024-01-026677).

NOTE 7 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

A. Contingent liabilities (cont.)

2. Concluded claims* (cont.)

Serial No.	Reference to the Company's financial statements as of December 31, 2023	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
7.	43A1(50)	July 2023 Tel Aviv District Court Phoenix Insurance NIS 3.18 million.	The lawsuit concerns the claim that callers to Phoenix Insurance's call center to purchase comprehensive motor / third party insurance were allegedly treated differently than other callers due to their ethnic background, in that they had been asked to submit a no claims confirmation, while other callers allegedly had the option to present the confirmation retroactively, after entering into the insurance policy.	On June 16, 2024, a judgment was rendered, approving the settlement agreement between the parties at amounts which are immaterial for Phoenix Insurance. In accordance with the settlement agreement, Phoenix will clarify and refine its procedures and guidelines and ensure its continued equal and non-discriminatory service, make a donation to the class action fund, and pay the representative plaintiff a compensation and his counsel's legal fees.

[1] The date on which the motion to certify the class action was originally filed.
[2] The court with which the motion to certify the class action was originally filed.
[3] The claim amount as assessed (if assessed) by the plaintiff(s) in the motion to certify the claim as a class action lawsuit.
* For additional claims concluded between January 1, 2024 and March 27, 2024, see Note 43A.2, Sections 8-10 of the table of concluded claims in the Company's financial statements as of December 31, 2023, published on March 27 (Ref. No. 2024-01-026677).

NOTE 7 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

A. Contingent liabilities (cont.)

2. Concluded claims* (cont.)

Serial No.	Reference to the Company's financial statements as of December 31, 2023	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
8.	43A1(5)	June 2015 Beer Sheba District Court Phoenix Insurance Approx. NIS 125 million.	The cause of action, as approved by the District Court, is a violation of the provisions of the policy regarding special compensation (reimbursement) for performing surgery in a private hospital funded by "additional insurance services" (SHABAN) and the questions common to the class members are: what is the value of the commitment form on behalf of a health maintenance organization in respect of a privately-owned hospital (Form 17), according to which the amount to be reimbursed to the policyholder is calculated; how Phoenix Insurance in effect calculated the amount reimbursed to policyholders who underwent surgeries as part of SHABAN; and whether Phoenix Insurance violated the provisions of the policy, and did not reimburse the full amount to the policyholders.	In December 2019, the District Court granted the motion to certify the claim as a class action. On June 30, 2024, a judgment was rendered, approving the settlement agreement between the parties in the class action at amounts which are immaterial for Phoenix Insurance. In accordance with the approved settlement agreement, Phoenix Insurance will pay each one of the class members (as defined in the settlement agreement) a total equal to 7.225% of the value of the compensation it originally paid in practice to each class member in respect of the surgical procedure they underwent at the expense of the health maintenance organization in the relevant period; as to the future regulation, starting on the settlement agreement's approval date, Phoenix Insurance will add an amount equal to 7.225% of the value of the compensation to the special compensation, which will be paid to policyholders in the relevant policies as defined in the settlement agreement. In addition, it was agreed that Phoenix Insurance will pay compensation to the representative plaintiffs and their counsels' legal fees.

[1] The date on which the motion to certify the class action was originally filed.
[2] The court with which the motion to certify the class action was originally filed.
[3] The claim amount as assessed (if assessed) by the plaintiff(s) in the motion to certify the claim as a class action lawsuit.
* For additional claims concluded between January 1, 2024 and March 27, 2024, see Note 43A.2, Sections 8-10 of the table of concluded claims in the Company's financial statements as of December 31, 2023, published on March 27 (Ref. No. 2024-01-026677).

NOTE 7 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

A. Contingent liabilities (cont.)

2. Concluded claims* (cont.)

Serial No.	Reference to the Company's financial statements as of December 31, 2023	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
9.	43A1(23)	January 2020 Central District Court Phoenix Insurance, other insurance companies and Drachim Road Side The claim amount was not estimated but it was stated that it significantly exceeds NIS 2.5 million.	The plaintiff claims that, in cases where vehicles' windscreens broke, the defendants had provided and still provide alternative windscreens, which do not meet Israeli standards and are not manufactured by the same maker as the car; by doing so, the defendants allegedly breach their obligations under the insurance policies and coverage contracts.	On July 5, 2024, the judgment was rendered dismissing the motion to certify the claim as a class action.
10.	43A1(11)	January 2017 Central District Court Phoenix Insurance and other insurance companies At least approx. NIS 12.25 million in respect of each of the defendants.	According to the plaintiffs, insurance companies overcharge insurance premiums since they do not disclose to policyholders a "practice" in the motor insurance subsegment that allows updating the age of the young driver insured under the policy and/or the years of driving experience when moving into another age bracket and/or years of driving experience bracket which can potentially result in a reduction of the insurance premium. It is noted that the plaintiffs refer in their claim to a decision to grant the motion to certify the claim as a class action dealing with the same issue and filed against another insurance company, in which the said practice had allegedly been proven.	On July 16, the court issued a ruling confirming the plaintiffs' withdrawal from the motion to certify the claim as a class action.

[1] The date on which the motion to certify the class action was originally filed.
[2] The court with which the motion to certify the class action was originally filed.
[3] The claim amount as assessed (if assessed) by the plaintiff(s) in the motion to certify the claim as a class action lawsuit.
* For additional claims concluded between January 1, 2024 and March 27, 2024, see Note 43A.2, Sections 8-10 of the table of concluded claims in the Company's financial statements as of December 31, 2023, published on March 27 (Ref. No. 2024-01-026677).

NOTE 7 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

A. Contingent liabilities (cont.)

2. Concluded claims* (cont.)

Serial No.	Reference to the Company's financial statements as of December 31, 2023	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
11.	43A1(2)	February 2010 Central District Court Phoenix Insurance (and other insurance companies in a parallel case, in light of filing a consolidated class action statement of claim) Approx. NIS 1.47 billion of all defendants (including the defendants in the corresponding case), of which approx. NIS 238 million is attributed to Phoenix Insurance.[4]	The cause of the lawsuit, as approved by the District Court (in the corresponding case) was breach of insurance policies due to unlawful collection of "policy factor" commission in a manner that reduced the saving amount accrued in favor of the policyholder for a period starting seven years before the claim was filed.	In November 2016, the District Court - in a parallel case filed against several other insurance companies - partially certified motions to approve the claims as class actions. The class action - both in the corresponding case and in the case heard against Phoenix Insurance - continued to be heard jointly by the District Court. In June 2023, the parties filed with the Court a motion to approve a settlement agreement. According to the settlement agreement that was filed, the considerations paid to the class members (as defined in the settlement agreement), are: Refund at the rate of 42% in respect of the past for the "policy factor"; future discount of 50% in respect of the "policy factor"; and payment of compensation and legal fees to the representative plaintiff and his attorney (for further details, see immediate report of June 21, 2023, Ref No.: 2023-01-057877). On May 5, 2024 the Attorney General presented her position, whereby she does not object to the rate of refund to the class members in respect of the past (42%) and leaves this to the Court to decide, provided that the revaluation of the refund amounts shall be made by adding actual returns also from 2013 and thereafter; she also does not object to the future reduction of the policy factor, and leaves this to the Court to decide.

[1] The date on which the motion to certify the class action was originally filed.
[2] The court with which the motion to certify the class action was originally filed.
[3] The claim amount as assessed (if assessed) by the plaintiff(s) in the motion to certify the claim as a class action lawsuit.
[4] The amounts are the amounts assessed by the plaintiffs in the consolidated class action statement of claim filed in March 2019 against the defendant insurance companies sued in the corresponding case and against Phoenix. It is noted that the amounts in the motion to certify the claim as a class action were different and higher.
* For additional claims concluded between January 1, 2024 and March 27, 2024, see Note 43A.2, Sections 8-10 of the table of concluded claims in the Company's financial statements as of December 31, 2023, published on March 27 (Ref. No. 2024-01-026677).

NOTE 7 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

A. Contingent liabilities (cont.)

2. Concluded claims* (cont.)

Serial No.	Reference to the Company's financial statements as of December 31, 2023	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
11. (cont.)	43A1(2)			Furthermore, the position included an objection and comments regarding other clauses in the settlement agreement, including the legal fees to the representative plaintiff's attorneys, the manner by which refunds will be paid to the class members, and the manner of reducing the policy factor. In June 2024, the Court heard the motion for approval of the settlement agreement, including regarding the position of the Attorney General. On August 15, 2024, a judgment was rendered by the District Court confirming the settlement agreement filed by the parties.

[1] The date on which the motion to certify the class action was originally filed.
[2] The court with which the motion to certify the class action was originally filed.
[3] The claim amount as assessed (if assessed) by the plaintiff(s) in the motion to certify the claim as a class action lawsuit.
* For additional claims concluded between January 1, 2024 and March 27, 2024, see Note 43A.2, Sections 8-10 of the table of concluded claims in the Company's financial statements as of December 31, 2023, published on March 27 (Ref. No. 2024-01-026677).

NOTE 7 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

A. Contingent liabilities (cont.)

2. Concluded claims* (cont.)

Serial No.	Reference to the Company's financial statements as of December 31, 2023	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
11. (cont.)	43A1(2)			As part of the approval of the settlement agreement, the Court approved, among other things, the parties' agreements regarding the refund to class members in respect of the past, including the rate of refund (42%), and ruled, by the power vested in it by the parties with regard to the revaluation of the refund amounts, that a total will be added to the refund amounts, which constitutes 90% of the returns in the period starting at the beginning of 2013 and through the date of the reduction of the future collection of the policy factor; the rate of reduction of the future collection of the policy factor (50%); the legal fees of the representative plaintiff's counsels at the rate agreed in the settlement agreement; the Court also ruled that the compensation to the representative plaintiff will be paid out of the said legal fees. The proceeding was thus concluded and Phoenix Insurance works to implement the settlement agreement. It is noted that Phoenix Insurance has an adequate provision in its books of accounts in respect of the settlement agreement, which was approved by the Court.

[1] The date on which the motion to certify the class action was originally filed.
[2] The court with which the motion to certify the class action was originally filed.
[3] The claim amount as assessed (if assessed) by the plaintiff(s) in the motion to certify the claim as a class action lawsuit.
* For additional claims concluded between January 1, 2024 and March 27, 2024, see Note 43A.2, Sections 8-10 of the table of concluded claims in the Company's financial statements as of December 31, 2023, published on March 27 (Ref. No. 2024-01-026677).

NOTE 7 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

A. Contingent liabilities (cont.)

3. Legal and other proceedings

For legal and other proceedings against the Group where, in the opinion of management - which is based, among other things, on the legal opinion it has received - it is more likely than not that the Group's defense claims will be allowed and the proceeding will be dismissed, no provision was included in the financial statements.

For proceedings where it is more likely than not that the Group's defense claims will be dismissed, in whole or in part, the financial statements include provisions to cover the exposure estimated by the Group. In management's opinion, which is based, among other things, on legal opinions it received, the financial statements include adequate provisions, where provisions were required, to cover the exposure estimated by the Group.

As of the report publication date, there were no material changes in legal and other proceedings detailed in Note 43A3 to the Company's financial statements as of December 31, 2023.

It is noted that the Group is a party to legal and other proceedings, which are not insurance claims, including, among other things, claims made by customers, former customers, agents and various third parties in immaterial amounts and for a total amount of approx. NIS 33 million (a total of approx. NIS 31.3 million as of December 31, 2023). The causes of action against the Group in these proceedings are different.

4. Complaints

Complaints are filed against the Group from time to time, including complaints to the Commissioner of the Capital Market, Insurance and Savings (hereinafter - the "Commissioner") in relation to policyholders' rights under insurance policies and/or the law. These complaints are handled on an ongoing basis by the Group's Public Complaints Department. The Commissioner's decisions with regard to these complaints, to the extent that a decision has been made in respect thereof, are sometimes issued as sweeping decisions relating to a group of policyholders. Before issuing a final version of his decisions, the Commissioner usually issues a draft decision.

Furthermore, as part of the Commissioner's inquiries with the Group, following complaints and/or audits on his behalf, demands are made from time to time to receive various data regarding the Group's handling of insurance policies in the past and/or a demand to reimburse funds to groups of policyholders and/or other guidelines. In addition, the Commissioner has the power, among other things, to impose financial sanctions on the Group in accordance with data which was and/or will be transferred thereto following inquiries as described above.

NOTE 7 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

A. Contingent liabilities (cont.)

4. Complaints (cont.)

In addition to the motions to certify claims as class actions filed against the Group and the legal and other proceedings, there is a general exposure, which cannot be assessed and/or quantified, due to, among other things, the complexity of the services provided by the Group to its policyholders. The complexity of these services inevitably leads to interpretive claims and other claims due to information gaps between the Group and third parties to the insurance contracts in connection with a long list of commercial and regulatory terms. This exposure is reflected, among other things, in the areas of pension savings and long-term insurance, including Health and LTC, in which the Group operates. Insurance policies in these areas of activity are assessed over many years in which policies, regulation and legislation change and new court rulings are issued. These changes are implemented by automated systems that undergo frequent changes and adjustments. The complexity of these changes and the application of the changes over many years lead to an increased operational exposure. In addition, allowing new interpretations for the provisions of insurance policies and long-term pension products sometimes affects the Group's future income in respect of its existing portfolio, in addition to the exposure embodied in claims for compensation for customers in respect of past activity

It is impossible to anticipate the types of claims that will be raised in this area or the exposure arising from these and other claims in connection with insurance contracts - claims which are raised through, among other things, the procedural mechanism set forth in the Class Actions Law.

In addition, some of the Group's products have long terms and are particularly complex in light of the various legislative arrangements both in the field of product management and in the field of taxation, attribution of contributions, investment management, the policyholder's employment status, his contributions and more.

The Wage Protection Law, 1958 imposes a liability on the Group's institutional entities, in accordance with the circumstances specified in the law, in respect of employers' debts to the institutional entities, where such debts have not been repaid on time. The Group is in the process of improving the data on employers' debts and policyholders' rights, during the course of which lawsuits were filed against employers and the debts of other employers were rescheduled. The Company continues with the ongoing treatment and improvement of employers' debts in accordance with the provisions of the law.

5. Summary table

The following table summarizes the amounts claimed in pending motions to certify claims as class actions, claims certified as class actions and other material claims against the Group, as noted by the plaintiffs in the statements of claim filed on their behalf. It is hereby clarified that the amount claimed does not necessarily constitute a quantification of the exposure amount assessed by the Group, since these are assessments on behalf of the plaintiffs which will be resolved as part of the legal proceedings. It is further clarified that the table below does not include proceedings that have been concluded, including proceedings that concluded after a settlement agreement was approved in respect thereof.

NOTE 7 - CONTINGENT LIABILITIES AND COMMITMENTS (cont.)

A. Contingent liabilities (cont.)

5. Summary table (cont.)

Type	No. of lawsuits	The amount claimed in NIS thousand (unaudited)
Certified class actions:		
A specific amount was attributed to the Company	5	794,743
The claim pertains to several companies and no specific amount was attributed to the Company	2	328,000
No claim amount was specified.	5	-
Pending motions to certify lawsuits as class actions:		
A specific amount was attributed to the Company	12	1,820,502
The claim pertains to several companies and no specific amount was attributed to the Company	9	3,075,095
No claim amount was specified.	21	-
Other material claims:		
A specific amount was attributed to the Company	-	-
The claim pertains to several companies and no specific amount was attributed to the Company	1	35,900
No claim amount was specified.	-	-
Claims and other demands	21	32,940

The total provision amount in respect of class actions, legal proceedings and others, filed against the Group as detailed above as of June 30, 2024 and December 31, 2023, amounted to approx. NIS 462,445 thousand (of which a total of approx. NIS 228,525 thousand is for concluded class actions) and approx. NIS 449,468 thousand, respectively.

NOTE 8 - SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

A. Changes in estimates and principal assumptions used to calculate the insurance reserves:

1. Effect of interest rate on pension reserves

A decrease (increase) in long-term interest rates may increase (decrease) the paid pension reserve and the supplementary retirement pension reserve is deferred due to the use of a lower (higher) discount rate, to the extent that a change in the discount rate is required due to changes in market interest rates.

In addition, the supplementary retirement pension reserve for deferred pensions is affected by future income expectations (using K factor), such that the decrease (increase) in interest rates may decrease (increase) the expected future income, and if according to the new projection it will be impossible to continue funding the provisions to the reserve, the Company will increase the reserve in order to reduce future provision amounts (or vice versa).

2. K factor values used by the Company

	June 30		December 31
	2024	2023	2023
	Unaudited		Audited
	%		
In respect of guaranteed return insurance policies	-	-	-
In respect of yield-dependent insurance policies	0.97	0.85	0.85

In the reporting period there was a substantial increase in the risk-free interest, which resulted in a revision to the K value (to a rate of 0.97%). The total effect of the abovementioned revision to the K value in the reporting period is an approx. NIS 210 million decrease in the supplementary pension reserve, and an approx. NIS 138 million increase in post-tax comprehensive income.

3. Reserve in respect of liability adequacy test (LAT)

The Company tests the adequacy of the reserves for life insurance and LTC and where necessary, increases the reserves. Testing is performed according to the regulatory guidelines and on the basis of actuarial assumptions and a risk-free interest rate curve plus an illiquidity premium. To the extent that there are changes in these assumptions, the supplement required according to the test will change.

A decrease (increase) in the risk-free interest rate curve and/or in the rate of illiquidity premium will increase (decrease) the supplement for the reserves required according to the LAT test (to the extent that a supplement is required). As of June 30, 2024, the LAT reserve balance has been zeroed out in LTC Insurance.

NOTE 8 - SIGNIFICANT EVENTS DURING THE REPORTING PERIOD (cont.)

A. Changes in estimates and principal assumptions used to calculate the insurance reserves: (cont.)

4. A change to the provisions relating to life insurance plans incorporating savings that include "annuity conversion factors taking into account guaranteed life expectancy"

In July 2024, the Capital Market Authority published a circular entitled Amendment of the Consolidated Circular Provisions on Measuring Liabilities - Revising the Demographic Assumptions in Life Insurance and Pension Funds (hereinafter - the "Circular").
The Circular lists updated default assumptions on the basis of which insurance companies will calculate the liabilities in respect of life insurance policies, which allow them to receive an annuity according to guaranteed conversion rates based on up-to-date demographic assumptions.
The Circular refers, among other things, to a change in life expectancy, including future improvements, and the resulting consequences for the level of reserves and how they are created. In addition, the circular includes a new life table for retirees of insurance companies, which is based, among other things, on past experience regarding mortality of retirees of insurance companies.
The Company has updated its estimates of pension liabilities based on the new mortality table and future life expectancy improvements included in the Circular.
As a result, the Company increased the provision for a supplementary pension reserve and reduced the comprehensive income by approx. NIS 168 million before tax and approx. NIS 111 million after tax.

NOTE 8 - SIGNIFICANT EVENTS DURING THE REPORTING PERIOD (cont.)

A. Changes in estimates and principal assumptions used to calculate the insurance reserves: (cont.)

5. Following is the effect of the changes in the interest rate curve and the main changes described above on the insurance liabilities:

	For the 6 months ended June 30		For the 3 months ended June 30		For the year ended December 31
	2024	2023	2024	2023	2023
	Unaudited				Audited
	NIS million				
Life Insurance Subsegment:					
Effect of updating other assumptions on the supplementary retirement pension reserve and paid pensions	-	-	-	-	(5)
The effect of the changes in the assumptions regarding the cost of claims in long-term health insurance	-	(59)	-	(59)	(59)
Effect of updating assumptions on the mortality rates (*)	168	-	168	-	-
Change in the discount rate used in the calculation of the supplementary retirement pension reserve and paid pensions	(94)	17	(130)	43	(89)
Change in the K value (see Section 2 above)	(210)	-	(210)	-	-
Total decrease in liabilities on retention in Life Insurance Segment	**(136)**	**(42)**	**(172)**	**(16)**	**(153)**
Health Insurance Segment:					
Effect of updating of assumptions on the cancellation rates:					
LAT	-	-	-	-	(8)
Other	-	-	-	-	-
Effect of updating assumptions on the expense rates:					
LAT	5	-	-	-	-
Other	6	-	-	-	8
Effect of updating assumptions on the mortality and morbidity rates:					
Other	-	-	-	-	-
Change in reserve (LAT) following a change in the discount rate (**)	(79)	81	(196)	187	(147)
Total increase (decrease) in liabilities on retention in Health Insurance Segment	**(68)**	**81**	**(196)**	**187**	**(147)**
P&C insurance segment:					
Change in discount rate (**)	(102)	5	(60)	23	(143)
Total increase (decrease) in liabilities on retention in P&C insurance segment	**(102)**	**5**	**(60)**	**23**	**(143)**
Total increase (decrease) in liabilities on retention before tax	**(306)**	**44**	**(428)**	**194**	**(443)**
Total increase (decrease) in liabilities on retention, after tax	**(201)**	**29**	**(282)**	**128**	**(292)**

(*) For further details, see Section 4 above.

(**) This effect includes the change in the excess of value of illiquid assets, and the effect of the classification of excess value illiquid assets from the Health Insurance Segment to the Property and Casualty Segment. For further details, see Note 41 (5.2.2.5) A to the Consolidated Annual Financial Statements.

NOTE 8 - SIGNIFICANT EVENTS DURING THE REPORTING PERIOD (cont.)

B. Sensitivity tests pertaining to interest and CPI risks

Further that which is stated in Note 41(3) to the Consolidated Annual Financial Statements, in view of increase in the risk-free interest rates, which led to a change in the K value for insurance liabilities for yield-dependent policies and the zeroing of the LAT reserve in long-term care, the Company assessed the sensitivity of its financial results as of June 30, 2024 to changes in interest rates. Phoenix Insurance is of the opinion that as of June 30, 2024, its total sensitivity (assets and liabilities) to a corresponding 1% increase in the risk-free interest rate curve is an approx. NIS 258 million post-tax comprehensive loss compared to an approx. NIS 63 million post-tax comprehensive loss as a result of a corresponding 1% decrease in the risk-free interest rate curve. The abovementioned sensitivity does not include the effect on the K value of the increase or decrease in the risk-free interest rate curve.

C. On January 31, 2024, the Company's Board of Directors approved an additional share buyback plan of Company shares, totaling up to NIS 100 million, for a period of one year. On June 5, 2024, the Board of Directors approved the revision of the 2024 plan, such that a further amount of up to NIS 100 million will be added to the overall cost of the existing buyback plan, without change to the expiry date of the existing buyback plan, i.e., through January 31, 2025. Subsequent to the abovementioned change, the total cost of the plan will be up to NIS 200 million.
During the reporting period, the Company purchased approx. 3,250 thousand shares at a total cost of approx. NIS 116.235 million. Subsequent to the purchase, the Company holds approx. 9,702 thousand Company shares. For details about an acquisition subsequent to the reporting period, see Note 9B below.

D. On March 26, 2024, the Company's Board of Directors approved a dividend distribution in respect of income for 2023, in the amount of NIS 265 million. The dividend per share of NIS 1 p.v. is NIS 1.04. The dividend was paid on April 11, 2024.

E. On January 1, 2024, as part of the restructuring of the Credit Segment, the Company transferred all of its holdings in Phoenix Financing and Construction to Gama. As a result of the above, credit assets in respect of factoring, acquiring and financing increased by approx. NIS 600 million, against a corresponding decrease in illiquid debt assets in the other financial investments line item. For further details, see Note 8E(8) to the Consolidated Annual Financial Statements.

F. In January and March 2024, Gama's Board of Directors approved an award of 6,083,198 options to Gama's shares to employees and officers of Gama and other Group companies. The total value of the options is estimated at approx. NIS 25 million. The options will vest over a period of 4 years. A quarter of the options will vest at the end of two years, half of the options will vest at the end of three years, and the remaining quarter will vest at the end of four years. The fair value of the offered options was calculated by an external appraiser by using the binomial model, and estimated at NIS 4.142 per option. Out of the total number of options allocated as described above, 156,325 options were allocated to the Chairman of the Company's Board of Directors, and 223,322 options were allocated to the Company's CEO. The award of options to the Company's Chairman and CEO was approved in an extraordinary general meeting of the Company held on March 2, 2024. For further details, see Note 37C to the Consolidated Annual Financial Statements and the immediate report dated March 7, 2024 (Ref. No. 2024-01-020488).

G. On January 28, 2024, Midroog announced that it is reiterating the Company's rating and that of the bonds issued by it at Aa2.il, with a stable outlook.

NOTE 8 - SIGNIFICANT EVENTS DURING THE REPORTING PERIOD (cont.)

H. In March 2024 an amendment was published to the Value Added Tax Ordinance (Tax Rate for Non-Profit Organizations and Financial Institutions), 2024 (hereinafter - the "Order"), which prescribes that as from January 1, 2025 the rate of payroll tax applicable to financial institutions will stand at 18% of the wage paid for work, and the profit tax shall stand at 18% of the profit generated.
The deferred tax balances included in the financial statements as of June 30, 2024 take into account the effects, which arise from the increase in tax rates as described above. The effect of the change in tax rates in the first quarter led to an approx. NIS 9 million increase in the balances of deferred tax liability.

I. On January 31, 2024, Phoenix Capital Raising executed a full early redemption of the principal of the Bonds (Series D) (hereinafter - the "Early Redemption Date") at the total amount of approx. NIS 399 million, in accordance with the conditions precedent of the deed of trust, and the approval of the Capital Market, Insurance and Savings Authority.

In view of the early redemption, the Bonds (Series D) were delisted from trade on the TASE. (Ref. No. 2024-01-000765).

J. On April 24, 2024, the Company's Board of Directors approved - after the approval of the Compensation Committee - the postponement of the deadline for the exercise of approx. 1.4 million options out of option warrants awarded in 2022 to employees of the Company and its subsidiaries, some of whom are Company officers (including the Company's CEO), and to service providers of the Company (hereinafter - the "Offerees"). The said deadline was postponed from June 1, 2024 to April 10, 2025. These options vested on April 1, 2023.
The incremental fair value as of April 24, 2024 was calculated based on an appraisal received from an external appraiser calculated using the binomial model. The incremental fair value per one option was estimated at approx. NIS 2.7 and the total value of the benefit, which was recognized as an expense in the reporting period, was estimated at approx. NIS 3.8 million as of that date. Out of this amount, the value of the benefit to the CEO is approx. NIS 82 thousand; the Compensation Committee decided in respect of the CEO that the suggested change regarding the extension of the exercise period constitutes an immaterial change in relation to his existing service and employment terms.
For further details about the postponement of the exercise date, see the Company's report of April 24, 2024 (Ref. No.: 2024-01-040690). For further details regarding the option terms and conditions, see Note 37B(4) to the Consolidated Annual Financial Statements.

K. In April 2024, the Company sold approx. NIS 140 million of its holdings in the subordinated notes recognized as Tier 1 capital instrument by Phoenix Insurance and listed on the main list of the TASE, to entities listed in the First Addendum to the Securities Law, 1968.
For details about the terms of the PHONIX B12 Bonds, see Note 27E to the consolidated financial statements.

L. On May 28, 2024, the Company's Board of Directors approved a dividend distribution policy, which will apply to future dividend distributions as from 2024, whereby the Company shall distribute an annual dividend at a minimum rate of 40% of the Company's distributable comprehensive income as per its audited annual consolidated Financial Statements for the relevant year. All other provisions of the Company's dividend distribution policy and distribution timing have not changed. For details regarding the revision of Phoenix Insurance's dividend policy, see Note 6B above.

NOTE 8 - SIGNIFICANT EVENTS DURING THE REPORTING PERIOD (cont.)

M. In December 2023, Phoenix Agencies' Board of Directors approved an award of 1,022,789 options to Phoenix Agencies' shares to employees and officers of Phoenix Agencies and other Group companies. The total value of the options is estimated at approx. NIS 60.1 million. The options will vest over a period of 4 years. The options will vest in equal tranches at the end of two, three and four years. The average fair value of the offered options was calculated by an external appraiser by using the binomial model, and estimated at approx. NIS 59 per option. In June 2024 and subsequent to the balance sheet date - in August 2024 - an allocation of 934,463 options was approved at the total value of approx. NIS 55 million; of the value of the abovementioned allocation, options at the value of approx. NIS 350 thousand will be allocated to the Chairman of the Company's Board of Directors, and options at the value of NIS 500 thousand will be allocated to the Company's CEO. The abovementioned allocation of the options - as part of the approval of the terms of compensation to the Chairman of the Company's Board of Directors and CEO is subject to the approval of an extraordinary general meeting of the Company; as of the report publication date the abovementioned meeting has not yet taken place.

N. Global rating for Phoenix Insurance
In May 2024, international credit rating agency Moody's reiterated the existing A2 rating of Phoenix Insurance with a negative rating outlook.

O. On June 17, 2024, Gama issued to the public NIS 500,000 thousand p.v. of Commercial Securities (Series 3) comprising 500,000 units - each of which is composed of NIS 1,000 p.v. of CSs (Series 3) - at a unit price of NIS 1,000; the units will bear interest at the rate of the Bank of Israel Interest plus 0.3% per year, as detailed in the Shelf Offering Report. The principal of the CSs (Series 3) and the interest in respect thereof shall be repaid in a single installment on June 12, 2025.

P. During the reporting period, Phoenix Capital, a subsidiary of Phoenix Advanced Investments, which is engaged in alternative investments, invested approx. NIS 370 million as an initial investment in the KKR alternative investments fund. Against this investment, Phoenix Capital took an approx. NIS 370 million bank loan; the loan is fully guaranteed by Phoenix Insurance based on market price. As part of Phoenix Capital's activity, this investment is designated in full for distribution to "qualified customers"; Phoenix Capital shall use those proceeds to repay the loan in full. The investment is presented in the financial statements as an investment in an investee and the loan balance, under financial liabilities. As of June 30, 2024, the balance of the investment and the loan amounts to approx. NIS 270 million.

Q. In connection with class actions filed and developments in lawsuits in the reporting period, see Note 7.

NOTE 9 - SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

A. During the period as from reporting date through immediately prior to the publication date of the financial statements, the participating policies marketed through 2004 achieved positive real returns. Therefore, the estimated management fees which will not collected due to negative real yield since the beginning of 2022 through immediately prior to the publication date of the financial statements, amounted to approx. NIS 228 million (pre-tax).

B. Further to Note 8C, subsequent to balance sheet date and through the report publication date, the Company carried out a buyback of 6 thousand shares at a total cost of approx. NIS 200 thousand. Subsequent to the purchase, the Company holds 9,708 thousand Company shares.

C. On August 21, 2024, the Company's Board of Directors approved a dividend distribution in the amount of approx. NIS 270 million. The dividend per share of NIS 1 p.v. is NIS 1.07. The record date is September 4, 2024, and the dividend paid on September 11, 2024.

D. On July 30, 2024, Standard & Poor's Maalot (hereinafter - "Maalot") reiterated the Company's rating at ilAA with a stable outlook.
In addition, Maalot reiterated Phoenix Insurance's rating at ilAAA with a stable outlook.

E. On July 30, 2024, international credit rating agency S&P Global Ratings (hereinafter - "S&P") reiterated Phoenix Insurance's 'A-' international rating with a stable outlook.

F. For details regarding the approval of the award - subsequent to the balance sheet date - of options to Phoenix Agencies' shares to employees and officers of Phoenix Agencies and other Group companies, see Note 8M.

G. In December 2018, the Company adopted an option plan for employees and officers. In June 2024, the Company's Board of Directors approved a revision to the option plan, which allows the Company to also allocate restricted share units (RSUs) of NIS 1 par value. On August 21, 2024, the Company's Board of Directors approved - after obtaining the approval of the Compensation Committee - the allocation of RSUs to employees of the Company and its subsidiaries, some of whom are Company officers (including the Company's CEO), and to service providers of the Company (hereinafter- the "Offerees") a total of up to 760 thousand unlisted RSUs, offered without cash consideration (offered in consideration of work or services provided by the Offerees to the Company); under the theoretical assumption of all RSUs being exercised, the resulting shares and taking into account the Company's issued and paid up share capital as of the approval date by the Board of Directors, shall constitute approx. 0.3% of the issued and paid-up capital of the Company and approx. 0.3% of its voting rights (and approx. 0.3%, respectively, fully diluted). The fair value at the Award Date was calculated based on an appraisal received from an external appraiser, which was based on the closing price of the Company's share as of the date of approval by the Board of Directors, and its adjustment to the dividends expected during the vesting period, while using the assumption of an average dividend yield rate of approx. 6% per year. The average value of one restricted share unit was estimated at approx. NIS 32.3, and the total value of the RSUs was estimated at approx. NIS 24.6 million. In accordance with the approval of the Board of Directors, out of a total of approx. 760 thousand RSUs, which were approved to offerees, a total of 3,098 restricted share units were approved to the Company's CEO.
The abovementioned allocation of the options to the Company's CEO is subject to the approval of an extraordinary general meeting of the Company; as of the report publication date the abovementioned meeting has not yet taken place.

H. On August 19, 2024, Midroog announced that it upgrades the rating of Phoenix Insurance from Aa1 to Aaa.

NOTE 9 - SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE (cont.)

I. On August 15, 2024, the Israel Securities Authority approved the extension of the term of the shelf prospectus of the Company and Phoenix Capital Raising by one further year, through August 23, 2025. For further details, see the immediate report dated August 15, 2024 (Ref. No.: 2024-01-083445).

J. In August 2024 Phoenix Agencies signed an agreement for the purchase from companies owned by Mr. Oren Cohen - both directly and indirectly - of approx. 16% further ownership interest in Oren Mizrach Insurance Agency Ltd. (hereinafter - "Oren Mizrach"), such that subsequent to this acquisition, Phoenix Agencies will hold - directly and indirectly - approx. 84% of the ownership interest in Oren Mizrach instead of approx. 68% before of the abovementioned transaction. Furthermore, in accordance with the agreement, Phoenix Agencies will issue to a company owned by Oren Cohen shares constituting approx. 1.75% of Phoenix Agencies' equity capital, such that, subsequent to the issuance the Company will hold approx. 78% of the issued and paid-up share capital of Phoenix Agencies.

K. In August 2024 Phoenix Advanced Investments increased its share in the alternative investments activity by acquiring ownership interests from several partners in various companies operating in the area of Wealth and IRA.

L. In connection with class actions filed and developments in lawsuits subsequent to the balance sheet date, see Note 7 above.

NOTE 10 - APPLICATION OF IFRS 17 AND IFRS 9

In May 2017, the International Accounting Standards Board (IASB) published IFRS 17 - Insurance Contracts. Furthermore, in June 2020 and December 2021, the IASB published amendments to the standard (hereinafter - "IFRS 17").

IFRS 17 sets rules for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes the current guidance on this issue under IFRS 4 and the directives of the Capital Market, Insurance and Savings Authority. The new standard is expected to trigger material changes in the Company's financial reporting.
The first-time application date set in IFRS 17 is January 1, 2023; however, in accordance with the requirements of the Commissioner, which were published as part of the "Roadmap for the Adoption of International Financial Reporting Standard (IFRS) 17 - Insurance Contracts" (hereinafter - the "Roadmap"), the first-time application date of IFRS 17 in Israel was postponed to the quarterly and annual periods beginning on January 1, 2025, and the transition date is January 1, 2024.

In July 2014, the IASB published IFRS 9 regarding Financial Instruments (hereinafter - "IFRS 9"), which supersedes IAS 39 and sets new rules for classification and measurement of financial instruments, with an emphasis on financial assets. The first-time application date set in IFRS 9 is January 1, 2018. In September 2016, an amendment to IFRS 4 was published, which allowed entities which issue insurance contracts and meet certain prescribed criteria to postpone the adoption of IFRS 9 to January 1, 2023 (the first-time application date of IFRS 17), in order to eliminate the accounting mismatch which may arise from the application of IFRS 9 prior to the application of IFRS 17. Phoenix Insurance complied with the abovementioned criteria and postponed the application of IFRS 9 accordingly. Upon the deferral of the first-time application date of IFRS 17 to January 1, 2025, the Commissioner also postponed the first-time application date of IFRS 9 to January 1, 2025, accordingly.

In June 2024, the Commissioner published a draft of a fourth revision to the Roadmap, which included revisions as to the time frames for reporting to the Authority as part of the Quantitative Impact Studies (hereinafter - "QIS2"). In addition, in July 2024 the Company received a letter from the Commissioner, which included further revision to the time frames. In accordance with the abovementioned revised requirements of the Commissioner, on July 10, 2024 the Company filed the results of QIS2, which includes only the calculation of the opening balances. Furthermore, on August 12 the Commissioner published a final version of the Fourth Revision to the Roadmap, whereby it is not mandatory (but rather voluntary) for the Company to disclose the opening balances data as of the transition date in the Financial Statements of the third quarter of 2024. The Company is making preparations to submit to the Commissioner, by September 15, 2024, a report comprising on-balance sheet data in accordance with IFRS 17 and IFRS 9 as of January 1, 2024 and March 31, 2024, and operating results data for the three-month period ended March 31, 2024.

In preparation of Israeli insurance companies for the adoption of IFRS 17, during April 2024, the Capital Market, Insurance and Savings Authority published a revision to the appendix on Professional Issues Regarding Implementation of IFRS 17 in Israel (hereinafter - the "Professional Issues Circular"). The revision included, among other things, a detailed regulation of the principles for calculating the fair value as of the transition date, setting confidence interval in the calculation of risk adjustment for non-financial risk (RA), in respect of the Individual LTC, which will not fall below 90%.

On August 12, 2024 the Commissioner published a further revision to the Professional Issues Circular, which referred, among other things, to clarifications in connection with the calculation of the weight of the illiquidity premium, and the setting of the confidence interval, as well as guidance regarding the calculation of the fair value of Hetz bonds. The accounting policies described below are based, among other things, on this circular.

NOTE 10 - APPLICATION OF IFRS 17 AND IFRS 9 (cont.)

A. Phoenix Insurance's preparations for the application of IFRS 17 and IFRS 9

As part of the standards' adoption process, the Company is implementing and integrating IT systems that are necessary for applying the provisions. In addition, the Company is testing and mapping the required controls and the flow of information to the financial statements. In January 2024, the Company delivered to the Authority a list of key controls which were implemented by the end of 2023, and the Company's work plan in connection with the other controls which are expected to be implemented during the first half of 2024. In addition, in accordance with the Roadmap, in August 2023 the Company reported to the Authority the results of the first Quantitative Impact Study (hereinafter - "QIS1"), which assesses the effect of first-time application of IFRS 17. As part of the first QIS, the Company conducted quantitative tests in order to check the methodology employed to calculate the opening balances, based on the opening balances as of January 1, 2023 of certain insurance contracts set in the Third Revision. The Company delivered to the Authority a revised version of the RA calculation methodology paper during the fourth quarter of 2023; In addition, in March 2024, the Company delivered to the Authority a revised draft of the full accounting policy for the application of IFRS 17 and IFRS 9, in accordance with the guidance of the Roadmap. At the beginning of July 2024, the Company delivered to the Authority a draft of the calculation of the opening balances, based on the opening balances as of January 1, 2024 of certain insurance contracts as set in the Roadmap Fourth Draft. The Company is preparing for the performance of the second QIS2, in order to assess the effects of the first-time application of IFRS 17 and IFRS 9, which will be filed to the Authority in accordance with the time tables set in the Roadmap by September 15, 2024. It is emphasized that all the details provided below in connection with the accounting policy are correct as of the date of this report and may change.

1. The Standard's scope

IFRS 17 applies to contracts, which meet the definition of an insurance contract and include:

a) Insurance contracts, including reinsurance contracts, which the Company issues;
b) Reinsurance contracts held by the Company; and
c) Investment contracts with discretionary participation features, which the Company issues, provided that it also issues insurance contracts.

An insurance contract may contain one or more components, which would be within the scope of another standard if they were separate contracts. For example, insurance contracts may include:

- Investment component
- A service component in addition to the insurance contract services (hereinafter - the "Service Component")
- Embedded derivatives

IFRS 17 stipulates that an Investment Component and a Service Component will be separated from the insurance contract only if they are distinct. An embedded derivative shall be separated only if it meets the criteria set forth in IFRS 9. Where these components were separated from the insurance contract, they will be accounted for within the scope of the relevant standard.

In the opinion of the Company, the application of IFRS 17 is not expected to have a material effect on the classification of contracts as insurance contracts compared to IFRS 4. Furthermore, the Company is not expected to separate from the insurance contracts components, which will be accounted for within the scope of another standard.

NOTE 10 - APPLICATION OF IFRS 17 AND IFRS 9 (cont.)

A. Phoenix Insurance's preparations for the application of IFRS 17 and IFRS 9 (cont.)

2. The measurement model

The standard includes three models for measuring the liability in respect of insurance contracts:

A. The general model - the GMM model

In accordance with this model, which constitutes the standard's default model, the liability in respect of groups of insurance contracts should be measured at the initial recognition date as the present value of the discounted best-estimate of future cash flows (BE), plus an explicit risk adjustment (RA) in respect of the non-financial risks. The expected income from the insurance contracts, which is derived from such calculations, shall be recognized as a liability (contractual service margin - CSM), which was recognized in profit and loss over the Group's coverage period. If an expected loss will be derived, it will be recognized immediately in profit and loss. Such liability components are classified into two types of liabilities: Liability for remaining coverage (LRC) and liability for incurred claims (LIC).

In subsequent periods, the contractual service margin will be adjusted in respect of changes in non-financial assumptions related to the future service. If the contractual service margin reached zero as a result of those changes, any change beyond that will be recognized immediately in profit and loss. On the other hand, changes arising from the time value of money and financial risks shall be recognized immediately in profit and loss under finance expenses in respect of insurance contracts.
In held reinsurance contracts, the contractual service margin may be an asset or a liability and it represents the net expected cost or the net expected income, respectively. If the reinsurance contract exists upon recognition of a loss component in respect of a group of insurance contracts covered by the reinsurer, the Company will recognize immediately an income in respect of the reinsurance contract (loss recovery component) against adjustment of the contractual service margin.

Following are the main products, which will be measured using the GMM model by segment:

Issued insurance contracts

- Life Insurance Segment - non-yield-dependent savings policies, individual and collective life insurance, and individual and collective disability insurance, which are sold as a standalone policy.
- Health Insurance Segment - all health insurance products, excluding short-term health insurance products.

Reinsurance contracts

- In the Life Insurance Subsegment - all reinsurances
- In the Health Insurance Segment - all reinsurances

B. The variable fee approach - the VFA model

This model is a modification of the GMM model and applies to contracts with direct participation features. Insurance contracts with direct participation features are insurance contracts under which the Company promises an investment return to the policyholder based on underlying items. In other words, the contract includes a significant service associated with investments.

NOTE 10 - APPLICATION OF IFRS 17 AND IFRS 9 (cont.)

A. Phoenix Insurance's preparations for the application of IFRS 17 and IFRS 9 (cont.)

2. The measurement model (cont.)

B. The variable fee approach - the VFA model (cont.)

IFRS 17 defines an insurance contract with direct participation features as an insurance contract, unpot the entering into which:

a) The contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
b) The Company expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
c) The Company expects a substantial proportion of any change in the amounts paid to the policyholder to vary with the change in fair value of the underlying items.

In accordance with the VFS model, the cash flows for the fulfillment of the contract are composed of the liability to pay the policyholder an amount equal to the fair value of the underlying items, net of the variable fee in respect of the service. A change in the liability to pay the policyholder an amount equal to the fair value of the underlying items is recognized directly in finance expenses in respect of insurance contracts. The contractual service margin is adjusted in respect of changes in non-financial assumptions, as is the case in the GMM model, and in respect of financial changes, which affect the variable fee.

The VFS model is expected to significantly reduce the fluctuations in the Company's results in respect of insurance contracts, which include a participating savings component, arising from the actual performance of the capital market in the reporting period.

Following are the main products, which will be measured using the VFA model:

Issued insurance contracts
Life Insurance Segment - savings policies, which include a yield dependent savings component.

C. The Premium Allocation Approach - the PAA model

This model is a simplification of the general measurement model; it can be applied to certain groups of insurance contracts, for which it provides a measurement, which is a reasonable approximation to a measurement in accordance with the general measurement model.

In accordance with this model, the liability in respect of the remaining coverage is determined as the total amount of the premiums received net of any insurance acquisition cash flows, and net of the premium amounts and insurance acquisition cash flows, which were recognized in profit or loss in respect of the coverage period, which elapsed. Premiums received and insurance acquisition cash flows are recognized in profit or loss over the coverage period on the basis of the passage of time. If insurance contracts in the group have a significant financing component, the Company shall adjust the carrying amount of the liability for remaining coverage to reflect the time value of money and the effect of financial risk in accordance with the interest rate curve as of initial recognition date, which is calculated as detailed in this note.

NOTE 10 - APPLICATION OF IFRS 17 AND IFRS 9 (cont.)

A. Phoenix Insurance's preparations for the application of IFRS 17 and IFRS 9 (cont.)

2. The measurement model (cont.)

C. The Premium Allocation Approach - the PAA model (cont.)

For groups of insurance contracts, under the PAA model the Company may recognize any insurance acquisition cash flows as expenses when it incurs those costs, provided that the coverage period of each contract in the group is no more than one year. The Company expects that it will not apply this alternative.

If facts and circumstances indicate that a group of insurance contracts is onerous, the Company measures the present value of the future cash flows plus a risk adjustment in respect of non-financial risks, as is the case in the principles of the general measurement model. If this amount exceeds the carrying amount of the liability in respect of the remaining coverage, the Company shall increase the liability in respect of the remaining coverage against an immediate recognition of a loss in the statement of profit and loss.
If a reinsurance contract exists upon recognition of a loss component in respect of a group of insurance contracts covered by it, the Company will recognize immediately an income in respect of the reinsurance contract (loss recovery component) against adjustment of the carrying amount of the asset for remaining coverage.
The liability for incurred claims is calculated in accordance with the same principles as those used in the GMM model. The standard allows not to discount the future cash flows in respect of incurred claims if those cash flows are expected to be paid or received within one year or less from the date the claims are incurred. The Company does not implement the abovementioned expedient.

The Company may implement the Premium Allocation Approach only if upon inception of the group:

a) The coverage period of each contract in the group is one year or less; or
b) The Company reasonably expects that such simplification would produce a measurement of the liability for the remaining coverage period provided by the group that would not differ materially from the measurement that would result from applying the general model.

The Company may apply the Premium Allocation Approach for held groups of reinsurance contracts, adapted to reflect the features of reinsurance contracts held, which differ from insurance contracts issued.

NOTE 10 - APPLICATION OF IFRS 17 AND IFRS 9 (cont.)

A. Phoenix Insurance's preparations for the application of IFRS 17 and IFRS 9 (cont.)

2. The measurement model (cont.)

C. The Premium Allocation Approach - the PAA model (cont.)

The Company opted to measure the following groups of insurance contracts under the PAA model:

Property and casualty insurance

In most property and casualty insurance portfolios, the coverage period of all contracts is up to one year. These groups of insurance contracts qualify automatically for application of the PAA model.
In respect of the remaining groups of contracts, the Company compares the liability in respect of the remaining coverage period, which will be produced from applying the PPA model, and the liability, which will be produced from applying the general model (PPA eligibility test).
The Company expects that all of its property and casualty insurance contracts will meet the criteria for the implementation of this approach.
The measurement of the insurance contracts using the PAA model is essentially similar to the measurement of property and casualty insurance contracts under the Company's existing policy pursuant to IFRS 4. However, there are measurement differences, which affect the amount of the liability in respect of insurance contracts, such as: The restriction regarding the discounting of acquisition costs, the offsetting of excess fair value of non-financial assets (UGL), reinsurers deposits, etc.

Health Insurance

Short-term insurance contracts, such as: Travel insurance contracts.

3. Aggregation level

IFRS 17 requires the aggregation of insurance contract into groups for recognition and measurement purposes. The Company will determine the groups upon initial recognition and will not change the composition of the groups at a later date.
Initially, the Company is required to identify portfolios of insurance contracts. A portfolio comprises contracts subject to similar risks and managed together. Once it identified a portfolio, the Company shall divide it into a minimum of the following groups, based on the expected profitability upon initial recognition:

- A group of contracts, which are onerous at initial recognition;
- a group of contracts, which at initial recognition have no significant possibility of becoming onerous subsequently; and
- a group of the remaining contracts in the portfolio.

In accordance with the standard, for contracts to which the Company applies the PPA model, the Company shall assume no contracts in the portfolio are onerous at the initial recognition date, unless facts and circumstances indicate otherwise. IFRS 17 stipulates that an entity shall not include contracts issued more than one year apart in the same group, such that each underwriting year will be associated with a separate group of insurance contracts.

NOTE 10 - APPLICATION OF IFRS 17 AND IFRS 9 (cont.)

A. Phoenix Insurance's preparations for the application of IFRS 17 and IFRS 9 (cont.)

3. Aggregation level (cont.)

The Company sells insurance contracts, which include a number of coverage types, which would have been classified into different insurance contract groups, had they been separate insurance contracts. The lowest unit of account in IFRS 17 is the insurance contract, with all insurance coverages included therein; therefore, the Company will normally allocate the insurance contract in its entirety to a single group of insurance contracts. It is only in cases where the legal form of the policy does not reflect the economic substance of the rights and obligations included in the contract, that the Company separates the coverages and recognizes them as separate insurance contracts. This approach is materially different from the Company's policy under IFRS 4, where under the Company normally recognizes and measures each coverage separately.

In addition, in certain cases the Company contracts the same policyholder (or a related party thereof) in a set or a series of insurance policies. Normally, each policy in a set or a series shall be recognized as a separate insurance contract. In certain cases, the set or series of policies reflects the economic substance of a single insurance contract. In such cases, the Company will recognize and measure such policies as a single insurance contract.

IFRS 17 permits the inclusion of contracts in the same group if they belong to different groups only because a law or regulation specifically constrains the Company's practical ability to set a different price or level of benefits for policyholders with different characteristics. The Company's relative share in compulsory motor insurance policies issued through the Pool meets this requirement; therefore, the Company opted to include its relative share in these policies in the same group as the ordinary compulsory motor insurance policies sold by the Company.

4. The contract's boundaries

Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations which exist during the reporting period in which the Company can compel the policyholder to pay the premiums or in which it has a substantive obligation to provide the policyholder with services. A substantive obligation to provide services ends when the Company has the practical ability to reassess the risks of the particular policyholder (single policyholder) or the insurance contracts portfolio. At this point, the Company has the practical ability to set a new price or to change the terms of the benefits that fully reflect the same risks, provided that in the pricing at the portfolio level the overall premium did not include a future cost risk. The Company's practical ability to set a price at a future date, which fully reflects the risks in the contract from that date, exists in the absence of constraints, which prevent the Company from setting the same price it would for a new contract with the same characteristics as the existing contract.

When determining the contract boundaries of insurance contracts, the Company assesses each contract separately, and weighs all the substantive obligations and rights, regardless of whether they arise from a contract, law or regulation, and ignoring conditions with no commercial substance.

Cash flows are within the boundary of a reinsurance contract if they arise from substantive rights and obligations, which exist during the reporting period, in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the policyholder. A substantive right to receive services from the reinsurer ends when the reinsurer has a practical ability to reassess the risks transferred to it, and can set a new price or change the terms of the benefits, such that they fully reflect those risks, or alternatively, when the reinsurer has a substantive right to discontinue the coverage.

NOTE 10 - APPLICATION OF IFRS 17 AND IFRS 9 (cont.)

A. Phoenix Insurance's preparations for the application of IFRS 17 and IFRS 9 (cont.)

4. The contract's boundaries (cont.)

Following are the contract boundaries of material policies, which were identified:

A. Individual health insurance policies issued from 2016 and thereafter

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

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

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

C. Reinsurance contracts held

In accordance with the accounting policy applied under IFRS 4, the measurement of the reinsurance contracts is only in respect of the underlying contracts, which were transferred to the reinsurer as of the balance sheet date. In accordance with IFRS 17, except for these cash flows, the reinsurance contract boundaries may also include cash flows in respect of underlying contracts, which the Company expects to sell (and deliver to the reinsurance) in the reporting period, if the Company and the reinsurer do not have the right to cancel or reprice the obligation to deliver those futures.

NOTE 10 - APPLICATION OF IFRS 17 AND IFRS 9 (cont.)

A. Phoenix Insurance's preparations for the application of IFRS 17 and IFRS 9 (cont.)

5. Risk adjustment (RA) in respect of non-financial risk

The RA reflects the compensation, which the Company demands for bearing the uncertainty regarding the amount and timing of the cash flows arising from non-financial risks, which include insurance risk and other non-financial risks, such as lapse risk, and expenses risk. The RA also reflects the following:

- The level of compensation for diversification that the Company includes when setting the compensation it claims for bearing that risk; and
- Both favorable and unfavorable outcomes, in a way which reflects the Company's degree of risk aversion.

The Company adjusts the estimated present value of the future cash flows in respect of this amount, which is reflected separately in the Company's total liabilities.
IFRS 17 does not specify the estimation techniques used to determine the risk adjustment for non-financial risk.

Life and health insurance
The Company calculates the RA amount required in order to comply with the required confidence level (CL) in accordance with the Value At Risk (VaR) method as applied in Solvency 2 for the capital requirement (SCR), with certain adjustments.

Property and casualty insurance
The Company calculates the RA amount required in order to comply with the required CL in accordance with the existing method for calculating the margin for best estimate liabilities in the financial statements, similar to the VaR method as applied in accordance with the best practice directives.

6. The interest rate curves

IFRS 17 stipulates that the estimates of future cash flows should be adjusted to reflect the time value of money and the financial risks related to those cash flows, to the extent that the financial risks are not included in the estimates of the cash flows.
The standard stipulates that the discount rates applied to the estimates of the future cash flows shall:

a) reflect the time value of money, the characteristics of the cash flows and the liquidity characteristics of the insurance contracts;
b) be consistent with observable current market prices (if any) for financial instruments with cash flows whose characteristics are consistent with those of the insurance contracts, in terms of, for example, timing, currency and liquidity; and
c) exclude the effect of factors, which influence such observable market prices but do not affect the future cash flows of the insurance contracts.

The Company determines the interest rate curves for all groups of insurance contracts using the Botton-Up approach. In this approach, the discount rate is obtained by adding the illiquidity premium (which reflects the liability's illiquidity) to the risk-free interest rate curve. The risk-free interest rate curve is based on yields to maturity of liquid bonds of the Israeli government. The last liquid point is the 25th year. Beyond this point, the Company will set the risk-free interest rate curves by way of extrapolation - in accordance with the Smith-Wilson method - up to the ultimate forward rate, which will be set at 60 years.
The full illiquidity premium is set based on the average spread of the bonds included in the Tel-Bond 60 Index. This premium is added in full or in part to the risk-free interest rate curve in accordance with the illiquidity characteristics of the relevant cash flows.

NOTE 10 - APPLICATION OF IFRS 17 AND IFRS 9 (cont.)

A. Phoenix Insurance's preparations for the application of IFRS 17 and IFRS 9 (cont.)

6. The interest rate curves (cont.)

The technique used to estimate the risk-free interest rate curve as described above is in line with the approach implemented for purposes of Liability Adequacy Test (LAT) under IFRS 4.

7. The coverage units and the manner of releasing the contractual service margin (CSM)

The CSM represents the liability in respect of the unearned profit relating to future services. In accordance with the standard, the CSM will be recognized in profit and loss over the coverage period through a pattern, which reflects the insurance service provided by the Company in connection with the contracts, which are included in the insurance contracts group. This pattern is determined based on the coverage units, which were provided during the period compared to the coverage units, which are expected to be provided in the future in connection with the insurance contracts group.
The number of coverage units in a group is the quantity of coverage services provided by the contracts in the group, determined by considering for each contract the quantity of the benefits provided under a contract and its expected coverage period.

The Company selected several parameters for the purpose of calculating the coverage units, and various weights in order to adapt the different coverage units, based on the expected amount of benefits payable to a policyholder from each type of coverage or service.

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

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

NOTE 10 - APPLICATION OF IFRS 17 AND IFRS 9 (cont.)

A. Phoenix Insurance's preparations for the application of IFRS 17 and IFRS 9 (cont.)

8. Cash flow for purchase of insurance

Insurance acquisition cash flows are cash flows arising from the costs to sell, underwriting and starting a group of insurance contracts which are directly attributable to the portfolio of insurance contracts to which the group belongs. When insurance acquisition cash flows are directly attributable to a group of insurance contracts, they will be allocated to that group and to groups, which will include insurance contracts, which are expected to arise from renewals of the insurance contracts within that group, where relevant. Insurance acquisition cash flows, which are directly attributable to a portfolio of insurance contracts, will be allocated to groups of contracts in the portfolio, including groups of insurance contracts, which have not yet been recognized. If the Company allocated an insurance acquisition cash flows amount to insurance contracts which have not yet been recognized, this amount will be recognized as a separate asset. This asset will be derecognized when the renewals to which the asset relates will be recognized. Furthermore, the Company will assess the recoverability of the asset if there will be indications of impairment.
Insurance acquisition cash flows relating to insurance contracts, which have already been recognized, will be included in the measurement of the insurance contracts as part of the present value of the future cash flows, and will reduce the value of the CSM (in the GMM/VFA model), or the carrying amount of the liability in respect of the remaining coverage in the PAA model. This is a significant change in relation to the policy as per IFRS 4, whereby all insurance acquisition cash flows were recognized and measured as a separate asset in the statement of financial position. It is noted that consequently in the GMM/VFA model the insurance acquisition cash flows will be recognized in the Company's profit or loss in accordance with the timing of the CSM release, instead of the amortization method currently in place, which is based on straight line amortization plus taking into account actual cancellations.

The Company is still studying the need to recognize an insurance acquisition cash flows asset.

9. Presentation

Under IFRS 17, the Company will disaggregate the amounts recognized in the statement of profit or loss and other comprehensive income into:

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

The above disaggregation shall increase transparency as to the Company's sources of income.

Insurance service results

Total income from insurance contracts for a group of insurance contracts is the consideration for the contracts adjusted to reflect finance effects.
Revenue from insurance services in the GMM and VFA model shall be calculated based on the decrease in liability in respect of the remaining coverage in respect of the services provided in the period plus the allocation of the premiums amount relating to recovery of the insurance acquisition cash flows for the reporting period. The Company will make this allocation in accordance with the coverage units used to release the CSM. In the PAA model, revenue from insurance services are recognized over the coverage period based on the passage of time.

NOTE 10 - APPLICATION OF IFRS 17 AND IFRS 9 (cont.)

A. Phoenix Insurance's preparations for the application of IFRS 17 and IFRS 9 (cont.)

9. Presentation (cont.)

Investment components, which were not separated from the insurance contracts, will not be recognized in expenses and income from insurance contracts. These components represent amounts, which will be refunded to the policyholder in any case, even if an insured event did not take place, and constitute a kind of a deposit deposited by the policyholder. Therefore, this amount does not constitute a part of the consideration received by the Company in respect of the service, and its refund does not constitute part of the Company's expenses.
The key investment components which were identified are in products which included a savings component.
Following the above, the Company expects that its income and expenses from insurance services will decline significantly in the transition to IFRS 17, with no effect on comprehensive income.

Expenses which are directly attributable to sale and fulfillment of the insurance contracts shall be included in the measurement of the insurance contract, and recognized as an expense as part of insurance service results. Expenses which are not directly attributable to the insurance contracts will be recognized as an expense as incurred outside the insurance service results.

Finance income or finance expenses from insurance
Under IFRS 17, changes in the carrying amount of the group of insurance contracts arising from the effect of the time value of money and changes in the time value of money; and the effect of financial risk and changes in financial risk are recognized as insurance finance income or expenses.

IFRS 17 stipulates that the Company shall make an accounting policy choice between:
a) including insurance finance income and expenses for the period in profit or loss; or
b) Disaggregating insurance finance income and expenses for the period between profit or loss and other comprehensive income.

This selection is carried out at the level of the insurance contracts portfolio.

The accounting policy, which was selected by the Company for all insurance portfolios, is the inclusion of insurance finance income and expenses for the period in profit or loss. This policy together with the policy to designate the financial assets, within the scope of IFRS 9 eliminates mismatches in the measurement of assets and liabilities.

IFRS 17 does not require disaggregation of the RA between insurance service results and finance income or finance expenses from insurance.

The Company expects that it will not apply this expedient and that it will disaggregate the RA between insurance service results and finance income or finance expenses from insurance.

NOTE 10 - APPLICATION OF IFRS 17 AND IFRS 9 (cont.)

A. Phoenix Insurance's preparations for the application of IFRS 17 and IFRS 9 (cont.)

10. Transitional provisions

IFRS 17 should be applied retrospectively (hereinafter - "Full Retrospective Application"), unless this is impractical. In applying the Full Retrospective Application, the Company shall identify, recognize and measure each group of insurance contracts and any insurance acquisition cash flows as of the transition date as if IFRS 17 had always been applied. Furthermore, the Company shall derecognize any existing balances, which would not exist had IFRS 17 always been applied. Any resulting net difference will be recognized in equity. The transition date is January 1, 2024, such that upon initial application the Company will restate the comparative figures for 2024.
If Full Retrospective Application for a group of insurance contracts and/or an asset in respect of insurance acquisition cash flows is impractical, the Company shall apply one of the following approaches:

a) The modified retrospective approach (MRA) - to achieve the closest outcome to full retrospective application possible using reasonable and supportable information available without undue cost or effort; or
b) The fair value approach (FVA) - in this approach the Company shall determine the contractual service margin or loss component of the liability for remaining coverage at the transition date as the difference between the fair value of a group of insurance contracts at that date and the fulfilment cash flows measured at that date.

The Company expects to apply the following for the insurance portfolios, as detailed below:

1. The full retrospective approach (FRA)

   - For property and casualty insurance portfolios.
   - For short-term health insurance portfolios measured in accordance with the PAA model.

2. The modified retrospective approach (MRA)

   The Company expects to apply the MRA approach for some of the insurance contract groups in the Life and Health Insurance Segments.

3. The fair value approach - FVA

   All other insurance contract groups in the Life and Health Insurance Segment will be measured in accordance with the FVA approach.

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

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

   The Company is still studying the effects of the transition to IFRS 17 on its equity as of the transition date.

NOTE 10 - APPLICATION OF IFRS 17 AND IFRS 9 (cont.)

B. IFRS 9 - Main changes in the accounting policies

Classification and measurement

Financial assets

In implementing IFRS 9, the Company will classify financial assets in accordance with their subsequent measurement at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss, based on the entity's business model for managing financial assets, and projected cash flow of the financial asset.

A financial asset will be measured at amortized cost if the two following conditions are fulfilled:

a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b) The contractual terms and conditions of the financial asset provide entitlement, at specified dates, to cash flows that are only principal and interest payments in respect of the outstanding principal amount (hereinafter - the "Principal and Interest Test").

A financial asset will be measured at fair value through other comprehensive income if the two following conditions are fulfilled:

a) The financial asset is held within a business model whose objective is to collect contractual cash flows and to sell financial assets; and

b) The principal and interest criterion is fulfilled.

A financial asset will be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income.

Notwithstanding the foregoing, on initial recognition date, the Company may designate a financial asset as measured at fair value through profit or loss if such designation eliminates or significantly reduces a measurement or recognition inconsistency, which would have otherwise arisen from the measurement of assets or liabilities or from recognition of gains and losses thereon using other bases.

The application of IFRS 9 will have the following effect on the classification and measurement of the Company's financial assets:

Participating portfolio

The underlying items of insurance contracts, which include participating savings and other insurance contracts, which include profit participation, will be measured at fair value through profit or loss, as is the case in the accounting policy as per IAS 39.

The nostro portfolio

- Investment in equity instruments will be measured at fair value through profit or loss instead of at fair value through other comprehensive income under IAS 39.
- Derivatives will be measured at fair value through profit or loss as is the case in IAS 39.
- Investments in equity instruments held against insurance liabilities, including designated bonds - will be measured at fair value through profit or loss, in order to prevent an accounting mismatch with the measurement of liabilities in respect of insurance contracts.
- Regarding investments in illiquid equity instruments held against equity and other liabilities, which are not insurance liabilities - the Company is considering the option of measuring them at amortized cost. Liquid debt instruments shall be measured at fair value through profit or loss.

NOTE 10 - APPLICATION OF IFRS 17 AND IFRS 9 (cont.)

B. IFRS 9 - Main changes in the accounting policies (cont.)

Classification and measurement (cont.)

Financial liabilities

The Company does not expect a material change in the classification and measurement of the financial liabilities.

Impairment model of financial assets

At each reporting date, the Company shall test the provision for loss in respect of financial debt instruments that are not measured at fair value through profit or loss should be estimated.

The Company shall differentiate between two situations of recognition of a provision for loss:

a) Debt instruments with no significant impairment in credit quality since initial recognition or with a low credit risk - the provision for loss recognized for this debt instrument will take into account current expected credit losses in the 12 months period after the reporting date, or;

b) debt instruments with significant deterioration in credit quality since initial recognition and their credit risk is not low, the provision for loss recognized will take into account the expected credit losses - over the balance of the useful life of the instrument. The will apply Company the expedient, according to which it shall assume that the credit risk of a debt instrument has not increased significantly since its initial recognition date, if it is determined, at the reporting date, that the instrument has low credit risk, for example - if the instrument has an external "investment grade" rating.

The impairment in respect of debt instruments measured at amortized cost shall be recognized in profit or loss against a provision, whereas the impairment in respect of debt instruments measured at fair value through other comprehensive income shall be recognized against capital reserve, and will not reduce the carrying amount of the financial asset in the statement of financial position.

Details of assets for assets and other financial investments

A. Details of other financial investments

	As of June 30, 2024			
	Presented at fair value through profit and loss	Available-for-sale	Loans and receivables	Total
	Unaudited			
	NIS thousand			
Liquid debt assets (a1)	180,566	5,128,877	-	5,309,443
Illiquid debt assets	21,127	-	14,335,761	14,356,888
Shares (a2)	-	2,319,809	-	2,319,809
Other (a3)	383,186	5,457,769	-	5,840,955
Total	584,879	12,906,455	14,335,761	27,827,095

	As of June 30, 2023			
	Presented at fair value through profit and loss	Available-for-sale	Loans and receivables	Total
	Unaudited			
	NIS thousand			
Liquid debt assets (a1)	220,947	5,425,161	-	5,646,108
Illiquid debt assets	-	-	15,276,930	15,276,930
Shares (a2)	18,086	1,891,720	-	1,909,806
Other (a3)	298,160	5,214,619	-	5,512,779
Total	537,193	12,531,500	15,276,930	28,345,623

	As of December 31, 2023			
	Presented at fair value through profit and loss	Available-for-sale	Loans and receivables	Total
	Audited			
	NIS thousand			
Liquid debt assets (a1)	148,802	5,394,587	-	5,543,389
Illiquid debt assets	21,060	-	14,635,071	14,656,131
Shares (a2)	-	2,175,831	-	2,175,831
Other (a3)	749,792	5,279,770	-	6,029,562
Total	919,654	12,850,188	14,635,071	28,404,913

Details of assets for assets and other financial investments (cont.)

A1. Liquid debt assets

	As of June 30, 2024	
	Carrying amount	Amortized cost
	Unaudited	
	NIS thousand	
Government bonds	2,843,447	3,281,325
Other debt assets:		
Other non-convertible debt assets	2,285,430	2,395,419
Other convertible debt assets	180,566	186,895
Total liquid debt assets	5,309,443	5,863,639
Impairments carried to profit and loss (cumulative)	573,382	

	As of June 30, 2023	
	Carrying amount	Amortized cost
	Unaudited	
	NIS thousand	
Government bonds	2,242,513	2,406,740
Other debt assets:		
Other non-convertible debt assets	3,182,648	3,436,603
Other convertible debt assets	220,947	239,606
Total liquid debt assets	5,646,108	6,082,949
Impairments carried to profit and loss (cumulative)	499,998	

	As of December 31, 2023	
	Carrying amount	Amortized cost
	Audited	
	NIS thousand	
Government bonds	2,569,068	2,754,618
Other debt assets:		
Other non-convertible debt assets	2,825,519	2,977,081
Other convertible debt assets	148,802	154,611
Total liquid debt assets	5,543,389	5,886,310
Impairments carried to profit and loss (cumulative)	382,196	

Details of assets for assets and other financial investments (cont.)

A2. Shares

	As of June 30, 2024	
	Carrying amount	Cost
	Unaudited	
	NIS thousand	
Liquid shares	1,769,015	1,782,894
Illiquid shares	550,794	425,584
Total shares	2,319,809	2,208,478
Impairments carried to profit and loss (cumulative)	329,086	

	As of June 30, 2023	
	Carrying amount	Cost
	Unaudited	
	NIS thousand	
Liquid shares	1,410,317	1,500,481
Illiquid shares	499,489	333,657
Total shares	1,909,806	1,834,138
Impairments carried to profit and loss (cumulative)	338,101	

	As of December 31, 2023	
	Carrying amount	Cost
	Audited	
	NIS thousand	
Liquid shares	1,678,362	1,604,213
Illiquid shares	497,469	326,809
Total shares	2,175,831	1,931,022
Impairments carried to profit and loss (cumulative)	299,754	

Details of assets for assets and other financial investments (cont.)

A3. Other financial investments

	As of June 30, 2024	
	Carrying amount	Cost
	Unaudited	
	NIS thousand	
Total liquid financial investments	450,355	365,197
Total illiquid financial investments	5,390,600	4,126,048
Total other financial investments	5,840,955	4,491,245
Impairments carried to profit and loss (cumulative)	258,406	

	As of June 30, 2023	
	Carrying amount	Cost
	Unaudited	
	NIS thousand	
Total liquid financial investments	550,952	509,214
Total illiquid financial investments	4,961,827	3,841,533
Total other financial investments	5,512,779	4,350,747
Impairments carried to profit and loss (cumulative)	255,228	

	As of December 31, 2023	
	Carrying amount	Cost
	Audited	
	NIS thousand	
Total liquid financial investments	505,506	411,171
Total illiquid financial investments	5,524,056	4,039,115
Total other financial investments	6,029,562	4,450,286
Impairments carried to profit and loss (cumulative)	256,780	

Part 3

Standalone Financial Data from the Consolidated Interim Financial Statements Attributed to the Company



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To
The Shareholders of The Phoenix Financial Ltd. (Formerly: Phoenix Holdings Ltd.)
Dear Madam/Sir,

Re: Special Report on the Separate Interim Financial Information pursuant in accordance with Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 1970

Introduction

We have reviewed the separate interim financial information disclosed in accordance with Regulation 38D to the Securities Regulations (Periodic and Immediate Reports), 1970 of The Phoenix Financial Ltd. (Formerly: Phoenix Holdings Ltd) (hereinafter – the "Company") as of June 30, 2024 and for the six and three months periods then ended. The company's board of directors and management are responsible for the separate interim financial information. Our responsibility is to express a conclusion regarding the separate interim financial information based on our review.

We did not review the separate interim financial information taken from the interim information of investees, in which the total amounted to approximately NIS 1,447,969 thousand as of June 30, 2024, and the Company's share in of their earnings amounted to approximately NIS 83,673 thousand and NIS 28,897 thousand for the six and three months periods then ended, respectively. The separate interim financial statements of these companies were reviewed by other auditors, whose review reports have been furnished to us, and our conclusion, insofar as it relates to financial statements in respect of these companies, is based on the review reports of the other auditors.

Scope of the Review

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

Conclusion

Based on our review and the review reports of other auditors, nothing has come to our attention that causes us to believe that the accompanying separate interim financial information is not prepared, in all material respects, in accordance with Regulations 38D to the Securities Regulations (Periodic and Immediate Reports), 1970.

Tel Aviv,
August 21, 2024

Kost Forer Gabbay & Kasierer
Certified Public Accountants

	As of		
	June 30, 2024	June 30, 2023	December 31, 2023
	Unaudited		Audited
	NIS thousand		
Assets			
Investments in investees	10,120,638	9,162,290	9,489,368
Loans and capital notes to investees	1,196,307	881,387	1,166,632
Total non-current assets	11,316,945	10,043,677	10,656,000
Loans and capital notes to investees	1,235,291	1,038,168	1,355,018
Other financial investments	141,535	10,610	35,559
Receivables and debit balances	22,198	10,452	14,776
Dividend receivable from investees	-	486,031	-
Current tax assets	14	-	44
Deferred tax assets	22,386	11,511	24,700
Cash and cash equivalents	33,518	15,174	403,736
Total current assets	1,454,942	1,571,946	1,833,833
Total assets	12,771,887	11,615,623	12,489,833
Equity attributable to Company's shareholders			
Share capital	314,728	313,168	313,340
Share premium and capital reserves	865,504	858,022	860,345
Treasury shares	(310,101)	(167,733)	(193,866)
Capital reserves	1,106,322	1,210,070	1,101,414
Surplus	8,872,143	7,841,012	8,499,062
Total equity	10,848,596	10,054,539	10,580,295
Liabilities			
Non-current liabilities			
Financial liabilities	1,870,018	1,506,993	1,828,678
Current liabilities			
Liability in respect of current taxes	-	5,556	-
Payables and credit balances	28,736	12,262	13,212
Financial liabilities	24,537	36,273	67,648
Total current liabilities	53,273	54,091	80,860
Total liabilities	1,923,291	1,561,084	1,909,538
Total equity and liabilities	12,771,887	11,615,623	12,489,833

Benjamin Gabbay	**Eyal Ben Simon**	**Eli Schwartz**
Chairman of the Board	**CEO**	**EVP, CFO**

Approval date of the financial statements - August 21, 2024

The attached additional information is an integral part of the Company's Separate Interim Financial Information.

	For the six months ended June 30		For the three months ended June 30		For the year ended December 31
	2024	2023	2024	2023	2023
	Unaudited		Unaudited		Audited
	NIS thousand				
Company's share in the income (losses) of investees, net of tax	624,820	(38,264)	416,822	28,917	736,279
Investment income, net and finance income	65,290	53,199	38,734	28,573	94,762
Revenues from management fees of investees	12,588	1,500	6,359	750	3,000
Total revenues	702,698	16,435	461,915	58,240	834,041
General and administrative expenses	19,210	6,654	11,781	2,770	18,847
Finance expenses	45,098	23,787	30,098	5,628	53,661
Total expenses	64,308	30,441	41,879	8,398	72,508
Income (loss) before taxes on income	638,390	(14,006)	420,036	49,842	761,533
Expenses (income) for income tax	2,314	(15,600)	2,314	(8,800)	(15,870)
Profit for the period attributable to the Company's owners	636,076	1,594	417,722	58,642	777,403

The attached additional information is an integral part of the Company's Separate Interim Financial Information.

	For the six months ended June 30		For the three months ended June 30		For the year ended December 31
	2024	2023	2024	2023	2023
	Unaudited				Audited
	NIS thousand				
Income for the period	636,076	1,594	417,722	58,642	777,403
Other comprehensive income:					
Amounts that will be or that have been reclassified to profit or loss when specific conditions are met					
The Group's share in other comprehensive income (loss) of investees	30,954	296,914	(34,725)	158,733	306,349
Total components of income items, subsequently reclassified to profit or loss	30,954	296,914	(34,725)	158,733	306,349
Amount that will not be subsequently reclassified to profit or loss					
The Group's share in other comprehensive income of equity-accounted investees	-	-	-	-	9,072
Other comprehensive income (loss) for the period, net	30,954	296,914	(34,725)	158,733	315,421
Total comprehensive income for the period	667,030	298,508	382,997	217,375	1,092,824

The attached additional information is an integral part of the Company's Separate Interim Financial Information.

	Share capital	Premium and capital reserves in respect of shares	Treasury shares	Retained earnings	Capital reserve from transactions with non-controlling interests	Capital reserve from transaction with controlling shareholder	Capital reserve from share-based payment	Revaluation reserve	Reserve from translation differences	Capital reserve in respect of available-for-sale financial assets	Total equity
	NIS thousand										
Balance as of January 1, 2024 (audited)	313,340	860,345	(193,866)	8,499,062	(395,095)	11,000	69,507	228,941	8,041	1,179,020	10,580,295
Net income	-	-	-	636,076	-	-	-	-	-	-	636,076
Other comprehensive income	-	-	-	-	-	-	-	-	7,559	23,395	30,954
Total comprehensive income	-	-	-	636,076	-	-	-	-	7,559	23,395	667,030
Share-based payment	-	(3,023)	-	-	-	-	12,638	-	-	-	9,615
Purchase of treasury shares (Note 8C to the Consolidated Financial Statements)	-	-	(116,235)	-	-	-	-	-	-	-	(116,235)
Exercise of employee options	1,388	8,182	-	-	-	-	(9,570)	-	-	-	-
Transfer from revaluation reserve in respect of revaluation of property, plant, and equipment, at the depreciation amount	-	-	-	2,005	-	-	-	(2,005)	-	-	-
Dividend (see Note 8D to the Consolidated Financial Statements)	-	-	-	(265,000)	-	-	-	-	-	-	(265,000)
Acquisition of minority interests	-	-	-	-	(4,598)	-	-	-	-	-	(4,598)
Transaction with minority interest	-	-	-	-	(22,511)	-	-	-	-	-	(22,511)
Balance as of June 30, 2024 (unaudited)	314,728	865,504	(310,101)	8,872,143	(422,204)	11,000	72,575	226,936	15,600	1,202,415	10,848,596

The attached additional information is an integral part of the Company's Separate Interim Financial Information.

	Share capital	Premium and capital reserves in respect of shares	Treasury shares	Retained earnings	Capital reserve from transactions with non-controlling interests	Capital reserve from transaction with controlling shareholder	Capital reserve from share-based payment	Revaluation reserve	Reserve from translation differences	Capital reserve in respect of available-for-sale financial assets	Total equity
	NIS thousand										
Balance as of January 1, 2023 (audited)	311,640	851,918	(155,628)	8,013,123	(56,503)	11,000	62,920	224,054	(14,435)	896,669	10,144,758
Effect of first-time application of IFRS 9	-	-	-	1,522	-	-	-	-	-	(1,522)	-
Balance as of January 1, 2023 after first-time application of IFRS 9 (audited)	311,640	851,918	(155,628)	8,014,645	(56,503)	11,000	62,920	224,054	(14,435)	895,147	10,144,758
Income for the period	-	-	-	1,594	-	-	-	-	-	-	1,594
Other comprehensive income	-	-	-	-	-	-	-	-	25,734	271,180	296,914
Total comprehensive income	-	-	-	1,594	-	-	-	-	25,734	271,180	298,508
Share-based payment	-	(216)	-	-	-	-	9,489	-	-	-	9,273
Acquisition of treasury shares	-	-	(12,105)	-	-	-	-	-	-	-	(12,105)
Dividend	-	-	-	(177,172)	-	-	-	-	-	-	(177,172)
Exercise of employee options	1,528	6,320	-	-	-	-	(7,848)	-	-	-	-
Transfer from revaluation reserve in respect of revaluation of property, plant, and equipment, at the depreciation amount	-	-	-	1,945	-	-	-	(1,945)	-	-	-
Allocation of shares of a consolidated company to minority interests	-	-	-	-	(10,848)	-	-	-	-	-	(10,848)
Acquisition of non-controlling interests	-	-	-	-	1,730	-	-	-	-	-	1,730
Transaction with minority interest	-	-	-	-	(199,605)	-	-	-	-	-	(199,605)
Balance as of June 30, 2023 (unaudited)	313,168	858,022	(167,733)	7,841,012	(265,226)	11,000	64,561	222,109	11,299	1,166,327	10,054,539

The attached additional information is an integral part of the Company's Separate Interim Financial Information.

	Share capital	Premium and capital reserves in respect of shares	Treasury shares	Retained earnings	Capital reserve from transactions with non-controlling interests	Capital reserve from transaction with controlling shareholder	Capital reserve from share-based payment	Revaluation reserve	Reserve from translation differences	Capital reserve in respect of available-for-sale financial assets	Total equity
	NIS thousand										
Balance as of April 1, 2024 (unaudited)	313,664	863,725	(193,866)	8,453,418	(416,732)	11,000	69,668	227,939	7,602	1,245,138	10,581,556
Net income	-	-	-	417,722	-	-	-	-	-	-	417,722
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	7,998	(42,723)	(34,725)
Comprehensive income (loss)	-	-	-	417,722	-	-	-	-	7,998	(42,723)	382,997
Share-based payment	-	(3,439)	-	-	-	-	9,189	-	-	-	5,750
Treasury shares	-	-	(116,235)	-	-	-	-	-	-	-	(116,235)
Exercise of employee options	1,064	5,218	-	-	-	-	(6,282)	-	-	-	-
Transfer from revaluation reserve in respect of revaluation of property, plant, and equipment, at the depreciation amount	-	-	-	1,003	-	-	-	(1,003)	-	-	-
Acquisition of minority interests	-	-	-	-	(4,598)	-	-	-	-	-	(4,598)
Transaction with minority interest	-	-	-	-	(874)	-	-	-	-	-	(874)
Balance as of June 30, 2024 (unaudited)	314,728	865,504	(310,101)	8,872,143	(422,204)	11,000	72,575	226,936	15,600	1,202,415	10,848,596

The attached additional information is an integral part of the Company's Separate Interim Financial Information.

	Share capital	Premium and capital reserves in respect of shares	Treasury shares	Retained earnings	Capital reserve from transactions with non-controlling interests	Capital reserve from transaction with controlling shareholder	Capital reserve from share-based payment	Revaluation reserve	Reserve from translation differences	Capital reserve in respect of available-for-sale financial assets	Total equity
						NIS thousand					
Balance as of April 1, 2023 (unaudited)	311,817	851,225	(161,926)	7,781,449	(135,725)	11,000	67,407	223,030	1,395	1,017,498	9,967,170
Income for the period	-	-	-	58,642	-	-	-	-	-	-	58,642
Other comprehensive income	-	-	-	-	-	-	-	-	9,904	148,829	158,733
Total comprehensive income	-	-	-	58,642	-	-	-	-	9,904	148,829	217,375
Share-based payment	-	1,428	-	-	-	-	3,874	-	-	-	5,302
Treasury shares	-	-	(5,807)	-	-	-	-	-	-	-	(5,807)
Exercise of employee options	1,351	5,369	-	-	-	-	(6,720)	-	-	-	-
Transfer from revaluation reserve in respect of revaluation of property, plant, and equipment, at the depreciation amount	-	-	-	921	-	-	-	(921)	-	-	-
Acquisition of non-controlling interests	-	-	-	-	(9,985)	-	-	-	-	-	(9,985)
Allocation of shares of a consolidated company to minority interests	-	-	-	-	896	-	-	-	-	-	896
Transaction with minority interest	-	-	-	-	(120,412)	-	-	-	-	-	(120,412)
Balance as of June 30, 2023 (unaudited)	313,168	858,022	(167,733)	7,841,012	(265,226)	11,000	64,561	222,109	11,299	1,166,327	10,054,539

The attached additional information is an integral part of the Company's Separate Interim Financial Information.

	Share capital	Premium and capital reserves in respect of shares	Treasury shares	Retained earnings	Capital reserve from transactions with non-controlling interests	Capital reserve from transaction with controlling shareholder	Capital reserve from share-based payment	Revaluation reserve	Reserve from translation differences	Capital reserve in respect of available-for-sale financial assets	Total equity
	Audited										
	NIS thousand										
Balance as of January 1, 2023	311,640	851,918	(155,628)	8,013,123	(56,503)	11,000	62,920	224,054	(14,435)	896,669	10,144,758
Effect of first-time application of IFRS 9	-	-	-	1,522	-	-	-	-	-	(1,522)	-
Balance as of January 1, 2023 after first-time application of IFRS 9	311,640	851,918	(155,628)	8,014,645	(56,503)	11,000	62,920	224,054	(14,435)	895,147	10,144,758
Net income for the year	-	-	-	777,403	-	-	-	-	-	-	777,403
Other comprehensive income	-	-	-	172	-	-	-	8,900	22,476	283,873	315,421
Total comprehensive income	-	-	-	777,575	-	-	-	8,900	22,476	283,873	1,092,824
Share-based payment	-	493	-	-	-		16,221	-	-	-	16,714
Acquisition of treasury shares	-	-	(38,238)	-	-	-	-	-	-	-	(38,238)
Exercise of employee options	1,700	7,934	-	-	-	-	(9,634)	-	-	-	-
Transfer from revaluation reserve in respect of revaluation of property, plant, and equipment, at the depreciation amount	-	-	-	4,013	-	-	-	(4,013)	-	-	-
Dividend	-	-	-	(297,171)	-	-	-	-	-	-	(297,171)
Transaction with minority interest	-	-	-	-	(199,605)	-	-	-	-	-	(199,605)
Allocation of shares of a consolidated company to minority interests	-	-	-	-	(2,184)	-	-	-	-	-	(2,184)
Acquisition of non-controlling interests	-	-	-	-	(136,803)	-	-	-	-	-	(136,803)
Balance as of December 31, 2023	313,340	860,345	(193,866)	8,499,062	(395,095)	11,000	69,507	228,941	8,041	1,179,020	10,580,295

The attached additional information is an integral part of the Company's Separate Interim Financial Information.

	Appendix	For the six months ended June 30		For the three months ended June 30		For the year ended December 31
		2024	2023	2024	2023	2023
		Unaudited		Unaudited		Audited
		NIS thousand				
Cash flows for operating activities						
Profit		636,076	1,594	417,722	58,642	777,403
Adjustments required to present cash flows for operating activities	(a)	(624,642)	14,409	(410,488)	(42,331)	(779,214)
Net cash used for operating activities of the Company		11,434	16,003	7,234	16,311	(1,811)
Cash flows provided by investing activities:						
Loans and capital notes provided to investees		(25,000)	(149,405)	(25,000)	-	(435,557)
Repayment of loans and capital notes from investees		8,494	61,922	8,494	18,709	70,420
Dividend from investees		29,521	255,000	-	255,000	1,091,031
Investment in expanding RT1 Series PHONIX B12 Bonds issued by Phoenix Insurance		-	-	-	-	(298,084)
Sale of RT1 Series PHONIX B12 Bonds issued by Phoenix Insurance		141,150	-	141,150	-	-
Sales (acquisitions) of financial investments by the Company, net		(106,091)	346	82,035	(5,588)	(24,026)
Payment of contingent liability to minority shareholders		(5,011)	-	(5,011)	-	-
Investment in investees		-	(1,750)	-	(1,750)	(10,608)
Net cash provided by investing activities		43,063	166,113	201,668	266,371	393,176
Cash flows provided by financing activities						
Dividend paid to shareholders		(265,000)	(177,172)	(265,000)	(177,172)	(297,171)
Acquisition of Company shares		(116,235)	(12,105)	(116,235)	(5,807)	(38,238)
Issuance of bonds		-	148,391	-	-	489,942
Repayment of bonds		(43,480)	(143,015)	(43,480)	(143,015)	(159,121)
Net cash used for financing activities		(424,715)	(183,901)	(424,715)	(325,994)	(4,588)
Increase (decrease) in cash and cash equivalents		(370,218)	(1,785)	(215,813)	(43,312)	386,777
Balance of cash and cash equivalents at beginning of period		403,736	16,959	249,331	58,486	16,959
Balance of cash and cash equivalents as of end of period		33,518	15,174	33,518	15,174	403,736

	For the six months ended June 30		For the three months ended June 30		For the year ended December 31
	2024	2023	2024	2023	2023
	Unaudited				Audited
	NIS thousand				

(a) **Adjustments required to present cash flows provided by (used for)**

The attached additional information is an integral part of the Company's Separate Interim Financial Information.

		For the six months ended June 30		For the three months ended June 30		For the year ended December 31
		2024	2023	2024	2023	2023
		Unaudited				Audited
		NIS thousand				
	operating activities:					
	Items not involving cash flows:					
	Income (losses) from financial investments, net	115	(353)	10,887	(477)	1,472
	Income and expenses not involving cash flows:					
	Accrued interest and appreciation of bonds	24,209	6,982	19,015	(3,513)	34,598
	Tax expenses (benefits), net	2,314	(15,600)	2,314	(8,800)	(15,870)
	Company's share in the losses (profits) of investees, net	(624,820)	38,264	(416,822)	(28,917)	(736,280)
	Changes in other on-balance sheet line items, net:					
	Change in receivables and debit balances	(7,419)	245	(11,761)	(5,348)	(3,984)
	Change in payables and credit balances	15,524	2,070	8,972	(72)	2,939
	Change in loans to investees	(34,595)	(17,199)	(23,123)	4,796	(43,557)
	Cash paid and received during the period for:					
	Taxes received (paid), net	30	-	30	-	(18,532)
	Total cash flows for operating activities	(624,642)	14,409	(410,488)	(42,331)	(779,214)
(b)	**Significant non-cash activities:**					
	Dividend receivable from investees	-	486,031	-	-	-
(c)	**Breakdown of amounts included in operating activities**					
	Interest paid	19,801	19,274	13,825	11,796	39,441
	Interest received	18,773	13,453	1,682	54	25,424
	Dividend received	112	18	77	11	320

The attached additional information is an integral part of the Company's Separate Interim Financial Information.

NOTE 1 - GENERAL

The Interim Separate Financial Information is presented in accordance with Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 1970 and does not include all the information required under Regulation 9C and the Tenth Addendum to the Securities Regulation (Periodic and Immediate Reports), 1970, "Separate Financial Information of the Corporation".

This Separate Financial Information should be read in conjunction with the separate financial information as of the date and year ended December 31, 2023 and in conjunction with the Condensed Consolidated Interim Financial Statements as of June 30, 2024 (hereinafter - the "Consolidated Financial Statements").

Definitions

The "**Company**" - Phoenix Financial Ltd. (Formerly: Phoenix Holdings Ltd.).

"**Investees**" - Consolidated companies and companies the Company's investment in which is included, whether directly or indirectly, in the financial statements based on the equity method.

NOTE 2 - SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

A. In January 2024, and as part of the implementation of the Company's strategy, The Phoenix Insurance transferred several employees and officers to the Company, and accordingly seeks to alter the management fee agreement with The Phoenix Insurance.

B. In April 2024, the Company sold approx. NIS 140 million of its holdings in the subordinated notes recognized as Tier 1 capital instrument by The Phoenix Insurance and listed on the main list of the TASE, to entities listed in the First Addendum to the Securities Law, 1968. For details about the terms of the Bonds (Series L), see Note 27E to the Annual Consolidated Financial Statements.

C. On April 7, 2024, Platinum issued the Company a NIS 25 million capital note. The capital note is not linked to the CPI and does not bear interest and with no repayment; in any event, the capital note will not be repaid before five years have elapsed from its issuance date..

D. For other significant events during the reporting period, see Note 8 to the Consolidated Financial Statements.

NOTE 3 - SUBSEQUENT EVENTS

A. On August 21, 2024, The Phoenix Insurance's Board of Directors approved a dividend distribution in the amount of approx. NIS 250 million. The dividend will be paid on August 22, 2024.

B. On August 18, 2024 The Phoenix Agencies' Board of Directors approved a dividend distribution in the amount of approx. NIS 63 million.

C. For other significant events subsequent to the reporting date, see Note 9 to the Consolidated Financial Statements.

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Building a better working world

August 21, 2024

To

the Board of Directors of Phoenix Financial Ltd.
(Formerly: Phoenix Holdings Ltd.) (hereinafter - the "Company")

Dear Madam/Sir,

Re: Shelf Prospectus of Phoenix Financial Ltd. (formerly Phoenix Holdings Ltd.) (hereinafter - the "Shelf Prospectus") published on August 24, 2022

We hereby inform you that we agree to the inclusion (including by way of reference) of our reports, as listed below, in a shelf offering based on the Shelf Prospectus in the subject:

1. The Review Report dated August 21, 2024 on the Condensed Consolidated Financial Information of Phoenix Financial Ltd. (formerly Phoenix Holdings Ltd.) as of June 30, 2024 and for the six- and three-month periods then ended.

2. Special report dated August 21, 2024 on the Separate Interim Financial Information in accordance with Regulation 38D to the Securities Regulations (Periodic and Immediate Reports), 1970 of Phoenix Financial Ltd. (Formerly Phoenix Holdings Ltd.) as of June 30, 2024 and for the six- and three-month periods then ended

Kost Forer Gabbay & Kasierer
Certified Public Accountants

Part 4

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



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

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

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

1. Eyal Ben Simon, CEO of the Company and Phoenix Insurance.
2. Eli Schwartz, EVP, CFO of the Company and Phoenix Insurance.
3. Haggai Schreiber, EVP, Chief Investment Officer, CEO of Phoenix Investments Ltd.
4. Meni Neeman, EVP, Chief Legal Counsel and Corporate Secretary of the Company and Phoenix Insurance.
5. Michal Leshem, Executive VP, Chief Internal Auditor of the Company and Phoenix Insurance.
6. David Alexander, Executive VP, Head of Business Development of the Company and Phoenix Insurance.
7. Eilon Dachbash, Executive VP, Head of Retail Credit of the Company.
8. Amit Netanel, EVP, Chief Risk Officer of the Company and Phoenix Insurance.

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

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

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

Phoenix Insurance Ltd., a subsidiary of the Corporation, is an institutional entity which is subject to the directives of the Commissioner of the Capital Market, Insurance and Savings in the Ministry of Finance regarding the assessment of the effectiveness of internal controls over financial reporting.
With respect to the internal control of the said subsidiary, the Corporation implements the following provisions:
Institutional Entities Circular 2009-9-10, "Management's Responsibility for Internal Controls over Financial Reporting"; Institutional Entities Circular 2010-9-6, "Management's Responsibility for internal control over financial reporting - Amendment"; Circular 2010-9-7, "internal control over financial reporting - Statements, Reports and Disclosures"; and Circular 2015-9-15, "Internal Control over Financial Reporting - Statements, Reports, Disclosures and Management's Responsibility for Internal Control over Financial Reporting - Amendments".

In the annual report on the effectiveness of internal control over financial reporting and the disclosure attached to the quarterly report for the period ended March 31, 2024 (hereinafter - the "Last Quarterly Internal Control Report"), the internal control was found to be effective.

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

As of the report date, based upon the said Last Quarterly Internal Control Report, and based upon information brought to the attention of Management and the Board of Directors as stated above, the internal controls are effective.

Certification

Certification by the CEO

I, Eyal Ben Simon, hereby certify that:

(1) I have reviewed the periodic report of Phoenix Financial Ltd. (hereinafter - the "Corporation") for the second quarter of 2024 (hereinafter – the "Reports");

(2) To my knowledge, the Reports do not contain any misrepresentation of a material fact, or omit a representation of a material fact that is necessary in order for the representations included therein - under the circumstances in which such representations were included - to be misleading as to the reporting period;

(3) To my knowledge, the financial statements and other financial information included in the Reports present fairly, in all material aspects, the Company's financial position, financial performance and cash flows of the Corporation as of the dates and for the periods covered by the Reports;

(4) I have disclosed to the independent auditor of the Corporation, the Board of Directors, and the Board of Directors' audit committee, based on my most recent evaluation of the internal control over financial reporting and disclosure, the following:

   (a) All significant deficiencies and material weaknesses in the establishment or implementation of the internal controls over financial reporting and disclosure that may adversely affect, in a reasonable manner, the Corporation's ability to collect, process, summate or report financial information in a manner that may give rise to doubt as to the reliability of financial reporting and preparation of the financial statements in accordance with the provisions of the law; and -

   (b) Any fraud, whether material or not, involving the chief executive officer or anyone directly reporting thereto or involving other employees who have a significant role in the internal control over financial reporting and disclosure;

(5) I, alone or together with others in the Corporation, state that:

   (a) I have established such controls and procedures, or ensured that such controls and procedures under my supervision be established and in place, designed to ensure that material information relating to the Corporation, including its consolidated companies as defined in the Securities Regulations (Preparation of Annual Financial Statements), 2010, is brought to my attention by others in the Corporation and the consolidated companies, particularly during the Reports' preparation period; and -

   (b) I have established controls and procedures, or ensured that such controls and provisions under my supervision be established and in place, designed to ensure, in a reasonable manner, the reliability of financial reporting and preparation of financial statements in accordance with the provisions of the law, including in accordance with generally accepted accounting principles;

   (c) I have not been informed of any event or matter that occurred in the period between the most recent report date (quarterly or periodic, as the case may be) and the date of this Report, which may change the conclusion of the Board of Directors and management regarding the effectiveness of internal controls over the corporation's financial reporting and disclosure.

Nothing in the foregoing shall derogate from my responsibility or the responsibility of any other person, under any law.

August 21, 2024

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Eyal Ben Simon, CEO

Certification

Certification by the Most Senior Financial Officer

I, Eli Schwartz, hereby certify that:

(1) I have reviewed interim financial statements and other financial information included in the interim report of Phoenix Financial Ltd. (hereinafter - the "Corporation") for the second quarter of 2024 (hereinafter – the "Reports" or "Interim Reports");

(2) To my knowledge, the interim financial statements and other financial information included in the Interim Reports do not contain any misrepresentation of a material fact, nor omit a representation of a material fact that is necessary in order for the representations included therein - under the circumstances in which such representations were included - to be misleading as to the reporting period;

(3) To my knowledge, the Interim Financial Statements and other financial information included in the Interim Reports present fairly, in all material aspects, the Company's financial position, financial performance and cash flows of the Corporation as of the dates and for the periods covered by the Reports;

(4) I have disclosed to the independent auditor of the Corporation, the Board of Directors, and the Board of Directors' audit committee, based on my most recent evaluation of the internal control over financial reporting and disclosure, the following:

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting and disclosure insofar as it relates to the Interim Financial Statements and other financial information included in the Interim Reports, which could reasonably adversely affect the Corporation's ability to collect, process, summarize or report financial information so as to cast doubt on the reliability of financial reporting and the preparation of the financial statements in accordance with law; and -

   (b) Any fraud, whether material or not, involving the chief executive officer or anyone directly reporting thereto or involving other employees who have a significant role in the internal control over financial reporting and disclosure;

(5) I, alone or together with others in the Corporation, state that:

   (a) I have established such controls and procedures, or ensured that such controls and procedures under my supervision be established and in place, designed to ensure that material information relating to the Corporation, including its consolidated companies as defined in the Securities Regulations (Preparation of Annual Financial Statements), 2010, is brought to my attention by others in the Corporation and the consolidated companies, particularly during the Reports' preparation period; and -

   (b) I have established controls and procedures, or ensured that such controls and provisions under my supervision be established and in place, designed to ensure, in a reasonable manner, the reliability of financial reporting and preparation of financial statements in accordance with the provisions of the law, including in accordance with generally accepted accounting principles.

   (c) I have not been informed of any event or matter that occurred in the period between the most recent report date (quarterly or periodic, as the case may be) and the date of this Report, which may change the conclusion of the Board of Directors and management regarding the effectiveness of internal controls over the corporation's financial reporting and disclosure.

Nothing in the foregoing shall derogate from my responsibility or the responsibility of any other person, under any law.

August 21, 2024

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Eli Schwartz, EVP, CFO

Part 5

Statements Regarding Controls and Procedures in respect of Disclosure in the Financial Statements of The Phoenix Insurance Company Ltd.



Phoenix Insurance Company Ltd.
Certification

I, Eyal Ben Simon, hereby certify that:

1. I have reviewed the quarterly report of Phoenix Insurance Company Ltd. (hereinafter - the "Company") for the quarter ended June 30, 2024 (hereinafter - the "Report").
2. To my knowledge, the Report does not contain any misrepresentation of a material fact, or omit a representation of a material fact, which is necessary in order for the representations included in it - under the circumstances in which such representations were included - to be misleading as to the reporting period.
3. To my knowledge, the quarterly financial statements and other financial information included in the Report present fairly, in all material aspects, the Company's financial position, financial performance and changes in equity and cash flows as at the dates and for the periods covered by the report.
4. I and others at the Company signing this certification are responsible for the establishment and implementation of controls and procedures regarding the Company's disclosure and internal control over financial reporting of the Company; and -
   (a) We have established such controls and procedures, or caused such controls and procedures to be established under our oversight, with the aim of ensuring that material information about the Company and its consolidated companies is brought to our attention by others in the Company and these companies, especially during the preparation of the Report;
   (b) We have established such internal controls over the financial reporting or have overseen the establishment of such controls over financial reporting, with the aim of providing reasonable assurance as to the reliability of the financial reporting and that the financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the directives of the Commissioner of the Capital Market, Insurance and Savings;
   (c) We have evaluated the effectiveness of the Company's disclosure controls and procedures and presented in the Report our conclusions regarding the effectiveness of the disclosure controls and procedures as of the end of the reporting period according to our evaluation; and -
   (d) The Report discloses any change in the Company's internal control over financial reporting which occurred during the fourth quarter and has materially affected, or is reasonably expected to affect, the Company's internal control over financial reporting; and -
5. I and others at the Company signing this certification have disclosed to the joint independent auditors, the Board of Directors, and the Board of Directors' audit committee, based on our most recent evaluation of the internal control over financial reporting, the following:
   (a) All significant deficiencies and material weaknesses in the establishment or implementation of the internal controls over financial reporting that may harm the Company's ability to record, process, summarize and report financial information; and -
   (b) Any fraud, whether or not material, involving management or other employees who have a significant role in the Company's internal control over financial reporting.

Nothing in the foregoing shall derogate from my responsibility or the responsibility of any other person, under any law.

August 21, 2024

Eyal Ben Simon, Chief Executive Officer

Phoenix Insurance Company Ltd.
Certification

I, Eli Schwartz, hereby certify that:

1. I have reviewed the quarterly report of Phoenix Insurance Company Ltd. (hereinafter - the "Company") for the quarter ended June 30, 2024 (hereinafter - the "Report").
2. To my knowledge, the Report does not contain any misrepresentation of a material fact, or omit a representation of a material fact, which is necessary in order for the representations included in it - under the circumstances in which such representations were included - to be misleading as to the reporting period.
3. To my knowledge, the quarterly financial statements and other financial information included in the Report present fairly, in all material aspects, the Company's financial position, financial performance and changes in equity and cash flows as at the dates and for the periods covered by the report.
4. I and others at the Company signing this certification are responsible for the establishment and implementation of controls and procedures regarding the Company's disclosure and internal control over financial reporting[1] of the Company; and -

(a) We have established such controls and procedures, or caused such controls and procedures to be established under our oversight, with the aim of ensuring that material information about the Company and its consolidated companies is brought to our attention by others in the Company and these companies, especially during the preparation of the Report;

(b) We have established such internal controls over the financial reporting or have overseen the establishment of such controls over financial reporting, with the aim of providing reasonable assurance as to the reliability of the financial reporting and that the financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the directives of the Commissioner of the Capital Market, Insurance and Savings;

(c) We have evaluated the effectiveness of the Company's disclosure controls and procedures and presented in the Report our conclusions regarding the effectiveness of the disclosure controls and procedures as of the end of the reporting period according to our evaluation; and -

(d) The Report discloses any change in the Company's internal control over financial reporting which occurred during the fourth quarter and has materially affected, or is reasonably expected to affect, the Company's internal control over financial reporting; and -

5. I and others at the Company signing this certification have disclosed to the joint independent auditors, the Board of Directors, and the Board of Directors' audit committee, based on our most recent evaluation of the internal control over financial reporting, the following:

(a) All significant deficiencies and material weaknesses in the establishment or implementation of the internal controls over financial reporting that may harm the Company's ability to record, process, summarize and report financial information; and -

(b) Any fraud, whether or not material, involving management or other employees who have a significant role in the Company's internal control over financial reporting.

Nothing in the foregoing shall derogate from my responsibility or the responsibility of any other person, under any law.

August 21, 2024

Eli Schwartz, Executive VP, Chief Financial Officer

[1]As defined in the provisions of the Institutional Entities Circular titled "Internal Controls over Financial Reporting - Statements, Reports and Disclosures".