



November 27, 2024

## **Phoenix Financial Publishes Financial Statements for Q3 and the First Nine Months of 2024**

### **Continued growth and higher core income in the first 9 months and Q3**

**Comprehensive income for first nine months totaled NIS 1.3 billion, with return on equity at 16.1%, and accelerated growth of 28% in Asset Management, Credit, and Distribution (Agencies) in the first 9 months, compared to 2023**

Phoenix Financial Ltd. (formerly Phoenix Holdings), a leading Israel-based financial, insurance, and investment group (TLV:PHOE) ("Phoenix," the "Group," or the "Company"), today reported its results for the three and nine months ended September 30, 2024.

### **Comprehensive income and return on equity**

In the third quarter of 2024, Phoenix reports NIS 617 million in comprehensive income, resulting in NIS 2.46 in earnings per share and a 24.4% in return on equity. Core comprehensive income for the quarter (without non-operating effects such as capital market impact above or below 3% real returns, interest rate effects, and Special Items) totaled NIS 474 million, reflecting an 18.6% core ROE.

Comprehensive income for the first nine months of 2024 totaled NIS 1,284 million, resulting in NIS 5.11 in earnings per share and a 16.1% in return on equity. Core comprehensive income for the first nine months totaled NIS 1,342 million reflecting a 16.8% core ROE.

### **Continued growth in profitability and activities**

Asset Management, Distribution (Agencies), and Credit: Comprehensive income in the third quarter of 2024 and the first nine months of 2024 totaled NIS 159 million and NIS 433 million, respectively, compared to NIS 123 million and NIS 338 million in 2023, reflecting an increase of 28% for the first nine months of the year; adjusted EBITDA totaled NIS 290 million and NIS 854 million in the third quarter and first nine months 2024, respectively, on a consolidated basis, including minority interests;

Insurance: Core comprehensive income from Insurance totaled NIS 315 million and NIS 909 million in the third quarter and first nine months of 2024, respectively, compared to NIS 182 million and NIS 617 in the in the corresponding periods in the prior year, mostly due to an improvement in the P&C and Health segments;

Non-operating effects: non-operating income had a positive contribution of NIS 143 million in the third quarter of 2024, primarily due to capital market performance above a real 3% return in

addition to the effect of actuarial studies, partially offset by the interest rate effects; capital market returns reduced the gap in receivable variable management fees to NIS 165 million as of September 30, 2024 and to NIS 58 million as of the publication date of the financial statements;

Total assets under management crossed the half trillion NIS threshold for the first time, reaching NIS 502 billion as of the end of the third quarter of 2024;

Phoenix-Gama's total credit portfolio continued to grow, reaching approximately NIS 3 billion with an additional approved credit line. In-line with the strategic plan, the Group launched its retail credit business through Phoenix Retail Credit in the third quarter of 2024.

### **Financial resilience**

Phoenix is financially resilient with high liquidity and low net debt, enabling it to distribute dividends on a consistent basis, in accordance with its policy. The next distribution is expected to be announced with the publication of the annual financial statements;

Insurance activity has a high Solvency ratio of 195% as of June 30, 2024 with transitional measures and after dividend distribution (165% without transitional measures), above the Company's target range;

In addition, as of the report publication date, Phoenix completed NIS 176 million out of the 2024 NIS 200 million share buyback program;

The Company is preparing for the application of IFRS 17 in 2025, and as part of the Report of the Board of Directors published a preliminary disclosure regarding expected effects on Group results;

During the quarter, Phoenix continued to enhance its business and executive infrastructure, extended its agreements with partners in the Investment House from 2028 to 2031, increased its stake in the Oren Mizrach Agency from 68% to 84%, and increased its holdings in the Wealth alternative investments business through acquisitions from several partners.

\* \* \*

**Eyal Ben Simon, CEO of Phoenix Financial:**

"Phoenix results for the third quarter of 2024 reflect continued growth in both the Insurance and the Asset Management, Distribution, and Credit activities. Growth is focused on high margin, capital-efficient activities, in line with our strategy and despite the challenging environment. Our leading position as one of Israel's largest financial groups allows us to maximize our competitive advantages, provide excellent client service, and continue to adopt new and innovative technologies. Strategic execution and strong performance have allowed us to recently publish new targets for the next three years.

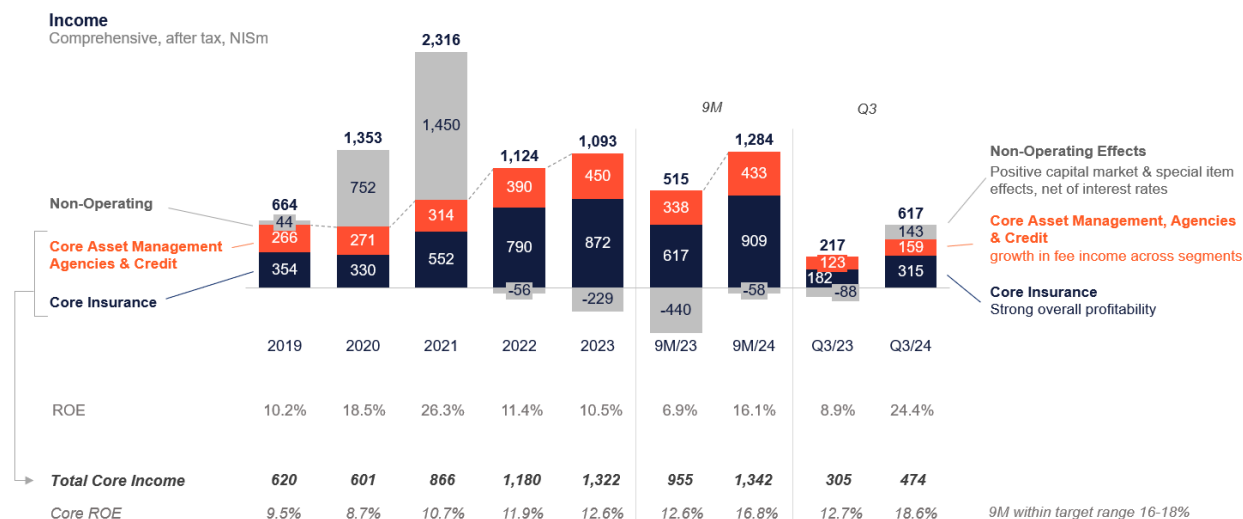
We are determined to maintain our focus on value creation and meeting our strategic targets for 2027, which include comprehensive income of NIS 2 billion, 16-18% ROE, and distributions of at least 50% of income through dividends and share buybacks.

Phoenix Financial's ownership structure is now dispersed, following a transitional period during which the controlling shareholders sold most of their holdings. We are aware of growing interest in Phoenix from international investors driven by Company performance, its position in the Israeli financial sector, and prospects for continued growth in business activity and in profitability. More than a third of the Company's shares are now held by leading international investors, including pension funds, mutual funds, hedge funds, and private equity funds. We view this as a significant vote of confidence in Phoenix and in the Israeli economy.

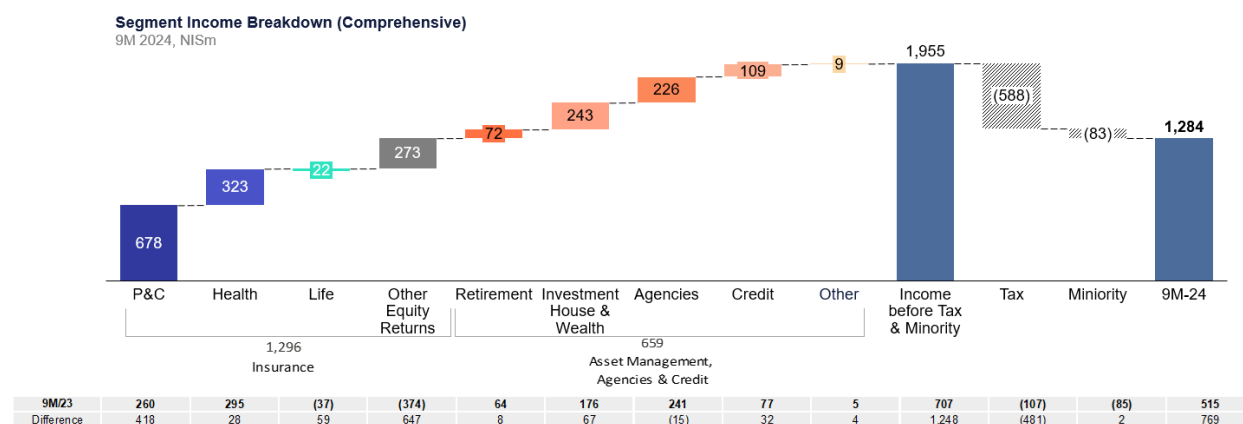
Phoenix continues to focus on strategic execution while developing the Group's growth engines and maintaining disciplined risk management. I wish to thank our Board members, employees, and business partners for the Company's achievements and for continuing to strive to create value for our clients and our shareholders."

\* \* \*

## Breakdown of comprehensive income (post-tax, in NIS millions)



## Comprehensive income by segment (in NIS millions)



## Financial statement highlights:

### Comprehensive income attributable to shareholders

In the first nine months of 2024, comprehensive income attributable to shareholders amounted to NIS 1,284 million, reflecting a return on equity of 16.1%, compared to a return on equity of 6.9% in the corresponding period last year. Comprehensive income in the first nine months of 2024 was achieved despite the economic challenges and negative non-operating effects of NIS 58 million, including the effect of the capital market of above or below a 3% real return, interest rate effects, and Special Items.

**Core income** (net of non-operating effects, including the capital market above or below a real return of 3%, interest rate effects, and Special Items)

Core income increased in the first nine months of 2024 to NIS 1,342 million, resulting in a 16.8% core return on equity, compared to NIS 955 million in the corresponding period last year, which resulted in a 12.6% core return on equity.

Core income insurance totaled NIS 909 million in the first nine months of 2024, compared to NIS 617 million in the corresponding period last year. Core income from Asset Management, Distribution, and Credit totaled NIS 433 million in the first nine months of 2024, compared to NIS 338 million in the corresponding period last year.

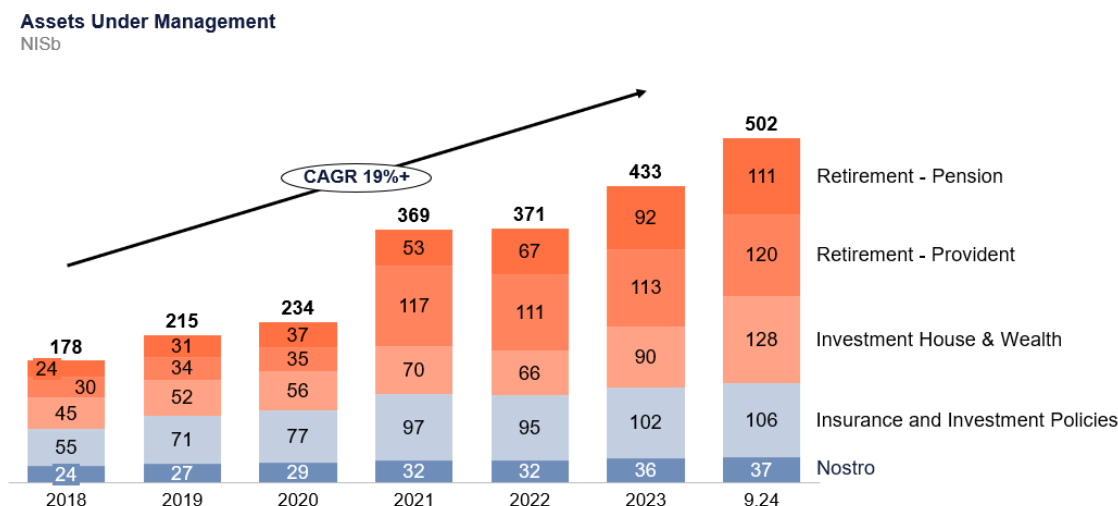
### **Equity capital and total assets under management**

#### *Shareholders equity*

Equity attributable to the Company's shareholders totaled NIS 11.1 billion as of September 30, 2024.

#### *Assets under management*

- Total assets under management increased to NIS 502 billion as of September 30, 2024, including the acquisition of traditional / active fund management activity from Psagot completed in March 2024 with NIS 22 billion AUM.

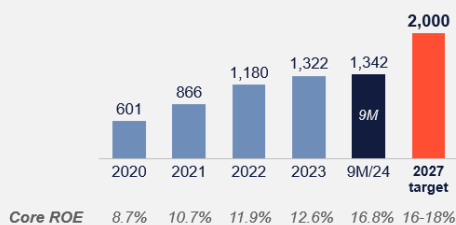


## Core comprehensive income (NIS millions)

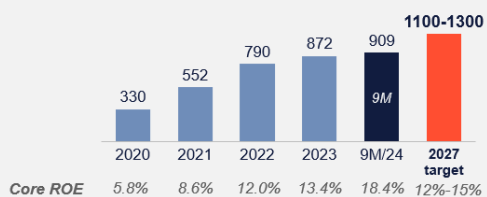
### Core Income

NISm, before non-operating effects (capital markets, interest rates, & special items)

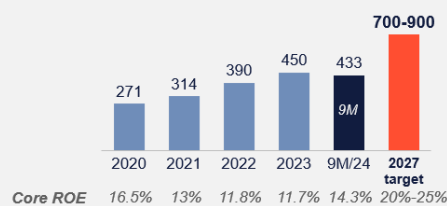
### Phoenix Financial



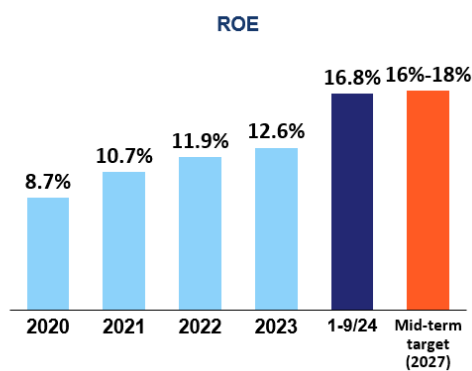
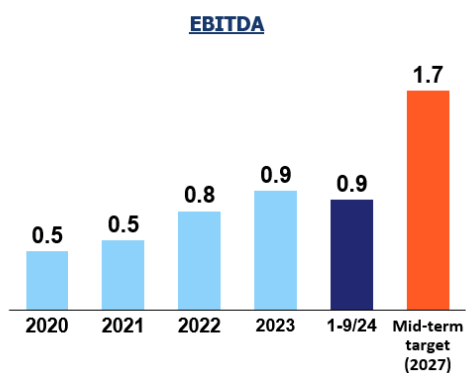
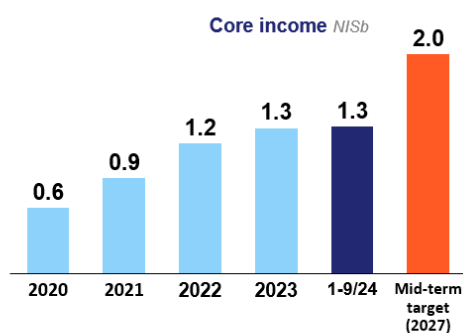
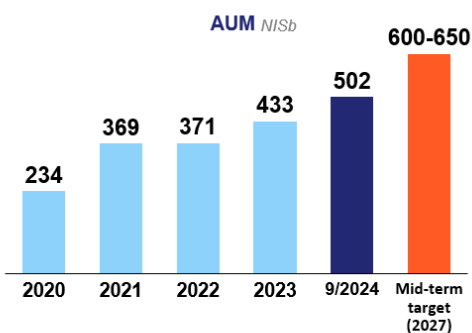
### Insurance



### Asset Management, Agencies & Credit



## Strategic targets (NIS billions)



Phoenix published strategic targets for 2027 on September 9, 2024.

***Financial results of the Group's operating segments*****Insurance****P&C**

Comprehensive income before tax for the first nine months of 2024 amounted to NIS 678 million, compared to NIS 260 million in the corresponding period last year. Most of the increase stems from improvement in the underwriting income of the Motor Property Subsegments, Other Property Subsegments, and Other Liability Subsegments, offset against a decrease in profitability in the Compulsory Motor Subsegment.

**Health**

Comprehensive income before tax for the first nine months of 2024 amounted to NIS 323 million, compared to a comprehensive income of NIS 295 million before tax in the corresponding period last year. Most of the year-on-year growth relates to an increase in underwriting income, primarily due to an improvement in the loss ratio, selected portfolios, and interest rate effects.

**Life and Savings**

Comprehensive income before tax for the first nine months of 2024 amounted to NIS 22 million, compared to a loss of NIS 37 million before tax in the corresponding period last year. The higher income stems mostly from a positive effect of the change in the interest rate curve (including the change in the K factor), which was offset by a decrease in investment income, implementation of new mortality tables net of the effects of the TUR study, as well as and other revisions.

As of shortly before the publication date of this report, receivable variable management fees amount to approximately NIS 58 million.

**Other Equity Returns**

Comprehensive income before tax for the first nine months of 2024 amounted to NIS 273 million, compared to a loss of NIS 374 million before tax in the corresponding period last year. The change stems mainly from positive effects in financial markets.

**Asset Management and Credit****Investment House and Wealth**

Comprehensive income before tax for the first nine months of 2024 amounted to NIS 243 million, compared to NIS 176 million last year. The year-on-year increase in profitability is mostly due to an improvement in the income in the Funds & Portfolios Subsegment, including the acquisition of Psagot's portfolio management activity at the end of 2023, which is reflected in the reporting period.

**Retirement (Pension and Provident)**

Comprehensive income before tax for the first nine months of 2024 amounted to NIS 72 million, compared to NIS 64 million last year. The increase is primarily due to an improvement in operating income, partially offset by market effects.

**Distribution (Agencies)**

Comprehensive income before tax for the first nine months of 2024 amounted to NIS 226 million, compared to comprehensive income of NIS 241 million before tax in the corresponding period last year.

**Credit (Phoenix Gama)**

Comprehensive income before tax for the first nine months of 2024 amounted to NIS 109 million, compared to comprehensive income of NIS 77 million before tax in the corresponding period last year. The increase in profitability is primarily due to an increase in turnover and an increase in credit spreads in the reporting period compared with the corresponding period last year.

\* \* \*

**Conference Call Information**

Phoenix Financial will hold a conference call on Wednesday, November 27, 2024 at 1pm Israel time in Hebrew and at 5pm Israel / 3pm UK / 10am ET in English, and has published dial-in details and the presentation through the Tel Aviv Stock Exchange website.

**About Phoenix Holdings**

Phoenix Financial Ltd. is a leading Israel-based financial, insurance, and investment group traded on the Tel Aviv Stock Exchange (TASE: PHOE). Group activities include multi-line insurance, asset management, credit, and financial product distribution, and have demonstrated strong growth and performance across the cycle. Phoenix serves a significant portion of Israeli households with a broad set of activities and solutions across businesses and client segments. Managing \$130 billion in assets, Phoenix accesses Israel's vibrant and innovative economic activity through a robust investment portfolio, creating value for both clients and shareholders.

For further information, please contact:

David Alexander  
Phoenix Financial, Deputy CEO  
Email: davidal@fnx.co.il  
Tel: +972 (3) 733-2979

Robert Brinberg  
Rose & Company  
Email: phoenix@roseandco.com  
Tel: +1 (212) 517-0810