

Summary of financial results for the period 1-9/2016



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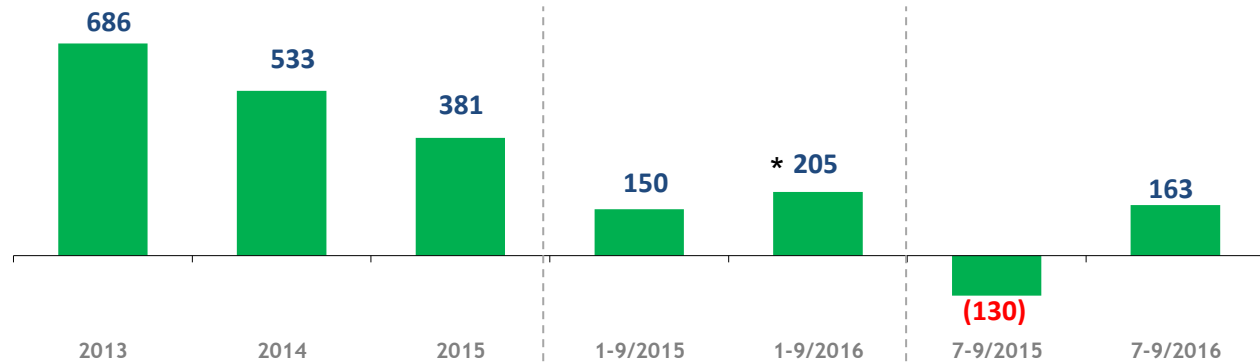
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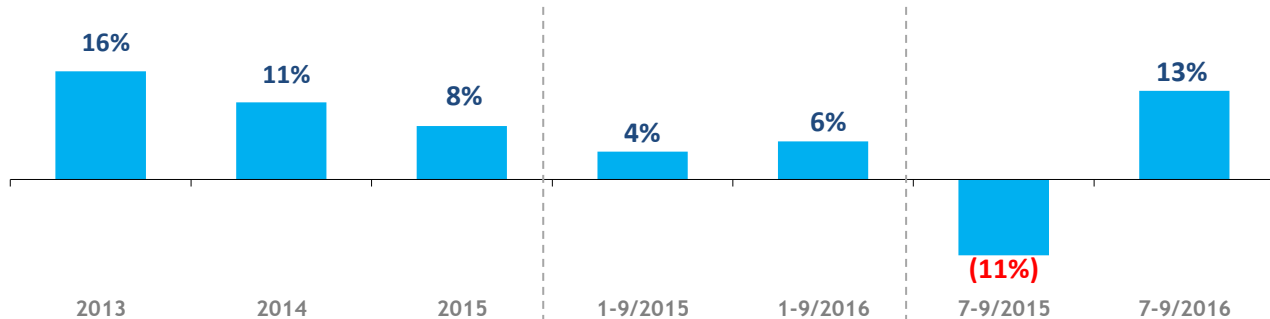
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Comprehensive income after tax



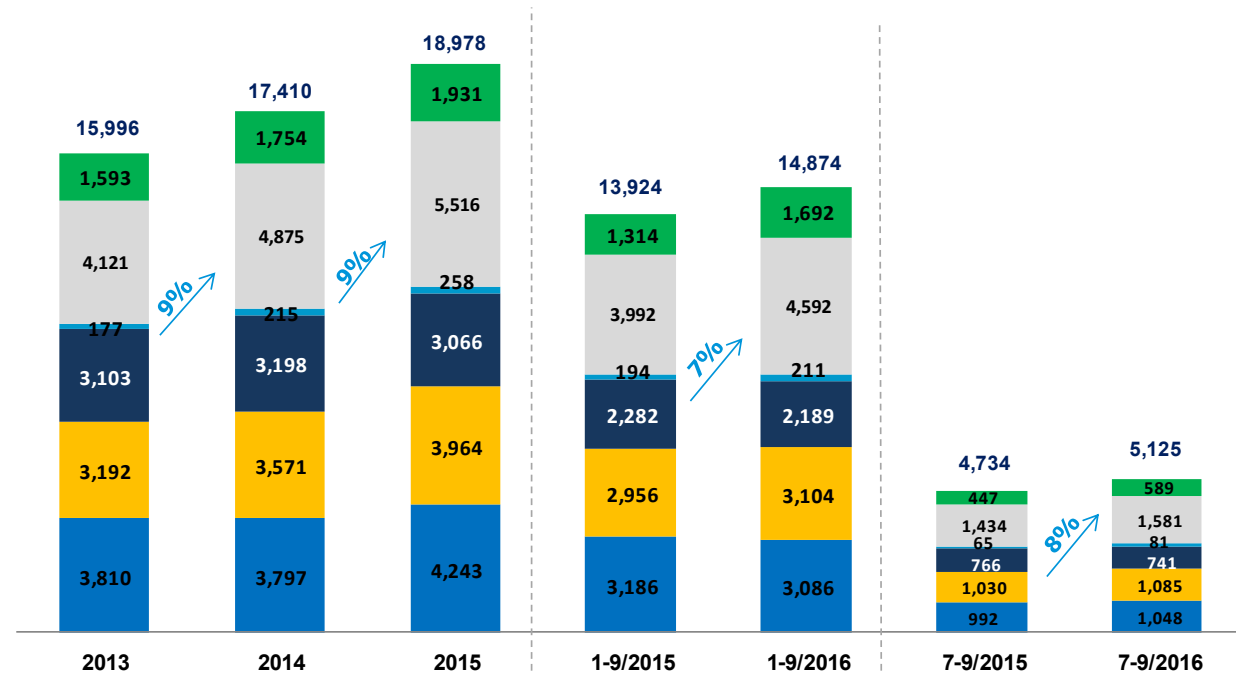
Return on Equity



* Including a revision of the outstanding claims in the liabilities sectors in respect of the Winograd recommendations, in the amount of NIS 112 million after tax for the period 1-9/2016.
Including an increase in the insurance liabilities for the effect of LAT and interest in the amount of NIS 96 million after tax for the period 1-9/2016.

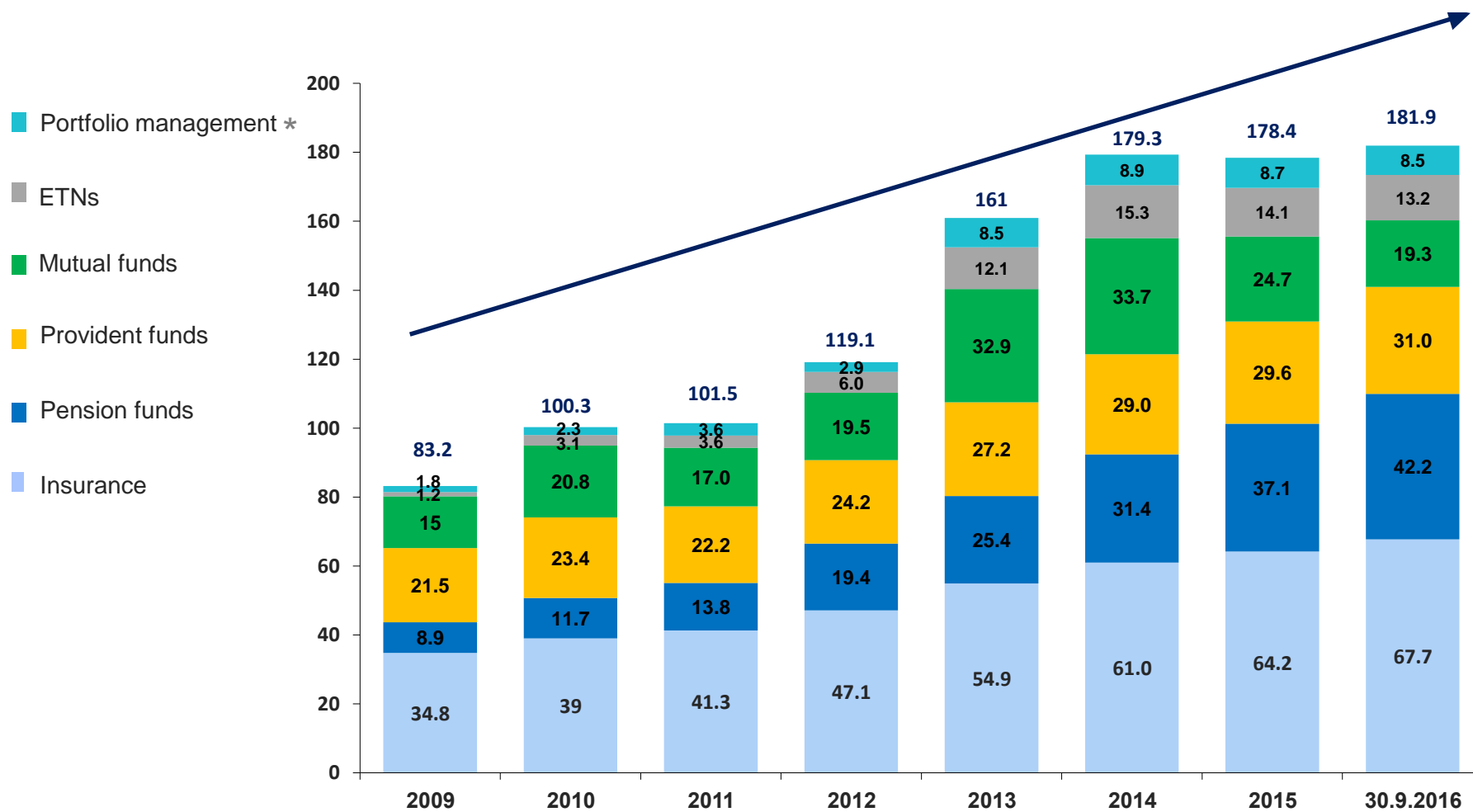
Earned premiums and benefit contributions, gross (NIS million)

	2013	% גידול	2014	2015	increase %	1-9/2015	1-9/2016	increase %	7-9/2015	7-9/2016
Life assurance	3,810	12%	3,797	4,243	(3%)	* 3,186	3,086	6%	992	1,048
Health insurance	3,192	11%	3,571	3,964	5%	2,956	3,104	5%	1,030	1,085
Non-life insurance	3,103	(4%)	3,198	3,066	(4%)	2,282	2,189	(3%)	766	741
Insurance companies overseas	177	20%	215	258	9%	194	211	25%	65	81
Total	10,282	7%	10,781	11,531	(0%)	8,618	8,590	4%	2,853	2,955
Pension contributions	4,121	13%	4,875	5,516	15%	3,992	4,592	10%	1,434	1,581
Provident contributions	1,593	10%	1,754	1,931	29%	1,314	1,692	32%	447	589
Total	15,996	9%	17,410	18,978	7%	13,924	14,874	8%	4,734	5,125



* Including a single premium in the amount of NIS 230 million.

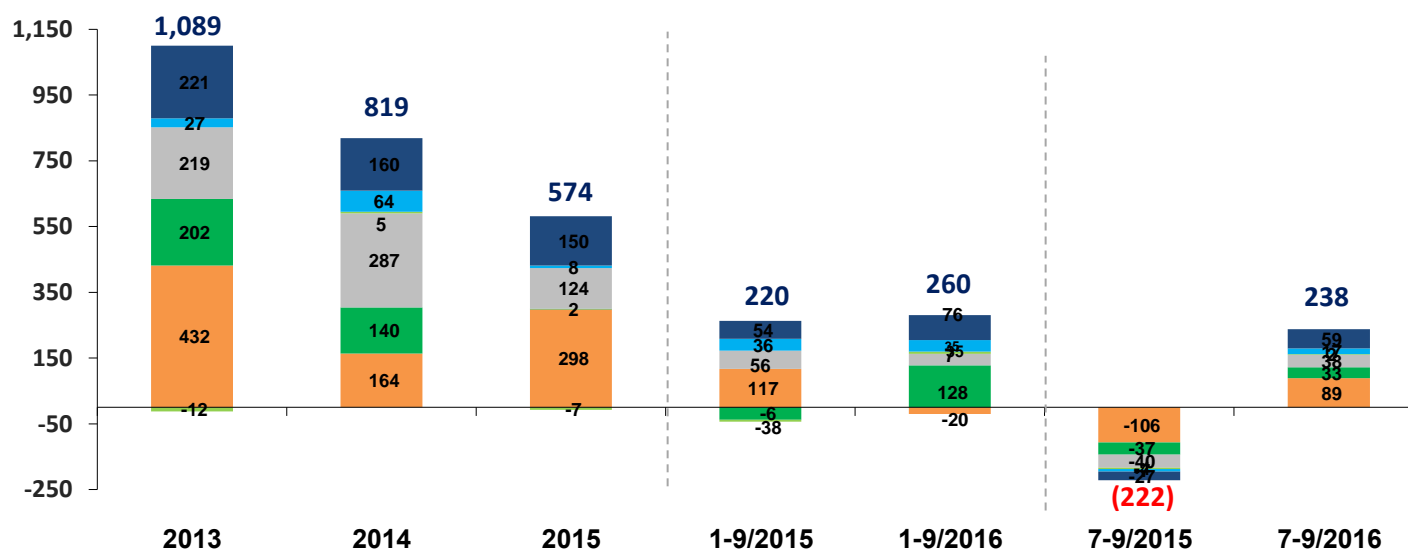
Assets under management (AUM) and nostro assets (NIS billion)



* Including the offsetting of inter-company balances.

Comprehensive income before tax from operating segments (NIS million)

	2013	2014	2015	1-9/2015	1-9/2016	7-9/2015	7-9/2016
Long-term savings	432	164	298	117	* (20)	(106)	89
Health	202	140	2	(38)	128	(37)	33
Non-life insurance	219	287	124	56	** 35	(40)	38
Insurance companies overseas	(12)	5	(7)	(6)	7	(4)	2
Finance	27	64	8	36	35	(7)	17
Other capital	221	160	150	54	76	(27)	59
Total	1,089	819	574	220	260	(222)	238

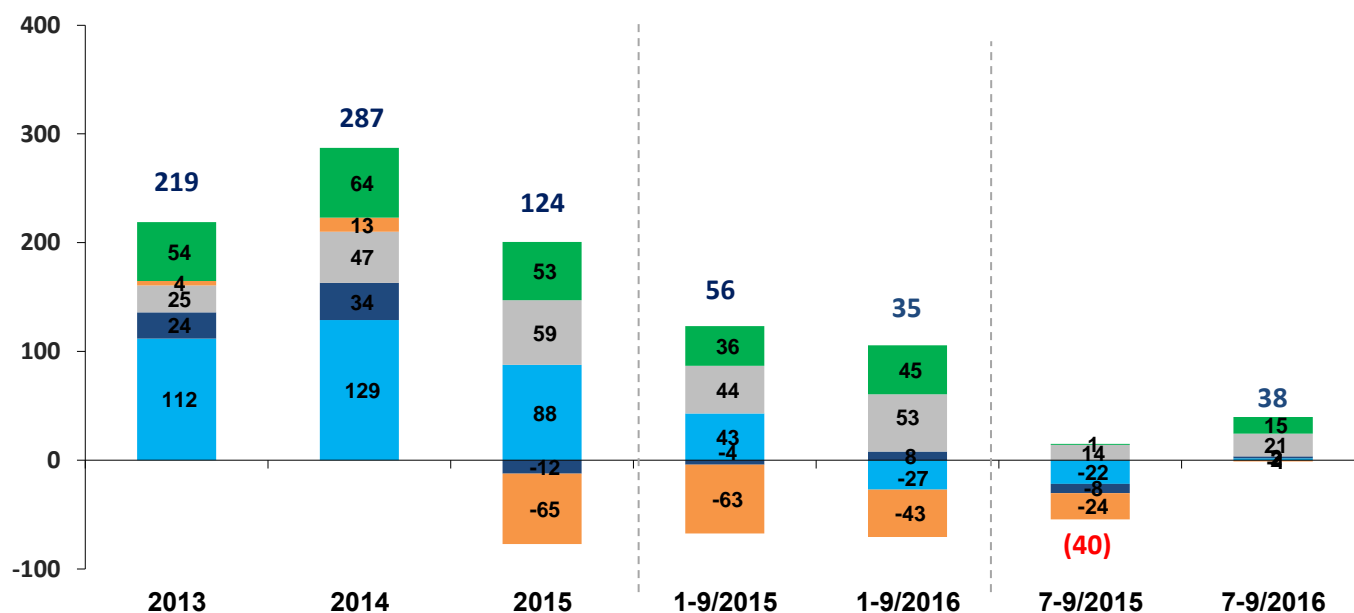


* Including an increase in the insurance liabilities for the effect of LAT and interest in the amount of NIS 149 million before tax for the period 1-9/2016.

** Including a revision of the outstanding claims in the liabilities sectors in respect of the Winograd recommendations, in the amount of NIS 175 million before tax for the period 1-9/2016.

Non-life insurance segment – comprehensive income before tax (NIS million)

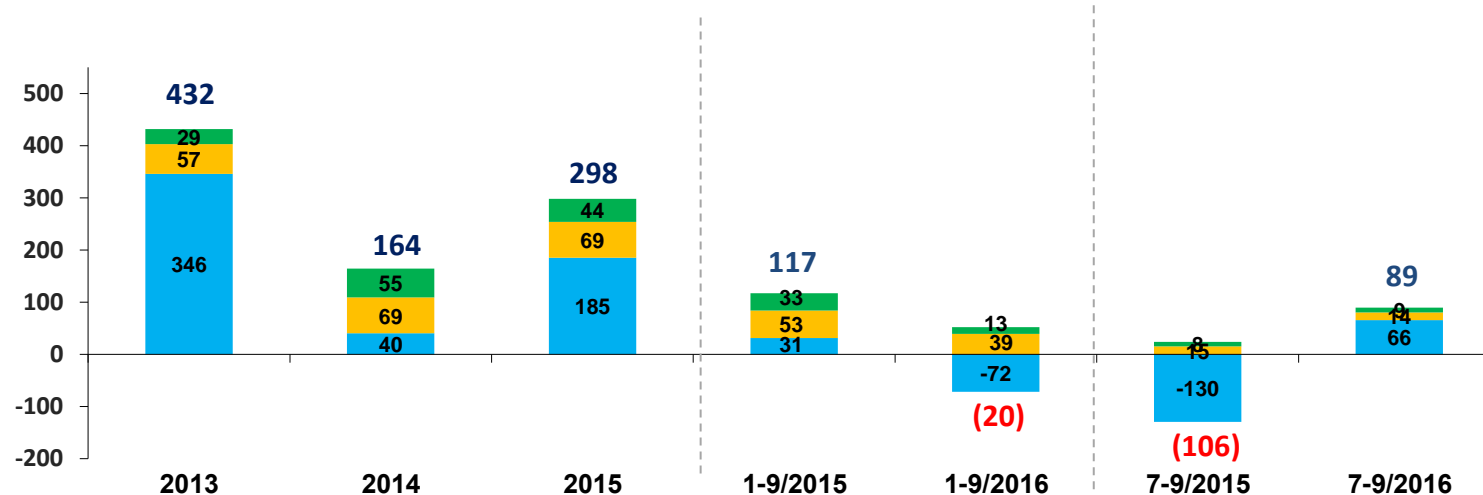
	2013	2014	2015	1-9/2015	1-9/2016	7-9/2015	7-9/2016
Compulsory motor	112	129	88	43	(27)	(22)	2
Motor property	24	34	(12)	(4)	8	(8)	2
Property and other branches	25	47	59	44	53	14	21
Liabilities and other branches	4	13	(65)	(63)	(43)	(24)	(1)
Mortgage insurance	54	64	53	36	45	1	15
Total	219	287	124	56	* 35	(40)	38



* Including a revision of the outstanding claims in the liabilities sectors in respect of the Winograd recommendations, in the amount of NIS 175 million before tax, for the period 1-9/2016.

Life assurance and long-term savings segment - comprehensive income before tax (NIS million)

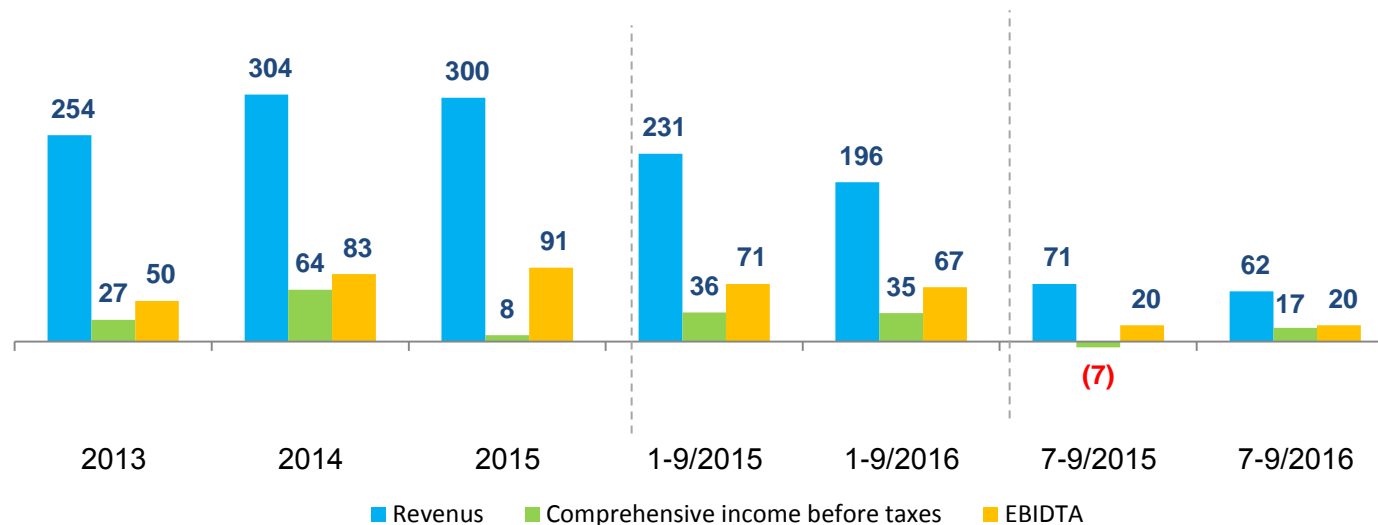
	2013	2014	2015	1-9/2015	1-9/2016	7-9/2015	7-9/2016
Life assurance	346	40	185	31	* (72)	(130)	66
Pension	57	69	69	53	39	15	14
Provident	29	55	44	33	13	8	9
Total	432	164	298	117	(20)	(106)	89



* Including an increase in the insurance liabilities for the effect of LAT and interest in the amount of NIS 149 million before tax for the period 1-9/2016.

Financial services segment (NIS million)

	2013	2014	2015	1-9/2015	1-9/2016	7-9/2015	7-9/2016
Revenus	254	304	300	231	196	71	62
Comprehensive income (loss) before taxes	27	64	* 8	** 36	** 35	*** (7)	17
EBIDTA	50	83	91	71	67	20	20

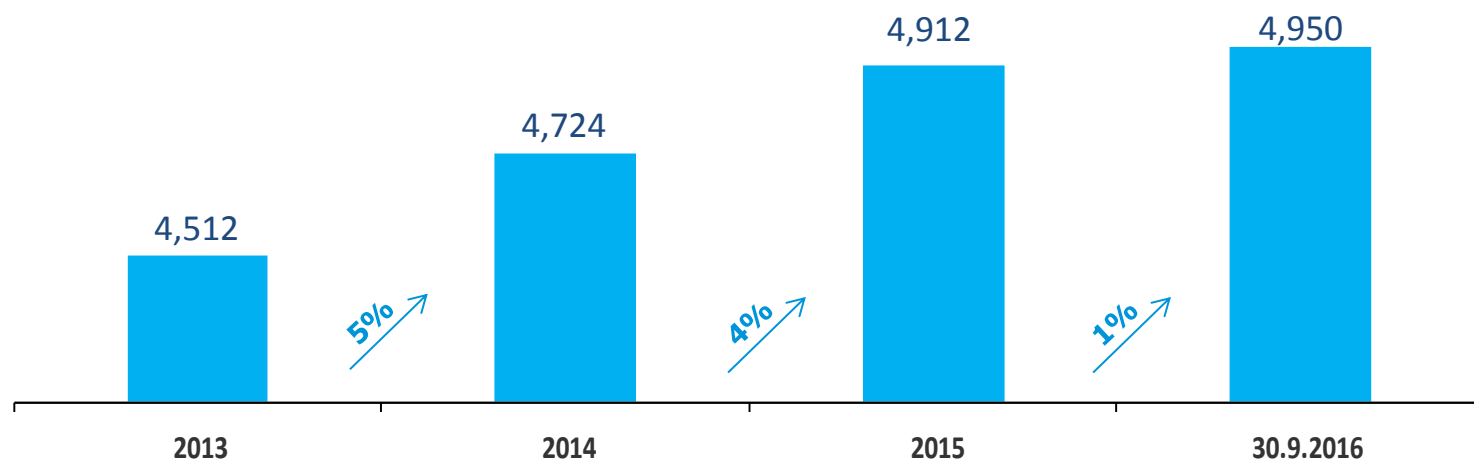


* Including reduced value of the mutual fund activity by NIS 68 million before tax.

** Including reduced value of the mutual fund activity by NIS 25 million before tax for the period 1-9/2016 and NIS 22 million before tax for the period 1-9/2015.

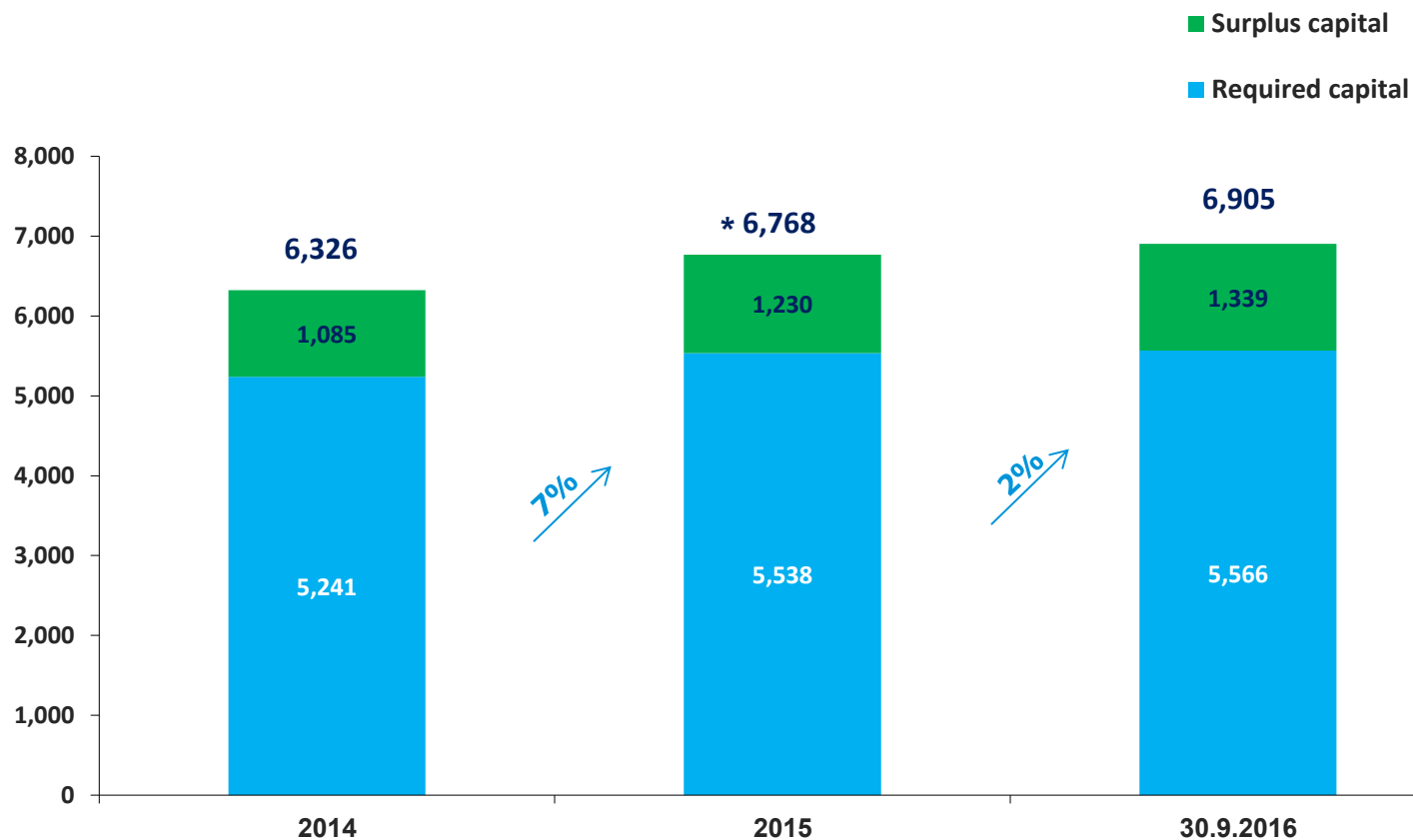
*** Including reduced value of the mutual fund activity by NIS 22 million before tax for the period 7-9/2015.

Equity – Harel Investments (NIS million)



Dividend (NIS million)	308	320	235	171
Dividend yield (%)	7.6%	7.5%	6.3%	5.7%

Capital surpluses – Harel Insurance (NIS million)



* As a result of the merger of Dikla's insurance activity, the capital surplus of Harel Insurance increased by NIS 180 million. This increase is due to the transfer of a capital note from Dikla to Harel and also to relief in the method of calculating the aggregate capital requirement for outstanding claims.

- On April 21, 2016, the Commissioner's office published an instruction to perform an IQIS exercise for 2015 (IQIS5), which is based on the revised directives from Europe, with adjustments for the local market.
- Based on the results of the IQIS5 exercise and taking into account the aforementioned transition provisions, Harel Insurance, ICIC and EMI have significant capital surpluses.
- It is emphasized that the model in its current format is extremely sensitive to changes in market and other variables, so that the capital requirements and capital surpluses arising from the model may be different on the actual date of application.
- At December 31, 2015, Harel's capital surplus on a consolidated basis, and taking into account the transition provisions, is similar to the results submitted in the previous exercise and amounts to more than one billion shekels.
- The IQIS exercise reflects a solvency ratio of 122% for Harel Insurance at December 31, 2015, as calculated including transition provisions. Excluding the transition provisions, the solvency ratio is 113%.

