

Summary of financial results for the period 1-6/2017



Disclaimer

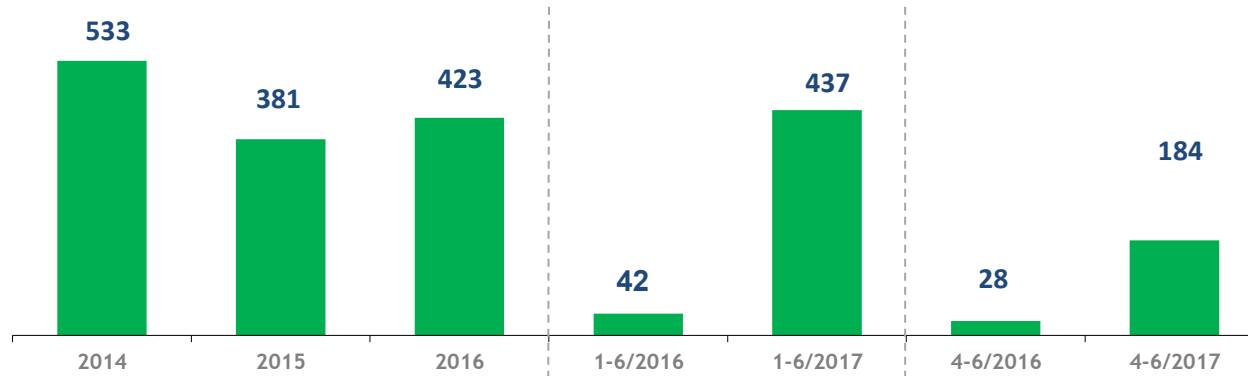
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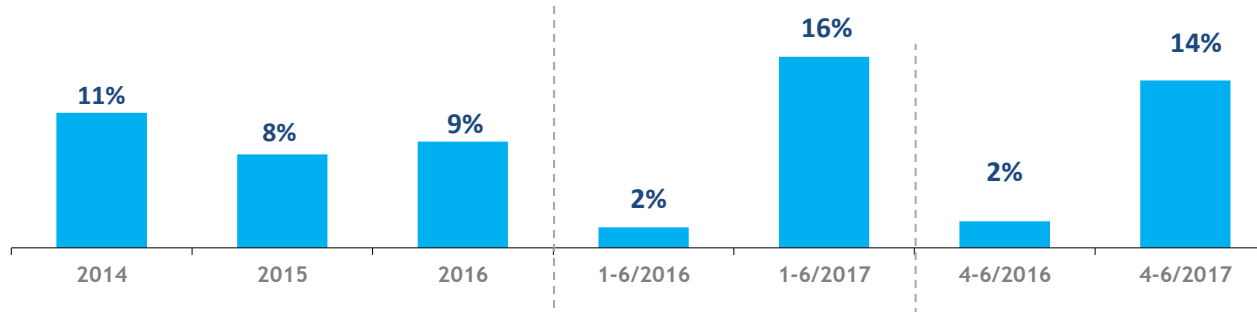
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Comprehensive income after tax*



Return on Equity

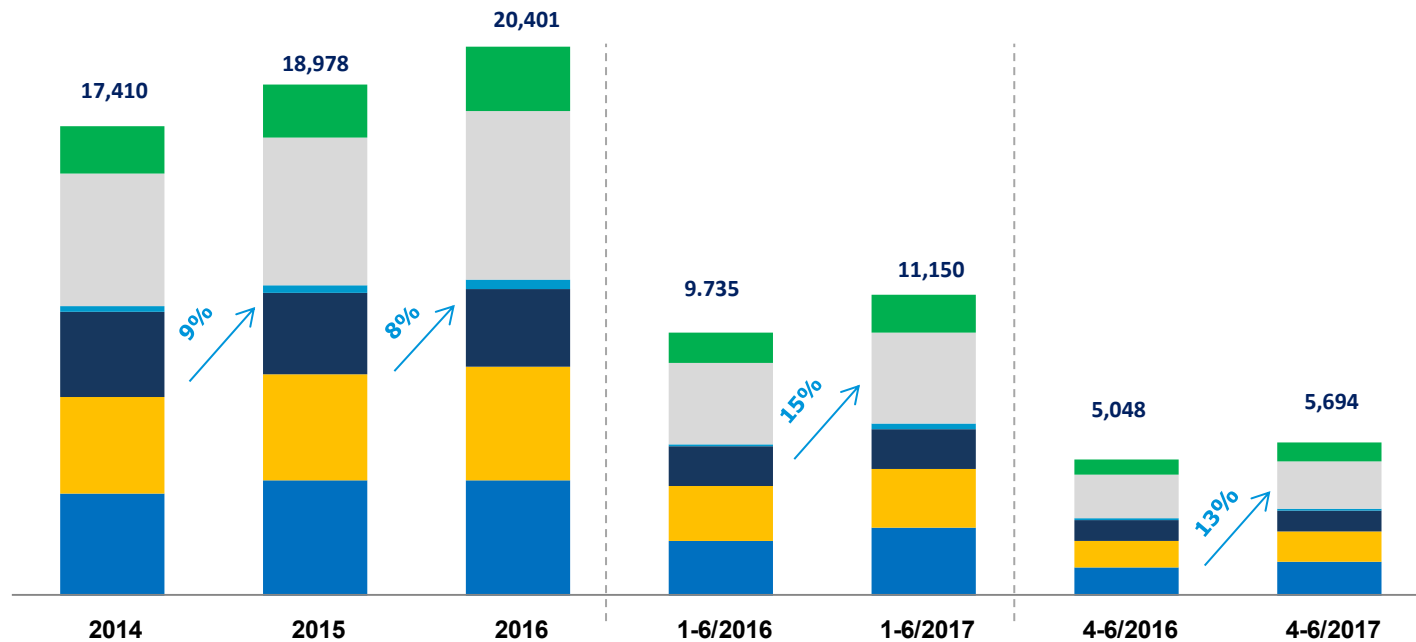


* Including a revision of the outstanding claims in the compulsory motor and liabilities sectors in respect of the Winograd recommendations, in the amount of NIS 112 million, NIS 16 million and NIS 128 million after tax for the period 1-6/2016, 4-6/2016 and 1-12/2016 respectively.

In addition, including an increase (decrease) in the insurance liabilities for the effect of LAT and interest in the amount of NIS (57) million, NIS 94 and NIS 60 million after tax for the periods 1-6/2017, 1-6/2016 and 1-12/2016 respectively.

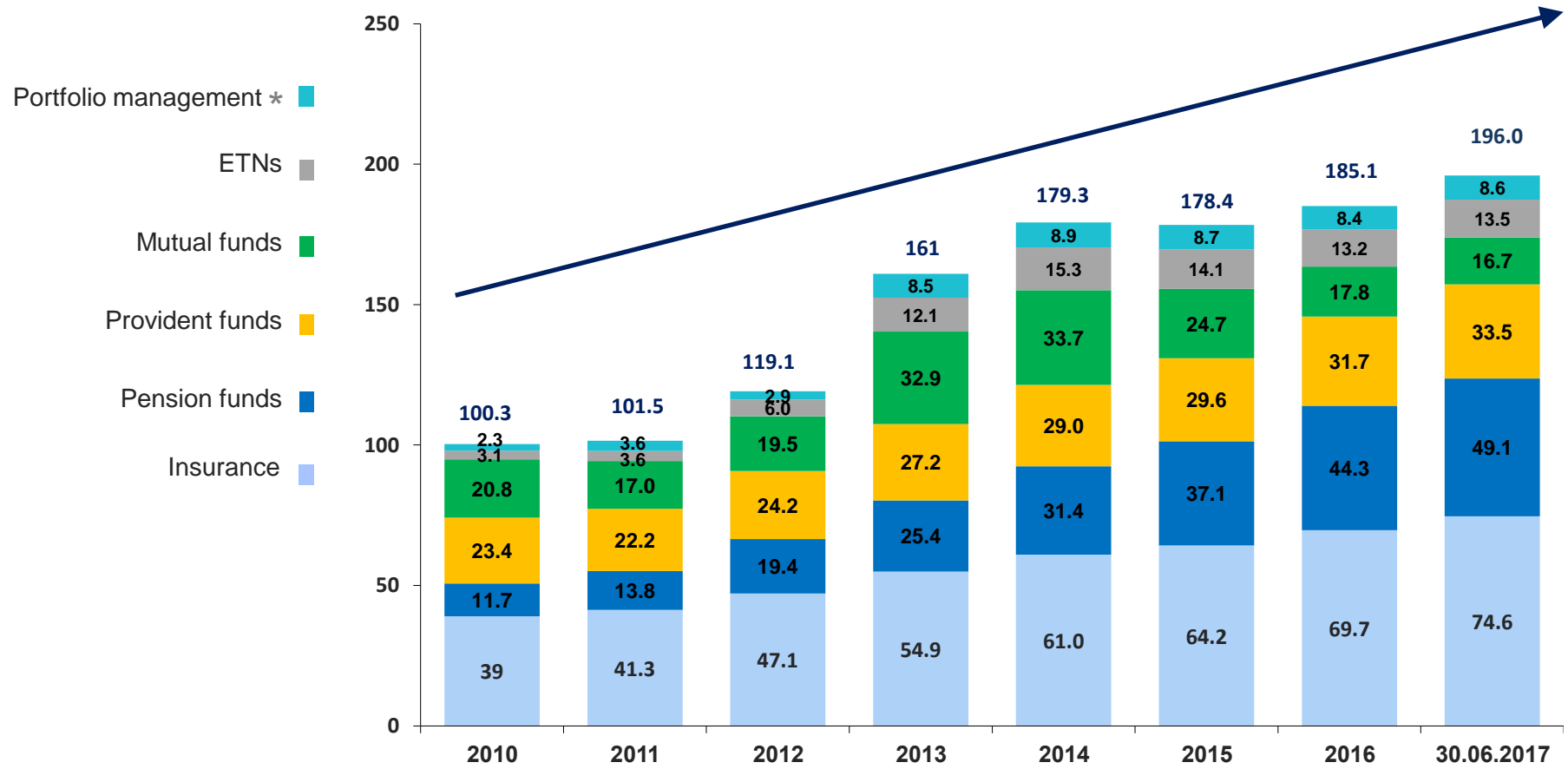
Earned premiums and benefit contributions, gross (NIS million)

	2014	% Increase	2015	2016	% Increase	1-6/2016	1-6/2017	% Increase	4-6/2016	4-6/2017
Life assurance	3,797	1%	4,243	4,300	23%	2,037	* 2,504	23%	1,019	* 1,256
Health insurance	3,571	5%	3,964	4,163	7%	2,019	2,166	6%	1,023	1,088
Non-life insurance	3,198	(4%)	3,066	2,944	5%	1,449	1,527	5%	735	775
Insurance companies overseas	215	17%	258	301	56%	130	203	53%	70	107
Total	10,781	2%	11,531	11,708	14%	5,635	6,400	13%	2,847	3,226
Pension contributions	4,875	14%	5,516	6,273	12%	3,011	3,359	9%	1,608	1,752
Provident contributions	1,754	25%	1,931	2,420	28%	1,089	1,391	21%	593	716
Total	17,410	8%	18,978	20,401	15%	9,735	11,150	13%	5,048	5,694



* The increase is mainly attributable to an increase in lump-sum deposits for savings.

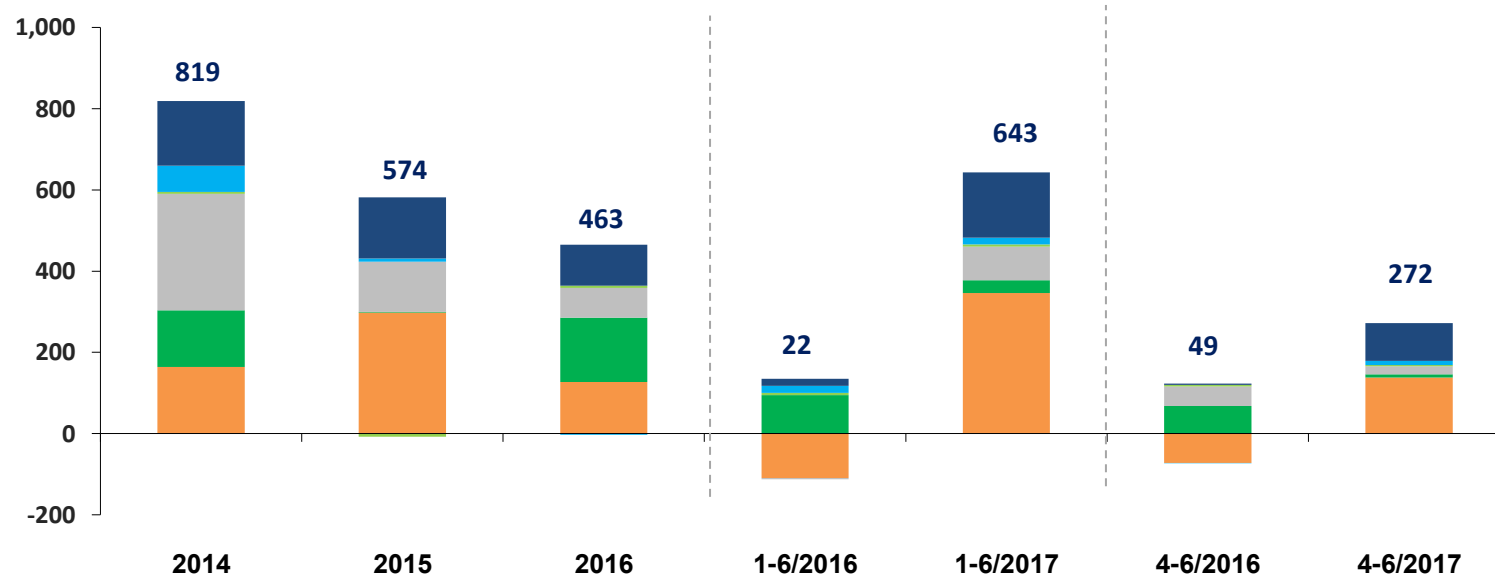
Assets under management (AUM) and nostro assets (NIS billion)



* Including the offsetting of inter-company balances.

Comprehensive income before tax from operating segments (NIS million)

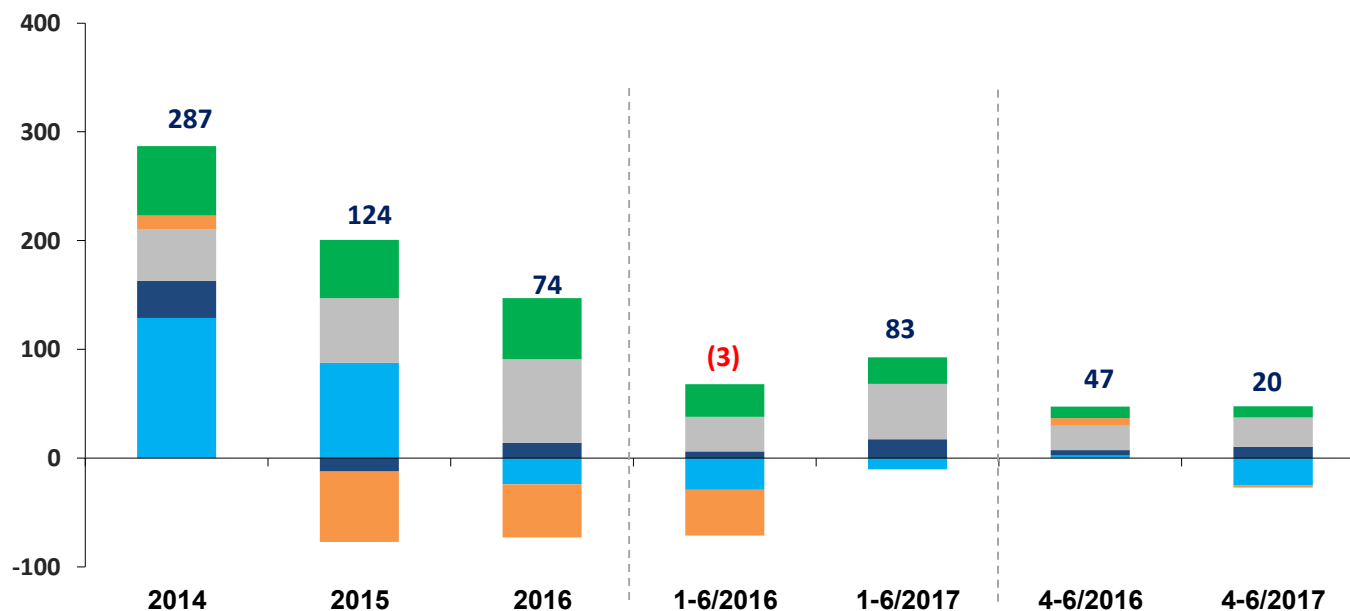
	2014	2015	2016	1-6/2016	1-6/2017	4-6/2016	4-6/2017
Long-term savings	164	298	127	(109)	346	(73)	138
Health	140	2	158	95	31	68	8
Non-life insurance *	287	123	74	(3)	83	47	20
Insurance companies overseas	5	(7)	5	5	5	4	3
Finance	64	8	(3)	17	17	(1)	10
Other capital	159	150	101	17	161	3	93
Total	819	574	463	22	643	49	272



* Including a revision of the outstanding claims in the compulsory motor and liabilities sectors in respect of the Winograd recommendations, in the amount of NIS 25 million, NIS 175 million and NIS 201 million before tax for the period 4-6/2016, 1-6/2016 and 1-12/2016 respectively.

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

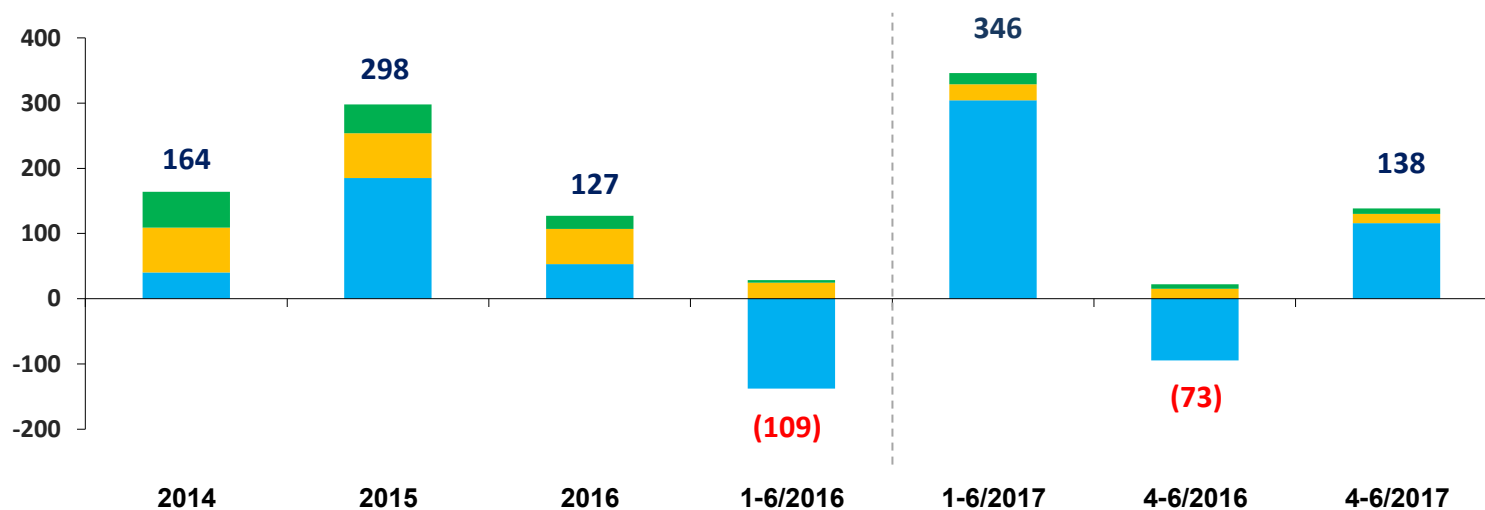
	2014	2015	2016	1-6/2016	1-6/2017	4-6/2016	4-6/2017
Compulsory motor	129	88	(24)	(29)	(10)	2	(25)
Motor property	34	(12)	14	6	17	5	10
Property and other branches	47	59	77	32	51	22	27
Liabilities and other branches	13	(65)	(49)	(42)	-	7	(2)
Mortgage insurance	64	53	56	30	25	11	10
Total *	287	123	74	(3)	83	47	20



* Including a revision of the outstanding claims in the compulsory motor and liabilities sectors in respect of the Winograd recommendations, in the amount of NIS 25 million, NIS 175 million and NIS 201 million before tax for the period 4-6/2016, 1-6/2016 and 1-12/2016 respectively.

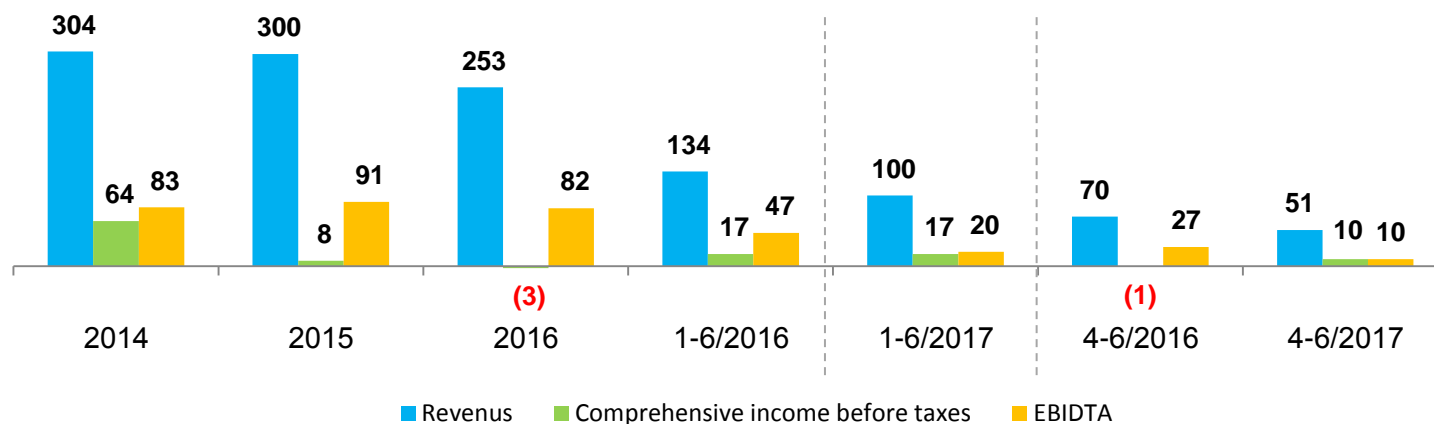
Life assurance and long-term savings segment - comprehensive income before tax (NIS million)

	2014	2015	2016	1-6/2016	1-6/2017	4-6/2016	4-6/2017
Life assurance	40	185	53	(138)	304	(95)	116
Pension	69	69	54	25	25	15	14
Provident	55	44	20	4	17	7	8
Total	164	298	127	(109)	346	(73)	138



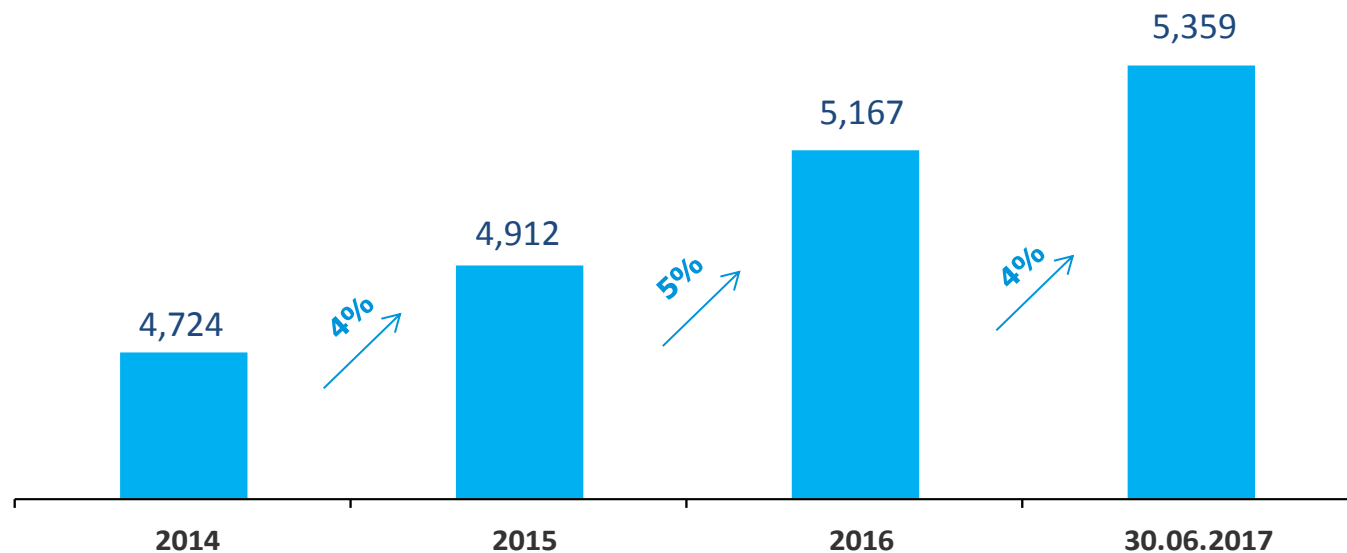
Financial services segment (NIS million)

	2014	2015	2016	1-6/2016	1-6/2017	4-6/2016	4-6/2017
Revenus	304	300	253	134	100	70	51
Comprehensive income before taxes*	64	8	(3)	17	17	(1)	10
EBIDTA	83	91	82	47	20	27	10



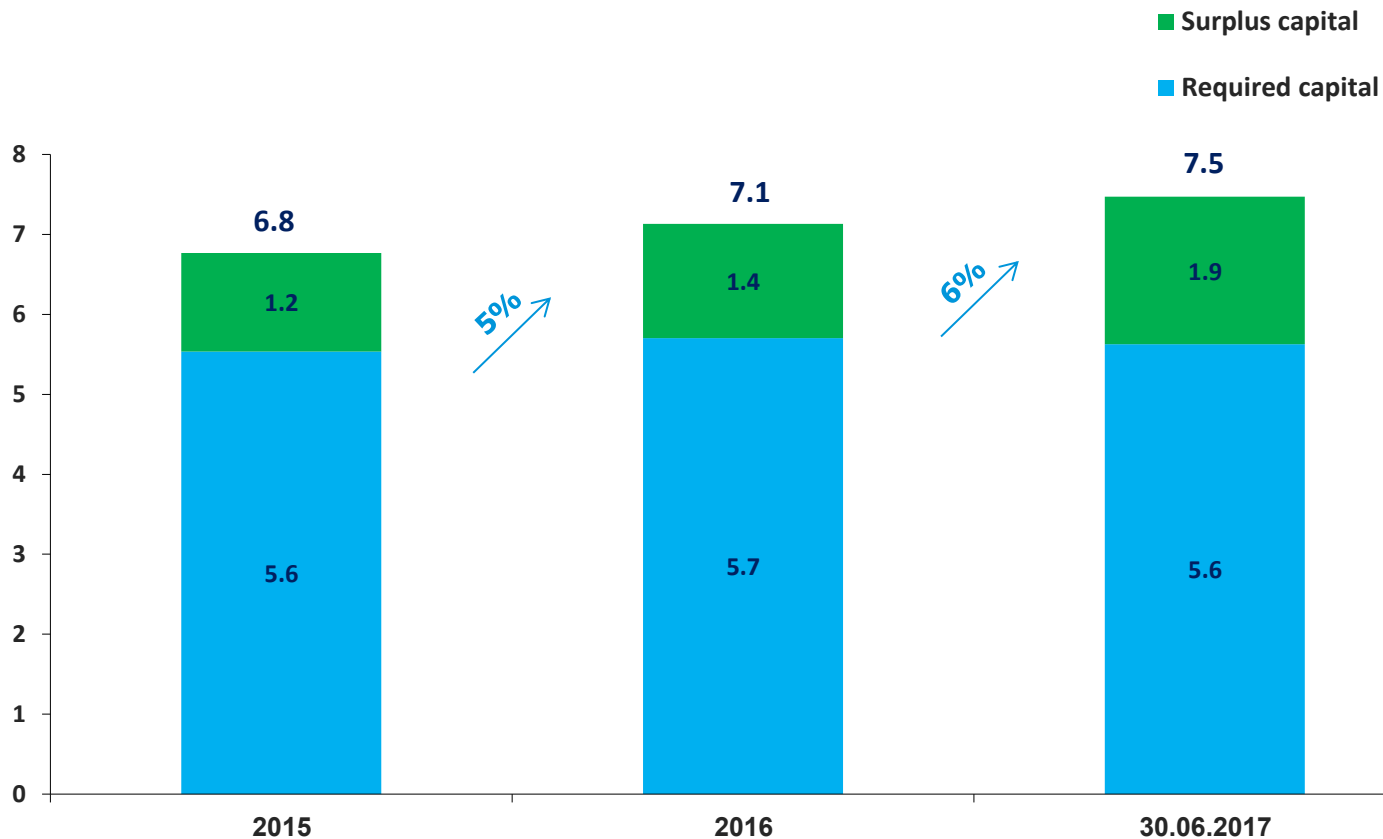
* Including reduced value of the mutual fund activity by NIS 25 million, NIS 75 million and NIS 68 million before tax for the periods 1-12/2016, 1-12/2016 and 1-12/2015.

Equity – Harel Investments (NIS million)



Dividend (NIS million)	320	235	171	257
Dividend yield (%)	7.5%	6.3%	5.5%	6.1%

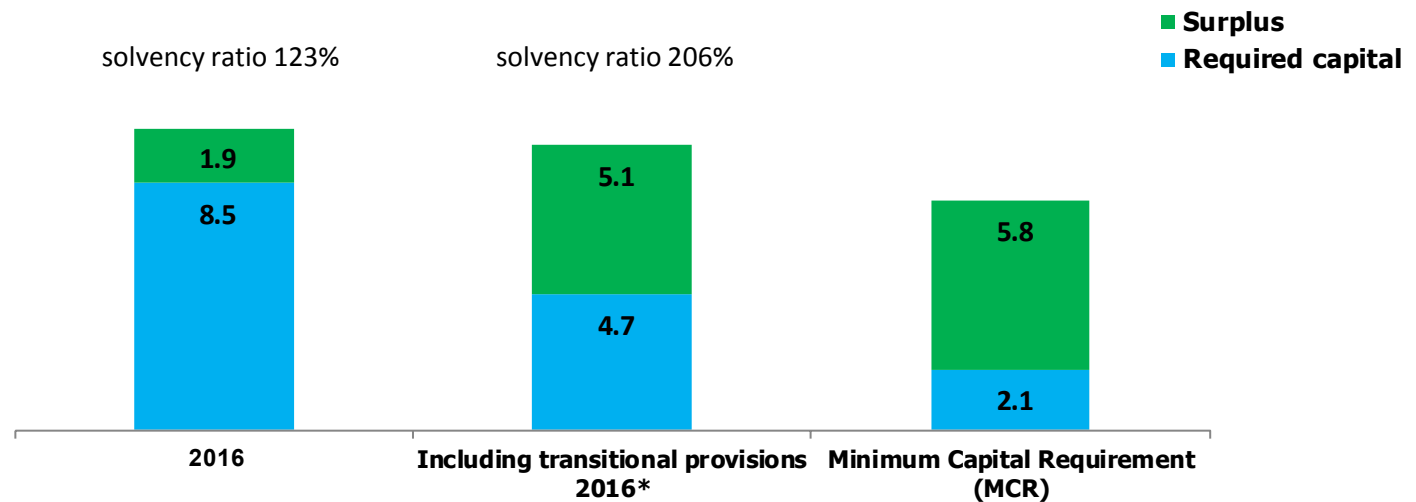
Harel insurance capital requirements - old regime (NIS billion)



Harel insurance capital requirements - Solvency (NIS billion)



- On July 2, 2017, the Capital Market, Insurance and Savings Authority published a circular – “Reporting the Results of the Economic Solvency Ratio to the Commissioner” whereby until the designated reporting files adjusted to Israel have been arranged, insurance companies will report the results of their economic solvency ratio in accordance with the Solvency Circular.
- It is emphasized that the model in its current format is extremely sensitive to changes in market and other variables.



* At June 30, 2017, the requirement is 60%.

