

**Part of the Financial  
Statements  
translated from the  
Hebrew original**

**DIRECT INSURANCE FINANCIAL INVESTMENTS LTD.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF MARCH 31, 2018**

**UNAUDITED**

Please find attached an extract English translation of the Hebrew version of the interim consolidated financial statements of Direct Insurance Financial Investments Ltd. which were approved on May 22, 2018.

The full set of financial statements in Hebrew can be viewed on the website of the Israeli Securities Authority (<http://www.magna.isa.gov.il>).

**DIRECT INSURANCE FINANCIAL INVESTMENTS LTD.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF MARCH 31, 2018**

**UNAUDITED**

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## **AUDITORS' REPORT**

**To the Shareholders of**

**DIRECT INSURANCE FINANCIAL INVESTMENTS LTD.**

### **Introduction**

We have reviewed the accompanying financial information of DIRECT INSURANCE FINANCIAL INVESTMENTS LTD. and its subsidiaries (hereunder - the Group) which comprise the condensed consolidated statements of financial position as of March 31, 2018, and the condensed interim consolidated statements of profit or loss and other comprehensive income (loss), changes in equity and cash flows for the period of three months then ended, The Company's Board of Directors and Management are responsible for the preparation and presentation of interim financial information for this period in accordance with IAS 34, "Interim Financial Reporting" and in accordance with the disclosure requirements as prescribed by the Supervisor of Insurance Business pursuant to the Supervision of Financial Services (Insurance) Law, 1981, and are also responsible for the preparation of financial information for this interim period in accordance with Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970, to the extent that these regulations apply to a corporation that unifies insurance companies. Our responsibility is to express a conclusion regarding the financial information for this interim period, based on our review.

We did not review the condensed interim financial information of consolidated subsidiaries whose assets constitute about 22.9% of the total consolidated assets as at March 31, 2018, and whose revenues constitute about 4.7% of the total consolidated revenues for the three-month period then ended. The condensed interim financial information of those companies was reviewed by other auditors whose review reports were furnished to us, and our opinion, insofar as it relates to the financial information in respect of those companies, is based on the review reports of the other auditors.

### **Scope of review**

We conducted our review in accordance with Review Standard 1 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 applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and consequently 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 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 accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34 and in accordance with the disclosure requirements as prescribed by the Supervisor of Insurance Business pursuant to the Supervision of Financial Services (Insurance) Law, 1981,

**Conclusion (Cont.)**

In addition to the abovementioned, based on our review and on the review reports of other auditors, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not comply, in all material respects, with the disclosure requirements of Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970, to the extent that these regulations apply to a corporation that unifies insurance companies.

Without qualifying our above conclusion, we draw attention to Note 5 to the financial statements regarding exposure to class actions and the approval of claims as class actions of subsidiaries.

Tel-Aviv,  
May 22, 2018

**KOST FORER GABBAY & KASIERER**  
A Member of Ernst & Young Global

**DIRECT INSURANCE FINANCIAL INVESTMENTS LTD.**

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<u>March 31,</u>		<u>December 31,</u>
	<u>2018</u>	<u>2017</u>	<u>2017</u>
	<u>Unaudited</u>		<u>Audited</u>
	<u>NIS in thousands</u>		
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	1,050,401	986,424	881,057
Cash and cash equivalents for yield-dependent contracts	10,537	9,235	8,279
Financial assets	705,031	969,717	579,375
Derivatives	4,590	15,314	2,198
Outstanding insurance premiums	592,794	514,544	540,705
Debtors and receivables	162,657	151,507	498,276
Deposits	19,440	84,441	18,030
Current taxes receivable	4,044	55,632	75,357
Reinsurance assets	90,718	59,179	55,214
Deferred acquisition costs	112,445	99,411	98,515
	<u>2,752,657</u>	<u>2,945,404</u>	<u>2,757,006</u>
Assets designated for sale	<u>1,153,684</u>	<u>841,561</u>	<u>844,634</u>
	<u>3,906,341</u>	<u>3,786,965</u>	<u>3,601,640</u>
<b>NON-CURRENT ASSETS</b>			
Financial assets	2,436,394	2,042,083	2,557,583
Derivatives	640	18,889	6,485
Reinsurance assets	203,655	126,037	138,995
Debtors and receivables	37,471	66,176	88,458
Deposits	93,499	50,462	92,943
Deferred acquisition costs	201,402	183,073	199,426
Investment property and investment property under construction	3,948,104	3,555,468	3,873,869
Fixed assets	176,805	147,088	178,658
Goodwill and intangible assets	240,691	207,431	231,290
Deferred taxes	5,309	1,013	5,451
	<u>7,343,970</u>	<u>6,397,720</u>	<u>7,373,158</u>
	<u>11,250,311</u>	<u>10,184,685</u>	<u>10,974,798</u>

**DIRECT INSURANCE FINANCIAL INVESTMENTS LTD.**

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<u>March 31,</u>		<u>December 31,</u>
	<u>2018</u>	<u>2017</u>	<u>2017</u>
	<u>Unaudited</u>		<u>Audited</u>
	<u>NIS in thousands</u>		
<b>CURRENT LIABILITIES</b>			
Financial liabilities	1,196,110	1,265,721	1,363,466
Creditors and payables	627,588	362,863	537,146
Current taxes payable	8,499	6,643	609
Derivatives	15,080	13,982	13,210
Liabilities for borrowing of securities	-	64,076	-
Liabilities for insurance contracts and investment contracts	<u>1,361,944</u>	<u>1,134,650</u>	<u>1,186,408</u>
	<u>3,209,221</u>	<u>2,847,935</u>	<u>3,100,839</u>
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities	4,175,977	3,797,330	3,888,991
Employee benefit liabilities, net	31,037	(* 23,064)	30,837
Creditors and payables	26,132	29,596	37,509
Liabilities for insurance contracts and investment contracts	2,028,461	(* 1,918,097)	2,045,495
Derivatives	17,567	24,529	20,206
Deferred taxes	<u>180,219</u>	<u>170,583</u>	<u>204,202</u>
	<u>6,459,393</u>	<u>5,963,199</u>	<u>6,227,240</u>
<b>EQUITY</b>			
Share capital	57,554	77,715	57,554
Share premium	-	180,848	-
Reserves	(73,624)	(114,717)	(80,843)
Retained earnings	679,865	708,531	714,411
Treasury shares	<u>-</u>	<u>(249,733)</u>	<u>-</u>
Total equity attributed to shareholders of the Company	663,795	602,644	691,122
Non-controlling interests	<u>917,902</u>	<u>770,907</u>	<u>955,597</u>
Total equity	<u>1,581,697</u>	<u>1,373,551</u>	<u>1,646,719</u>
	<u>11,250,311</u>	<u>10,184,685</u>	<u>10,974,798</u>

\*) Reclassified.

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME (LOSS)**

	Three months ended		Year ended
	March 31,		December 31,
	2018	2017	2017
	Unaudited		Audited
	NIS in thousands		
<b>INCOME</b>			
Premiums earned on retention	574,925	505,871	2,182,752
Income from lease of properties	57,668	51,853	218,482
Increase in value of investment property and property under construction, net	848	-	17,001
Net gains from investments and other finance income	9,060	22,295	110,330
Income from management fees	1,427	1,573	6,222
Income from grant of consumer credit	148,081	87,833	422,680
Income from commissions	9,279	4,815	17,960
Company's share in losses of affiliate	-	-	(578)
Other income	168	35	399
<b>Total income</b>	<b>801,456</b>	<b>674,275</b>	<b>2,975,248</b>
<b>EXPENSES</b>			
Payments and change in liabilities in respect of insurance contracts and investment contracts on retention	400,067	356,894	1,539,327
Marketing and other acquisition expenses	123,306	102,828	449,780
Maintenance, administrative and general expenses	93,875	81,930	339,212
Finance expenses	42,652	46,902	191,941
Other expenses	129	81	898
<b>Total expenses</b>	<b>660,029</b>	<b>588,635</b>	<b>2,521,158</b>
Income before taxes on income	141,427	85,640	454,090
Taxes on income (tax benefit)	52,544	(11,127)	116,700
<b>Net income</b>	<b>88,883</b>	<b>96,767</b>	<b>337,390</b>
<b>Other comprehensive income (loss) (after the tax effect):</b>			
<b>Amounts that will be reclassified subsequently to profit or loss:</b>			
Net loss in respect of debt instruments measured at fair value through other comprehensive income	(1,387)	-	-
Net profit in respect of debt instruments measured at fair value through other comprehensive income transferred to profit or loss	51	-	-
Profit from cash flow hedging transactions	740	2,825	7,288
Transfer to profit or loss in respect of cash flow hedging transactions, net	1,951	-	-
Adjustments resulting from translation of financial statements of activities abroad	8,879	(20,735)	(3,282)
<b>Amounts that will not be reclassified subsequently to profit or loss:</b>			
Revaluation in respect of fixed assets	-	-	15,554
Loss from remeasurement in respect of defined benefit plans	-	-	(4,612)
<b>Total other comprehensive income (loss)</b>	<b>10,234</b>	<b>(17,910)</b>	<b>14,948</b>
<b>Total comprehensive income</b>	<b>99,117</b>	<b>78,857</b>	<b>352,338</b>

**DIRECT INSURANCE FINANCIAL INVESTMENTS LTD.**

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME (LOSS)**

	<b>Three months ended March 31,</b>		<b>Year ended December 31,</b>
	<b>2018</b>	<b>2017</b>	<b>2017</b>
	<b>Unaudited</b>		<b>Audited</b>
	<b>NIS in thousands (except for net income per share data)</b>		
<b>Net income attributable to:</b>			
Shareholders of the Company	42,383	48,849	163,881
Non-controlling interests	46,500	47,918	173,509
	88,883	96,767	337,390
<b>Total comprehensive income attributable to:</b>			
Shareholders of the Company	46,582	38,894	171,160
Non-controlling interests	52,535	39,963	181,178
	99,117	78,857	352,338
<b>Net earnings per share attributable to shareholders of the Company (in NIS):</b>			
Basic earnings, net	0.86	0.99	3.32
Diluted earnings, net	0.86	0.99	3.29



## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	<u>Attributable to equity holders of the Company</u>				<u>Non-controlling interests</u>	<u>Total equity</u>
	<u>Share capital</u>	<u>Reserves</u>	<u>Retained earnings</u>	<u>Total</u>		
	<u>NIS in thousands</u>					
<b>Balance at January 1, 2018 (Audited)</b>	57,554	(80,843)	714,411	691,122	955,597	1,646,719
Effect of first-time implementation of IFRS 9 and IFRS 15 standards	-	2,931	(36,929)	(33,998)	(21,886)	(55,884)
<b>Balance at January 1, 2018 after first-time implementation</b>	57,554	(77,912)	677,482	657,124	933,711	1,590,835
Net income	-	-	42,383	42,383	46,500	88,883
Total other comprehensive income	-	4,199	-	4,199	6,035	10,234
Total comprehensive income	-	4,199	42,383	46,582	52,535	99,117
Cost of share-based payment	-	89	-	89	1,155	1,244
Dividend to Company's shareholders	-	-	(40,000)	(40,000)	-	(40,000)
Dividend to non-controlling interest holders	-	-	-	-	(69,499)	(69,499)
<b>Balance at March 31, 2018 (Unaudited)</b>	<u>57,554</u>	<u>(73,624)</u>	<u>679,865</u>	<u>663,795</u>	<u>917,902</u>	<u>1,581,697</u>

	<u>Attributable to equity holders of the Company</u>					<u>Non-controlling interests</u>	<u>Total equity</u>	
	<u>Share capital</u>	<u>Share premium</u>	<u>Reserves</u>	<u>Retained earnings</u>	<u>Treasury shares</u>			
	<u>NIS in thousands</u>							
<b>Balance at January 1, 2017 (Audited)</b>	77,715	180,848	(104,928)	689,682	(249,733)	593,584	757,414	1,350,998
Net income	-	-	-	48,849	-	48,849	47,918	96,767
Total other comprehensive loss	-	-	(9,955)	-	-	(9,955)	(7,955)	(17,910)
Total comprehensive income (loss)	-	-	(9,955)	48,849	-	38,894	39,963	78,857
Cost of share-based payment	-	-	166	-	-	166	3,140	3,306
Dividend to Company's shareholders	-	-	-	(30,000)	-	(30,000)	-	(30,000)
Dividend to non-controlling interest holders	-	-	-	-	-	-	(29,610)	(29,610)
<b>Balance at March 31, 2017 (Unaudited)</b>	<u>77,715</u>	<u>180,848</u>	<u>(114,717)</u>	<u>708,531</u>	<u>(249,733)</u>	<u>602,644</u>	<u>770,907</u>	<u>1,373,551</u>

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company						Non-controlling interests	Total Equity
	Share capital	Share premium	Reserves	Retained earnings	Treasury shares	Total		
	NIS in thousands							
	Other reserves							
<b>Balance at January 1, 2017 (Audited)</b>	77,715	180,848	(104,928)	689,682	(249,733)	593,584	757,414	1,350,998
Net income	-	-	-	163,881	-	163,881	173,509	337,390
Total other comprehensive income	-	-	7,279	-	-	7,279	7,669	14,948
Total comprehensive income	-	-	7,279	163,881	-	171,160	181,178	352,338
Issue of a subsidiary's shares, net to non-controlling interest holders	-	-	16,142	(25,428)	-	(9,286)	117,458	108,172
Cost of share-based payment	-	-	664	-	-	664	7,489	8,153
Cancellation of treasury shares	(20,161)	(180,848)	-	(48,724)	249,733	-	-	-
Dividend to Company's shareholders	-	-	-	(65,000)	-	(65,000)	-	(65,000)
Dividend to non-controlling interest holders	-	-	-	-	-	-	(107,942)	(107,942)
<b>Balance at December 31, 2017 (Audited)</b>	<u>57,554</u>	<u>-</u>	<u>(80,843)</u>	<u>714,411</u>	<u>-</u>	<u>691,122</u>	<u>955,597</u>	<u>1,646,719</u>

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>Three months ended</b>		<b>Year ended</b>
	<b>March 31,</b>		<b>December 31,</b>
	<b>2018</b>	<b>2017</b>	<b>2017</b>
	<b>Unaudited</b>		<b>Audited</b>
	<b>NIS in thousands</b>		
<b>CASH FLOWS PROVIDED BY (USED IN) CURRENT ACTIVITIES (App. A)</b>	<u>(119,194)</u>	<u>(76,955)</u>	<u>57,290</u>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
Grant of deposits	(899)	(6,730)	(44,847)
Acquisition of fixed assets	(4,111)	(3,233)	(24,649)
Acquisition of investment property and investment property under construction	(43,046)	(27,936)	(242,702)
Interest paid and capitalized to cost of investment property under construction	(1,206)	(825)	(4,062)
Investment in intangible assets	(18,651)	(20,217)	(59,552)
Proceeds from sale of fixed assets	899	363	4,717
Investment in an affiliate, net	-	-	(578)
Proceeds from hedging transactions	467	1,567	4,330
Payment for hedging transactions	(1,468)	-	(4,346)
Cash deducted due to acquisitions in the framework of business combination	-	-	(6,000)
Net cash used in investment activities	<u>(68,015)</u>	<u>(57,011)</u>	<u>(377,689)</u>
<b>CASH FLOWS FROM FINANCE ACTIVITIES</b>			
Settlement of CPI hedging transactions and interest rate determination	(2,601)	(5,709)	(15,529)
Sale, net and issue of shares of subsidiary to non-controlling interest holders, net of tax	-	-	108,172
Issue of bonds and subordinated deeds	437,446	346,874	517,799
Settlement of bonds and subordinated deeds	(66,447)	(66,248)	(235,022)
Receipt of loans from banking institutions and others	71,334	24,227	168,631
Settlements of loans from banking institutions and others	(22,328)	(249,689)	(353,480)
Dividend paid to non-controlling interest holders	(59,193)	(31,957)	(62,607)
Dividend paid to Company's shareholders	-	(30,000)	(65,000)
Change in short-term credit from banking institutions, net	-	(764)	(764)
Net cash provided by (used in) finance activities	<u>358,211</u>	<u>(13,266)</u>	<u>62,200</u>
<b>Exchange rate differences in respect of balances of cash and cash equivalents</b>	<u>600</u>	<u>(484)</u>	<u>4,160</u>
<b>Increase (decrease) in cash and cash equivalents</b>	<u>171,602</u>	<u>(147,716)</u>	<u>(254,039)</u>
<b>Balance of cash and cash equivalents as at the beginning of the period (App. B)</b>	<u>889,336</u>	<u>1,143,375</u>	<u>1,143,375</u>
<b>Balance of cash and cash equivalents as at the end of the period (App. C)</b>	<u>1,060,938</u>	<u>995,659</u>	<u>889,336</u>

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Three months ended		Year ended
	March 31,		December 31,
	2018	2017	2017
	Unaudited		Audited
	NIS in thousands		
<b>APPENDIX A - CASH FLOWS FROM CURRENT ACTIVITIES</b>			
Net income	88,883	96,767	337,390
<b>Adjustments to the profit and loss items:</b>			
Net losses (profits) from financial investments for yield-dependent insurance contracts and investment contracts	1,373	(1,333)	(14,421)
Net profits from other financial investments	(93,470)	(65,713)	(317,032)
Finance expenses for financial liabilities and others	42,652	46,902	191,941
Net investment losses (income) and other finance expenses (income)	7,779	(5,880)	(1,184)
Increase in value of investment property and property under construction, net	(848)	-	(17,001)
Loss from sale of fixed assets, net	129	81	880
Depreciation and amortization	15,747	12,699	58,082
Change in liabilities for insurance contracts and investment contracts	158,502	134,490	313,646
Cost of share-based payment	1,244	3,306	8,153
Change in reinsurance assets	(100,164)	(12,661)	(21,654)
Change in deferred acquisition costs	(15,906)	(19,656)	(35,113)
Company's share in losses of affiliate	-	-	578
Taxes on income (tax benefit)	52,544	(11,127)	116,700
<b>Other financial investments:</b>			
Sales of financial investments for yield dependent insurance contracts and investment contracts	5,858	2,960	15,298
Net sale (acquisition) of other financial investments	31,441	(276,562)	(578,136)
Acquisition and investments in investment property in insurance subsidiary	-	(152)	(821)
<b>Changes in other assets and liabilities items:</b>			
Short-term credit, net from banking institutions and others in respect of consumer credit grant activities	(312,676)	214,352	295,821
Change in liability in respect of borrowing securities	-	(119,050)	(183,126)
Change in deposits used as guarantee for borrowing securities transactions, net	-	122,002	187,709
Outstanding insurance premiums	(52,089)	(59,725)	(85,886)
Debtors and receivable	(32,581)	(30,429)	(139,086)
Creditors and payables	23,208	(71,029)	65,881
Liabilities for employee benefits, net	200	930	1,696
Total adjustments required to present cash flows from current activities	(178,174)	(38,828)	200,315
<b>Cash paid and received during the period for:</b>			
Interest paid	(50,276)	(48,166)	(185,864)
Interest received	73,740	45,311	206,510
Taxes paid	(17,573)	(39,533)	(173,465)
Taxes received	49,378	1,792	1,856
Dividend received	3,711	2,469	7,938
Total cash flows provided by (used in) current activities	(119,194)	(76,955)	57,290

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Three months ended March 31,		Year ended December 31,
	2018	2017	2017
	Unaudited		Audited
	NIS in thousands		
<b>APPENDIX B - CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE PERIOD</b>			
Cash and cash equivalents for yield-dependent contracts	8,279	10,740	10,740
Other cash and cash equivalents	881,057	1,132,635	1,132,635
Balance of cash and cash equivalents at beginning of period	889,336	1,143,375	1,143,375
<b>APPENDIX C - CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD</b>			
Cash and cash equivalents for yield-dependent contracts	10,537	9,235	8,279
Other cash and cash equivalents	1,050,401	986,424	881,057
Balance of cash and cash equivalents as at the end of the period	1,060,938	995,659	889,336
<b>APPENDIX D - SIGNIFICANT NON-CASH TRANSACTIONS</b>			
Acquisition of fixed asset, investment property and property under construction against creditors and payables	41,280	47,413	38,118
Securitization of loan portfolio against debtors	-	-	314,748
Dividend declared but not yet paid to Company's shareholders	40,000	-	-
Dividend declared but not yet paid to holders of non-controlling interests	61,836	3,846	51,528

**CONDENSED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 3:- SEGMENTS OF ACTIVITY**

a. The Company operates in the following segments of activity:

1. The segment of life assurance and long term savings

The segment of life assurance and long term savings includes the lines of life assurance and it focuses mainly, on insurance coverage for various risks such as: death, disability, disability income insurance, etc. and on long term savings (in the framework of various types of life insurance policies).

2. Health insurance segment

The segment of health insurance includes medical expenses, personal accident, dread disease and travel abroad.

3. General insurance segment

The segment of general insurance includes the liability and property branches. Pursuant to the Regulator of Insurance's directives, the general insurance segment is detailed according to the lines of motor act, motor casco, property and others and other liability lines.

a. The motor act insurance line of business

The motor act insurance line of business focuses on coverages that their acquisition by the owner of the vehicle or the driver is compulsory by law and it provides a coverage for bodily injuries (to the driver of the vehicle, the passengers in the vehicle or to the pedestrians), as a result of the use of the motor vehicle.

b. The motor casco line of business

The motor casco line of business focuses on the property damage coverage for the insured vehicle and property damages that the insured vehicle will cause to a third party.

c. Property and other branches

The rest of the insurance lines of business that are not vehicle and liabilities mainly residential line.

**CONDENSED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 3:- SEGMENTS OF ACTIVITY (Cont.)**

a. The Company operates in the following segments of activity: (Cont.)

3. General insurance segment (Cont.)

d. Other liabilities branches

Liabilities lines are designated for coverage of the policyholder liabilities in respect of damage he causes to a third party including: third party liability, employers' liability and professional liability.

4. Granting of consumer credit segment

Includes granting of consumer credit activity for the acquisition of vehicles (mainly second hand), granting of credit for loans for any purpose and granting loans for special purposes in different businesses.

5. Investment property

Includes mainly the lease of office buildings in Israel, Canada, Poland and Belgium.

**CONDENSED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 3:- SEGMENTS OF ACTIVITY (Cont.)**

b. Hereunder are the results of the segments of activity:

	Three months ended as at March 31, 2018										
	Investment property	Life assurance and long term savings	Health insurance	Motor act	General insurance			Consumer credit granted	Unallocated and offset in activities between segments	Total	
		Motor casco			Property and others	Other liabilities	Total				
					Unaudited						
NIS in thousands											
<b>INCOME</b>											
Gross premiums earned	-	71,015	59,786	135,647	302,008	46,368	4,586	488,609	-	-	619,410
Premiums earned by reinsurers	-	8,415	2,474	20,281	833	12,171	311	33,596	-	-	44,485
Premiums earned on retention	-	62,600	57,312	115,366	301,175	34,197	4,275	455,013	-	-	574,925
Income from lease of properties	59,451	-	-	-	-	-	-	-	-	(1,783)	57,668
Increase in value of investment property and property under construction, net	848	-	-	-	-	-	-	-	-	-	848
Net gains (losses) from investments and other finance income (expenses)	(4,256)	(1,463)	166	6,179	1,553	84	185	8,001	15	6,597	9,060
Income from management fees	-	1,427	-	-	-	-	-	-	-	-	1,427
Income from grant of consumer credit	-	-	-	-	-	-	-	-	148,141	(60)	148,081
Income from commissions	-	3,058	685	3,153	-	2,383	-	5,536	-	-	9,279
Other income	-	-	-	-	-	-	-	-	60	108	168
<b>Total income</b>	<b>56,043</b>	<b>65,622</b>	<b>58,163</b>	<b>124,698</b>	<b>302,728</b>	<b>36,664</b>	<b>4,460</b>	<b>468,550</b>	<b>148,216</b>	<b>4,862</b>	<b>801,456</b>
<b>EXPENSES</b>											
Payments and change in liabilities in respect of gross insurance contracts and investment contracts	-	30,852	24,255	125,493	224,811	24,253	3,256	377,813	-	(308)	432,612
Reinsurers' share of payments and in change in liabilities in respect of insurance contracts	-	8,912	1,097	18,529	67	3,592	348	22,536	-	-	32,545
Payments and change in liabilities in respect of insurance contracts and investment contracts on retention	-	21,940	23,158	106,964	224,744	20,661	2,908	355,277	-	(308)	400,067
Marketing and other acquisition expenses	-	14,601	16,873	14,781	31,719	6,226	744	53,470	39,125	(763)	123,306
Maintenance, administrative and general expenses	16,107	5,259	7,022	4,963	11,090	2,101	210	18,364	44,722	2,401	93,875
Finance expenses	24,733	18	-	86	136	11	-	233	6,263	11,405	42,652
Other expenses	-	-	-	-	-	-	-	-	-	129	129
<b>Total expenses</b>	<b>40,840</b>	<b>41,818</b>	<b>47,053</b>	<b>126,794</b>	<b>267,689</b>	<b>28,999</b>	<b>3,862</b>	<b>427,344</b>	<b>90,110</b>	<b>12,864</b>	<b>660,029</b>
Income (loss) before taxes on income	15,203	23,804	11,110	(2,096)	35,039	7,665	598	41,206	58,106	(8,002)	141,427
Other comprehensive income (loss) after taxes on income	12,346	-	-	(812)	(204)	(11)	(24)	(1,051)	-	(979)	10,316
<b>Comprehensive income (loss) before taxes on income</b>	<b>27,549</b>	<b>23,804</b>	<b>11,110</b>	<b>(2,908)</b>	<b>34,835</b>	<b>7,654</b>	<b>574</b>	<b>40,155</b>	<b>58,106</b>	<b>(8,981)</b>	<b>151,743</b>



**CONDENSED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 3:- SEGMENTS OF ACTIVITY (Cont.)**

b. Hereunder is the breakdown of results of the segments of activity: (Cont.)

	Three months ended as at March 31, 2017										
	Investment property	Life assurance and long term savings	Health insurance	General insurance				Consumer credit granted	Unallocated and offset in activities between segments	Total	
				Motor act	Motor casco	Property					
						and others	Other liabilities				
Unaudited											
NIS in thousands											
<b>INCOME</b>											
Gross premiums earned	-	67,003	49,839	117,559	251,045	43,096	4,012	415,712	-	-	532,554
Premiums earned by reinsurers	-	7,575	2,440	7,782	576	8,018	292	16,668	-	-	26,683
Premiums earned on retention	-	59,428	47,399	109,777	250,469	35,078	3,720	399,044	-	-	505,871
Income from lease of properties	53,411	-	-	-	-	-	-	-	-	(1,558)	51,853
Net gains (losses) from investments and other finance income (expenses)	7,241	1,447	197	5,593	1,435	207	153	7,388	(5)	6,027	22,295
Income from management fees	-	1,573	-	-	-	-	-	-	-	-	1,573
Income from grant of consumer credit	-	-	-	-	-	-	-	-	87,842	(9)	87,833
Income from commissions	-	2,958	628	-	-	1,229	-	1,229	-	-	4,815
Other income	-	-	-	-	-	-	-	-	35	-	35
Total income	60,652	65,406	48,224	115,370	251,904	36,514	3,873	407,661	87,872	4,460	674,275
<b>EXPENSES</b>											
Payments and change in liabilities in respect of gross insurance contracts and investment contracts	-	34,945	18,029	109,151	192,237	18,662	2,422	322,472	-	(292)	375,154
Reinsurers' share of payments and in change in liabilities in respect of insurance contracts	-	3,949	1,502	11,163	70	1,655	(79)	12,809	-	-	18,260
Payments and change in liabilities in respect of insurance contracts and investment contracts on retention	-	30,996	16,527	97,988	192,167	17,007	2,501	309,663	-	(292)	356,894
Marketing and other acquisition expenses	-	11,508	12,968	13,272	27,771	5,143	856	47,042	32,034	(724)	102,828
Maintenance, administrative and general expenses	15,750	6,094	5,802	6,074	11,941	1,659	255	19,929	32,939	1,416	81,930
Finance expenses	29,617	19	-	-	-	15	-	15	6,329	10,922	46,902
Other expenses	-	-	-	-	-	-	-	-	-	81	81
Total expenses	45,367	48,617	35,297	117,334	231,879	23,824	3,612	376,649	71,302	11,403	588,635
Income (loss) before taxes on income	15,285	16,789	12,927	(1,964)	20,025	12,690	261	31,012	16,570	(6,943)	85,640
Other comprehensive loss before taxes on income	(17,292)	-	-	-	-	-	-	-	-	-	(17,292)
Comprehensive income (loss) before taxes on income	(2,007)	16,789	12,927	(1,964)	20,025	12,690	261	31,012	16,570	(6,943)	68,348

**CONDENSED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS****NOTE 35:- SEGMENTS OF ACTIVITY (Cont.)**

b. Hereunder is the breakdown of results of the segments of activity: (Cont.)

	Year ended as at December 31, 2017										
	Investment property	Life assurance and long term savings	Health insurance	General insurance				Consumer credit granted	Unallocated and offset in activities between segments	Total	
				Motor act	Motor casco	Property and others	Other liabilities				Total
	Audited										
NIS in thousands											
<b>INCOME</b>											
Gross premiums earned	-	272,963	218,667	503,505	1,101,172	180,362	16,623	1,801,662	-	-	2,293,292
Premiums earned by reinsurers	-	31,640	9,848	32,348	2,339	33,181	1,184	69,052	-	-	110,540
Premiums earned on retention	-	241,323	208,819	471,157	1,098,833	147,181	15,439	1,732,610	-	-	2,182,752
Income from lease of properties	225,051	-	-	-	-	-	-	-	-	(6,569)	218,482
Increase in value of investment property and property under construction, net	17,001	-	-	-	-	-	-	-	-	-	17,001
Net gains from investments and other finance income	2,080	15,684	1,196	33,145	12,692	2,209	946	48,992	98	42,280	110,330
Income from management fees	-	6,222	-	-	-	-	-	-	-	-	6,222
Income from grant of consumer credit	-	-	-	-	-	-	-	-	423,395	(715)	422,680
Income from commissions	-	10,858	1,776	-	531	4,795	-	5,326	-	-	17,960
Company's share in losses of affiliates	-	-	-	-	-	-	-	-	-	(578)	(578)
Other income	31	-	-	-	-	-	-	-	177	191	399
Total income	244,163	274,087	211,791	504,302	1,112,056	154,185	16,385	1,786,928	423,670	34,609	2,975,248
<b>EXPENSES</b>											
Payments and change in liabilities in respect of gross insurance contracts and investment contracts	-	142,471	89,063	459,104	811,969	81,491	10,050	1,362,614	-	(1,213)	1,592,935
Reinsurers' share of payments and in change in liabilities in respect of insurance contracts	-	14,272	7,578	25,073	75	5,959	651	31,758	-	-	53,608
Payments and change in liabilities in respect of insurance contracts and investment contracts on retention	-	128,199	81,485	434,031	811,894	75,532	9,399	1,330,856	-	(1,213)	1,539,327
Marketing and other acquisition expenses	-	45,503	51,761	59,577	125,543	23,677	2,134	210,931	144,596	(3,011)	449,780
Maintenance, administrative and general expenses	62,905	24,795	23,494	20,980	47,387	6,826	663	75,856	142,718	9,444	339,212
Finance expenses	110,452	81	-	-	(525)	58	-	(467)	31,602	50,273	191,941
Other expenses	107	-	-	-	-	-	-	-	-	791	898
Total expenses	173,464	198,578	156,740	514,588	984,299	106,093	12,196	1,617,176	318,916	56,284	2,521,158
Income (loss) before taxes on income	70,699	75,509	55,051	(10,286)	127,757	48,092	4,189	169,752	104,754	(21,675)	454,090
Other comprehensive (income) loss before taxes on income	26,345	(1,129)	(1,260)	(1,158)	(2,957)	(461)	(42)	(4,618)	-	-	19,338
Comprehensive income (loss) before taxes on income	97,044	74,380	53,791	(11,444)	124,800	47,631	4,147	165,134	104,754	(21,675)	473,428