

DIRECT INSURANCE FINANCIAL INVESTMENTS LTD.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2017

Please find attached an extract English translation of the Hebrew version of the consolidated financial statements of Direct Insurance Financial Investments Ltd. which were approved on March 14, 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 CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2017

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**Independent Auditors' Report
to the Shareholders of
Direct Insurance Financial Investments Ltd.**

Review of the components of internal control over financial reporting

**Pursuant to Section 9b(c) to the Israeli Securities Regulations
(Periodic and Immediate Reports), 1970**

We have audited the components of internal control over financial reporting of Direct Insurance Financial Investments Ltd. and its subsidiaries (hereunder collectively - the Company) as at December 31, 2017. These control components were determined as explained in the following paragraph. The Company's Board of Directors and Management are responsible for maintaining effective internal control over financial reporting, and for their assessment of the effectiveness of internal control over financial reporting included in the accompanying periodic report for the said date. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

The components of internal control over financial reporting audited by us were prescribed in accordance with Auditing Standard 104 of the Institute of Certified Public Accountants in Israel "Audit of Components of Internal Control over Financial Reporting", as amended (hereunder – Auditing Standard 104). These components are entity-level controls, including financial statements closing and preparation process controls and information technology general controls (hereunder - "the audited control components") and controls over processes that are very significant to the financial reporting and disclosure in the Company and its subsidiaries.

We conducted our audit in accordance with Auditing Standard 104. The Standard requires that we plan and perform the audit to identify the control components that are auditable in accordance with the provisions of the Regulations and to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, identifying the control components that are auditable in accordance with the provisions of the Regulations, assessing the risk that a material weakness exists regarding the audited control components and testing and evaluating the design and operating effectiveness of the audited control components based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. According to the Regulations, our audit only addressed the audited control components, as opposed to internal control over the corporation's overall significant processes relating to financial reporting. Moreover, our audit did not address any reciprocal effects between the audited control components and unaudited ones and accordingly, our opinion does not take into account any such possible effects. We believe that our audit provides a reasonable basis for our opinion within the context described above.

Because of its inherent limitations, internal control over financial reporting as a whole, and specifically the components therein, may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting with respect to the audited control components as at December 31, 2017.

We have also audited, in accordance with generally accepted auditing standards in Israel, the consolidated financial statements of the Company as of December 31, 2017 and 2016 and for each of the three years in the period ended December 31, 2017 and our report dated March 14, 2018 expressed an unqualified opinion of those financial statements. We also drew attention to Note 42a and Note 42b to the annual consolidated financial statements regarding the exposure to requests to approve claims as class actions in subsidiaries.

Tel-Aviv, Israel
March 14, 2018

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

AUDITORS' REPORT

To the Shareholders of

DIRECT INSURANCE FINANCIAL INVESTMENTS LTD.

We have audited the accompanying consolidated statements of financial position of DIRECT INSURANCE FINANCIAL INVESTMENTS LTD. (hereunder - the Company) as at December 31, 2017 and 2016, and the related consolidated statements of profit or loss and other comprehensive income (loss), statements of changes in equity, and statements of cash flows for each of the three years in the period ended as at December 31, 2017. These financial statements are the responsibility of the Company's Board of Directors and Management. Our responsibility is to express an opinion on these financial statements based on our audits.

We did not review the financial statements of certain subsidiaries, whose assets constitute about 22.6% and about 23% of total consolidated assets as at December 31, 2017 and 2016, respectively, and whose revenues constitute about 4.8%, about 5.6% and about 6.3% of total consolidated revenues for the years ended as at December 31, 2017, 2016 and 2015, respectively. The financial statements of those companies were audited by other auditors whose reports were furnished to us and our opinion, insofar as it relates to the amounts included for those companies, is based on the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards in Israel, including those prescribed by the Israeli Auditors' Regulations (Auditor's Mode of Performance), 1973. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and information in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Board of Directors and Management of the Company, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provides a reasonable basis for our opinion.

In our opinion, based on our audit and on the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company and its subsidiaries as at December 31, 2017 and 2016 and the results of their activities, the changes in equity and cash flows, for each of the three years in the period ended as at December 31, 2017, in conformity with the International Financial Reporting Standards (IFRS) and in accordance with the disclosure requirements as prescribed by the Regulator of Insurance according to the Supervision of Financial Services (Insurance) Law, 1981. Furthermore, in our opinion, the financial statements referred to above are prepared in accordance with the directives of the Israeli Securities Regulations (Preparation of Annual Financial Statements), 2010, insofar as these Regulations apply to insurance companies.

Without qualifying our opinion, we draw attention to Note 42a and Note 42b to the annual consolidated financial statements regarding exposure to class actions and the approval of claims as class actions of subsidiaries.

We have also audited, in accordance with Auditing Standard 104 of the Institute of Certified Public Accountants in Israel, "Audit of Components of Internal Control over Financial Reporting", the Company's components of internal control over financial reporting as of December 31, 2017, and our report dated March 14, 2018 expressed an unqualified opinion on the effective existence of those components.

Tel-Aviv,
March 14, 2018

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31,	
	2017	2016
	NIS in thousands	
CURRENT ASSETS		
Cash and cash equivalents	881,057	1,132,635
Cash and cash equivalents for yield-dependent contracts	8,279	10,740
Financial assets	579,375	1,009,628
Derivatives	2,198	3,065
Outstanding insurance premiums	540,705	454,819
Debtors and receivables	498,276	142,034
Deposits	18,030	206,836
Current taxes receivable	75,357	53,626
Reinsurance assets	55,214	49,118
Deferred acquisition costs	98,515	84,530
	<u>2,757,006</u>	<u>3,147,031</u>
Assets designated for sale	<u>844,634</u>	<u>791,809</u>
	<u>3,601,640</u>	<u>3,938,840</u>
NON-CURRENT ASSETS		
Financial assets	2,557,583	1,745,676
Derivatives	6,485	7,781
Reinsurance assets	138,995	123,437
Debtors and receivables	88,458	59,523
Deposits	92,943	44,447
Deferred acquisition costs	199,426	178,298
Investment property and investment property under construction	3,873,869	3,621,637
Fixed assets	178,658	147,534
Goodwill and intangible assets	231,290	191,908
Deferred taxes	5,451	2,458
	<u>7,373,158</u>	<u>6,122,699</u>
	<u>10,974,798</u>	<u>10,061,539</u>

DIRECT INSURANCE FINANCIAL INVESTMENTS LTD.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31,	
	2017	2016
	NIS in thousands	
CURRENT LIABILITIES		
Financial liabilities	1,363,466	1,222,215
Creditors and payables	537,146	435,049
Current taxes payable	609	12,840
Derivatives	13,210	24,267
Liabilities for borrowing of securities	-	183,126
Liabilities for insurance contracts and investment contracts	1,186,408	1,017,491
	3,100,839	2,894,988
NON-CURRENT LIABILITIES		
Financial liabilities	3,888,991	3,620,295
Employee benefit liabilities, net	30,837	(* 22,134
Creditors and payables	37,509	25,424
Liabilities for insurance contracts and investment contracts	2,045,495	(* 1,900,766
Derivatives	20,206	26,671
Deferred taxes	204,202	220,263
	6,227,240	5,815,553
EQUITY		
Share capital	57,554	77,715
Share premium	-	180,848
Reserves	(80,843)	(104,928)
Retained earnings	714,411	689,682
Treasury shares	-	(249,733)
Total equity attributed to shareholders of the Company	691,122	593,584
Non-controlling interests	955,597	757,414
Total equity	1,646,719	1,350,998
	10,974,798	10,061,539

*) Reclassified

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

	Year ended as at December 31,		
	2017	2016	2015
	NIS in thousands		
INCOME			
Premiums earned on retention	2,182,752	1,924,712	1,642,030
Income from lease of properties	218,482	215,302	195,833
Increase in value of investment property and properties under construction, net	17,001	22,437	43,583
Net gains on investments and other finance income	110,330	88,152	84,126
Income from management fees	6,222	6,513	7,119
Income from grant of consumer credit	422,680	294,613	228,018
Income from commissions	17,960	17,604	15,115
Company's share in losses of affiliate	(578)	(1,333)	(2,000)
Other income	399	208	145
Total income	2,975,248	2,568,208	2,213,969
EXPENSES			
Payments and change in liabilities in respect of insurance contracts and investment contracts on retention	1,539,327	1,467,224	1,059,636
Marketing and other acquisition expenses	449,780	383,582	334,736
Maintenance, general and administrative expenses	339,212	267,288	243,681
Finance expenses	191,941	193,503	187,295
Other expenses	898	892	359
Total expenses	2,521,158	2,312,489	1,825,707
Income before taxes on income	454,090	255,719	388,262
Taxes on income	116,700	118,882	162,259
Net income	337,390	136,837	226,003
Other comprehensive income (loss) (after the tax effect):			
Amounts that will be reclassified subsequently to profit or loss:			
Profit (loss) in respect of cash flow hedging transactions	7,288	(7,809)	9,376
Adjustments resulting from the translation of the financial statements of activities abroad	(3,282)	(13,260)	(134,438)
Amounts that will not be reclassified subsequently to profit or loss:			
Revaluation in respect of fixed assets	15,554	-	-
Loss from remeasurement in respect of defined benefit plans	(4,612)	(737)	(343)
Total other comprehensive income (loss)	14,948	(21,806)	(125,405)
Total comprehensive income	352,338	115,031	100,598

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

	Year ended as at December 31,		
	2017	2016	2015
	NIS in thousands (except net earnings per share data)		
Net income attributed to:			
Shareholders of the Company	163,881	45,718	103,525
Non-controlling interests	173,509	91,119	122,478
	<u>337,390</u>	<u>136,837</u>	<u>226,003</u>
Total comprehensive income attributed to:			
Shareholders of the Company	171,160	35,453	31,257
Non-controlling interests	181,178	79,578	69,341
	<u>352,338</u>	<u>115,031</u>	<u>100,598</u>
Net earnings per share attributed to shareholders of the Company (in NIS):			
Basic earnings, net	<u>3.32</u>	<u>0.93</u>	<u>2.10</u>
Diluted earnings, net	<u>3.29</u>	<u>0.92</u>	<u>2.07</u>

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributed to the Company's shareholders						Non-controlling interests	Total capital
	Share capital	Share premium	Other reserves	Retained earnings	Treasury shares	Total		
	NIS in thousands							
Balance as at January 1, 2015	77,627	180,494	(23,317)	640,673	(249,733)	625,744	679,247	1,304,991
Net income	-	-	-	103,525	-	103,525	122,478	226,003
Total other comprehensive loss	-	-	(72,268)	-	-	(72,268)	(53,137)	(125,405)
Total comprehensive income (loss)	-	-	(72,268)	103,525	-	31,257	69,341	100,598
Issue of a subsidiary's shares to non-controlling interest holders	-	-	-	11,855	-	11,855	58,744	70,599
Share based payment cost	-	-	-	-	-	-	5,098	5,098
Realization of option warrants into Company shares	88	354	(354)	-	-	88	-	88
Realization of option warrants in subsidiary's shares by non-controlling interest holder	-	-	-	338	-	338	1,587	1,925
Net cumulative effect as of December 31, 2015 of changes in insurance reserves in general insurance	-	-	-	14,477	-	14,477	14,890	29,367
Dividend to the Company's shareholders	-	-	-	(40,000)	-	(40,000)	-	(40,000)
Dividend to non-controlling interest holders	-	-	-	-	-	-	(90,184)	(90,184)
Balance as at December 31, 2015	77,715	180,848	(95,939)	730,868	(249,733)	643,759	738,723	1,382,482
Net income	-	-	-	45,718	-	45,718	91,119	136,837
Total other comprehensive loss	-	-	(10,265)	-	-	(10,265)	(11,541)	(21,806)
Total comprehensive income (loss)	-	-	(10,265)	45,718	-	35,453	79,578	115,031
Realization of option warrants in subsidiary's shares by non-controlling interest holder and acquisition of shares by subsidiary	-	-	-	(1,904)	-	(1,904)	191	(1,713)
Share based payment cost	-	-	1,276	-	-	1,276	3,509	4,785
Dividend to the Company's shareholders	-	-	-	(85,000)	-	(85,000)	-	(85,000)
Dividend to non-controlling interest holders	-	-	-	-	-	-	(64,587)	(64,587)
Balance as at December 31, 2016	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
Share based payment cost	-	-	664	-	-	664	7,489	8,153
Cancellation of treasury shares	(20,161)	(180,848)	-	(48,724)	249,733	-	-	-
Dividend to the Company's shareholders	-	-	-	(65,000)	-	(65,000)	-	(65,000)
Dividend to non-controlling interest holders	-	-	-	-	-	-	(107,942)	(107,942)
Balance as at December 31, 2017	57,554	-	(80,843)	714,411	-	691,122	955,597	1,646,719

DIRECT INSURANCE FINANCIAL INVESTMENTS LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	App.	Year ended as at December 31,		
		2017	2016	2015
		NIS in thousands		
Cash flows provided by (used in) current activities	A	57,290	363,014	(1,286)
CASH FLOWS FROM INVESTMENT ACTIVITY				
Settlement (grant) of deposits		(44,847)	47,800	(29,646)
Acquisition of fixed assets		(24,649)	(23,982)	(20,120)
Acquisition of investment property and property under construction		(242,702)	(139,283)	(380,602)
Interest paid and capitalized to cost of investment property under construction		(4,062)	(985)	(1,525)
Investment in intangible assets		(59,552)	(57,712)	(47,366)
Proceeds from sale of fixed assets		4,717	4,184	2,596
Proceeds from sale of investment property and property under construction		-	27,510	-
Investment in an affiliate, net		(578)	(1,333)	(2,000)
Proceeds in respect of hedging transactions		4,330	4,851	47,634
Payment in respect of hedging transactions		(4,346)	(2,291)	(16,110)
Cash deducted due to acquisitions in the framework of business combination		(6,000)	-	-
Net cash used in investment activities		(377,689)	(141,241)	(447,139)
CASH FLOWS FROM FINANCE ACTIVITIES				
Settlement of CPI hedging transactions		(15,529)	(13,360)	(21,794)
Proceeds from realization of options to Company's shares		-	-	88
Proceeds from realization of options to subsidiary shares		-	304	1,925
Net issue and sale of a subsidiary's shares to non-controlling interest holders, net of tax		108,172	-	70,599
Buy back of shares in subsidiary		-	(2,142)	-
Issue of bonds and subordinated deeds		517,799	1,199,057	251,977
Settlement of bonds and subordinated deeds		(235,022)	(648,656)	(389,506)
Receipt of loans from banking institutions and others		168,631	80,918	520,166
Settlement of loans from banking institutions and others		(353,480)	(180,802)	(161,196)
Dividend paid to holders of non-controlling interests		(62,607)	(58,394)	(90,184)
Dividend paid to Company's shareholders		(65,000)	(85,000)	(40,000)
Change in short term credit from banking institutions, net		(764)	764	-
Net cash provided by finance activities		62,200	292,689	142,075
Exchange rate differences in respect of balances of cash and cash equivalents		4,160	(1,163)	(15,923)
Increase (decrease) in cash and cash equivalents		(254,039)	513,299	(322,273)
Cash and cash equivalents balance as at the beginning of the year	B	1,143,375	630,076	952,349
Cash and cash equivalents balance as at the end of the year	C	889,336	1,143,375	630,076

DIRECT INSURANCE FINANCIAL INVESTMENTS LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended as at December 31,		
	2017	2016	2015
	NIS in thousands		
APPENDIX A – CASH FLOWS FROM CURRENT ACTIVITIES			
Net income	337,390	136,837	226,003
Adjustments to the profit and loss items:			
Net profits from financial investments for yield dependent insurance contracts and investment contracts	(14,421)	(8,882)	(6,334)
Net profits from other financial investments	(317,032)	(210,604)	(200,942)
Finance expenses for financial liabilities and others	191,941	193,503	187,295
Net investment income and other finance income	(1,184)	(14,282)	(14,989)
Increase in value of investment property and property under construction, net	(17,001)	(22,437)	(43,583)
Loss from sale of fixed assets, net	880	814	357
Depreciation and amortization	58,082	49,758	47,389
Change in liabilities for insurance and investment contracts	313,646	345,029	126,254
Share based payment cost	8,153	4,785	5,098
Change in reinsurance assets	(21,654)	(8,208)	(16,171)
Change in deferred acquisition costs	(35,113)	(33,548)	(21,240)
Company's share in losses of affiliate	578	1,333	2,000
Taxes on income	116,700	118,882	162,259
Other financial investments:			
Sale (acquisition) of financial investments for yield dependent insurance contracts and investment contracts	15,298	2,189	(8,688)
Net sale (acquisition) of other financial investments	(578,136)	(149,222)	74,026
Acquisition and investments in investment property in insurance subsidiary	(821)	(474)	(214,740)
Changes in other assets and liabilities items:			
Short-term credit , net from banking institutions and others in respect of consumer credit grant activities	295,821	323,476	(67,348)
Change in liability in respect of borrowing securities	(183,126)	183,126	-
Change in deposits used as guarantee for borrowing securities transactions, net	187,709	(187,709)	-
Buy back of shares in subsidiary	-	(6,600)	-
Outstanding insurance premiums	(85,886)	(90,354)	(103,674)
Debtors and receivables	(139,086)	(102,955)	(26,421)
Creditors and payables	65,881	51,399	55,238
Liabilities for employee benefits, net	1,696	(292)	4,475
Total adjustments required to present cash flows from current activities	200,315	575,564	166,264
Cash paid and received during the period for:			
Interest paid	(185,864)	(168,918)	(162,201)
Interest received	206,510	133,160	113,679
Taxes paid	(173,465)	(190,266)	(130,258)
Taxes received	1,856	6,666	4,077
Dividend received	7,938	6,808	7,153
Total cash flows provided by (used in) current activities	57,290	363,014	(1,286)

DIRECT INSURANCE FINANCIAL INVESTMENTS LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended as at December 31,		
	2017	2016	2015
	NIS in thousands		
APPENDIX B - CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR:			
Cash and cash equivalents for yield-dependent contracts	10,740	15,519	27,222
Other cash and cash equivalents	1,132,635	614,557	925,127
Balance of cash and cash equivalents as at the beginning of the year	<u>1,143,375</u>	<u>630,076</u>	<u>952,349</u>
APPENDIX C - CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR:			
Cash and cash equivalents for yield-dependent contracts	8,279	10,740	15,519
Other cash and cash equivalents	881,057	1,132,635	614,557
Balance of cash and cash equivalents as at the end of the year	<u>889,336</u>	<u>1,143,375</u>	<u>630,076</u>
APPENDIX D - SIGNIFICANT NON-CASH ACTIVITIES:			
Acquisition of fixed asset, investment property and property under construction against creditors and payables	<u>38,118</u>	<u>40,337</u>	<u>29,934</u>
Securitization of loan portfolio against debtors	<u>314,748</u>	<u>-</u>	<u>-</u>
Dividend declared but not yet paid to non-controlling interests	<u>51,528</u>	<u>6,193</u>	<u>-</u>

NOTE 5:- 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, travel abroad and more.

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 liabilities.

a. The motor act insurance line of business

The motor act insurance line of business focuses on coverage 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.

DIRECT INSURANCE FINANCIAL INVESTMENTS LTD.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5:- 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5:- SEGMENTS OF ACTIVITY (Cont.)

Hereunder are the results of the segments of activity:

	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				
	NIS in thousands										
INCOME											
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 on 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 commission	-	10,858	1,776	-	531	4,795	-	5,326	-	-	17,960
Company's share in losses of affiliate	-	-	-	-	-	-	-	-	-	(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
EXPENSES											
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 expenses 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, general and administrative 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
Segment assets as at December 31, 2017	4,189,802	732,081	172,854					2,902,201	1,845,391	1,132,469	10,974,798
Segment liabilities as at December 31, 2017	3,145,563	634,695	76,262					2,824,166	1,493,501	1,153,892	9,328,079

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5:- SEGMENTS OF ACTIVITY (Cont.)

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

	Year ended as at December 31, 2016										
	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
INCOME											
Gross premiums earned	-	253,801	182,756	450,256	950,271	165,372	16,579	1,582,478	-	-	2,019,035
Premiums earned by reinsurers	-	28,477	10,135	20,795	2,197	31,522	1,197	55,711	-	-	94,323
Premiums earned on retention	-	225,324	172,621	429,461	948,074	133,850	15,382	1,526,767	-	-	1,924,712
Income from lease of properties	221,497	-	-	-	-	-	-	-	-	(6,195)	215,302
Increase in value of investment property and property under construction, net	22,437	-	-	-	-	-	-	-	-	-	22,437
Net gains on investments and other finance income	1,779	10,132	1,089	32,553	10,952	2,249	865	46,619	530	28,003	88,152
Income from management fees	-	6,513	-	-	-	-	-	-	-	-	6,513
Income from grant of consumer credit	-	-	-	-	-	-	-	-	294,684	(71)	294,613
Income from commission	-	12,192	1,758	-	-	3,654	-	3,654	-	-	17,604
Company's share in losses of affiliate	-	-	-	-	-	-	-	-	-	(1,333)	(1,333)
Other income	79	-	-	-	-	-	-	-	129	-	208
Total income	245,792	254,161	175,468	462,014	959,026	139,753	16,247	1,577,040	295,343	20,404	2,568,208
EXPENSES											
Payments and change in liabilities in respect of gross insurance contracts and investment contracts	-	129,107	76,569	485,833	766,092	68,841	10,730	1,331,496	-	(1,206)	1,535,966
Reinsurers' share of payments and in change in liabilities in respect of insurance contracts	-	9,303	6,999	42,466	1,275	7,461	1,238	52,440	-	-	68,742
Payments and change in liabilities in respect of insurance contracts and investment contracts on retention	-	119,804	69,570	443,367	764,817	61,380	9,492	1,279,056	-	(1,206)	1,467,224
Marketing expenses and other acquisition expenses	-	39,941	38,670	55,874	113,693	23,173	2,020	194,760	113,204	(2,993)	383,582
Maintenance, general and administrative expenses	59,238	22,309	21,006	22,668	44,376	6,905	831	74,780	83,069	6,886	267,288
Finance expenses	113,589	89	-	-	-	46	-	46	13,636	66,143	193,503
Other expenses	138	-	-	-	-	-	-	-	1	753	892
Total expenses	172,965	182,143	129,246	521,909	922,886	91,504	12,343	1,548,642	209,910	69,583	2,312,489
Income (loss) before taxes on income	72,827	72,018	46,222	(59,895)	36,140	48,249	3,904	28,398	85,433	(49,179)	255,719
Segment assets as at December 31, 2016	3,897,076	729,138	160,233					2,481,084	1,571,029	1,222,979	10,061,539
Segment liabilities as at December 31, 2016	3,072,333	627,120	66,840					2,498,197	1,278,802	1,167,249	8,710,541

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5:- SEGMENTS OF ACTIVITY (Cont.)

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

	Year ended as at December 31, 2015										
	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
NIS in thousands											
INCOME											
Gross premiums earned	-	230,430	155,108	400,350	785,703	153,704	9,341	1,349,098	-	-	1,734,636
Premiums earned by reinsurers	-	25,682	11,065	24,074	1,705	29,012	1,068	55,859	-	-	92,606
Premiums earned on retention	-	204,748	144,043	376,276	783,998	124,692	8,273	1,293,239	-	-	1,642,030
Income from lease of properties	202,054	-	-	-	-	-	-	-	-	(6,221)	195,833
Increase in value of investment property and property under construction, net	43,583	-	-	-	-	-	-	-	-	-	43,583
Net gains on investments and other finance income	28,354	10,259	3,141	24,793	9,774	3,232	445	38,244	304	3,824	84,126
Income from management fees	-	7,119	-	-	-	-	-	-	-	-	7,119
Income from grant of consumer credit	-	-	-	-	-	-	-	-	228,254	(236)	228,018
Income from reinsurers commission	-	9,692	2,004	-	-	3,419	-	3,419	-	-	15,115
Company's share in losses of affiliate	-	-	-	-	-	-	-	-	-	(2,000)	(2,000)
Other income	-	-	-	-	-	-	-	-	145	-	145
Total income	273,991	231,818	149,188	401,069	793,772	131,343	8,718	1,334,902	228,703	(4,633)	2,213,969
EXPENSES											
Payments and change in liabilities in respect of gross insurance contracts and investment contracts	-	121,283	55,315	293,042	575,552	73,675	5,384	947,653	-	(1,186)	1,123,065
Reinsurers' share of payments and in change in liabilities in respect of insurance contracts	-	15,919	5,699	27,225	4,147	9,870	569	41,811	-	-	63,429
Payments and change in liabilities in respect of insurance contracts and investment contracts on retention	-	105,364	49,616	265,817	571,405	63,805	4,815	905,842	-	(1,186)	1,059,636
Marketing expenses and other acquisition expenses	-	35,940	30,378	52,560	105,922	23,077	1,296	182,855	88,508	(2,945)	334,736
Maintenance, general and administrative expenses	52,572	19,888	17,137	21,552	45,366	8,841	698	76,457	62,899	14,728	243,681
Finance expenses	129,765	-	-	-	-	95	-	95	8,483	48,952	187,295
Other expenses	52	-	-	-	-	-	-	-	-	307	359
Total expenses	182,389	161,192	97,131	339,929	722,693	95,818	6,809	1,165,249	159,890	59,856	1,825,707
Income (loss) before taxes on income	91,602	70,626	52,057	61,140	71,079	35,525	1,909	169,653	68,813	(64,489)	388,262
Segment assets as at December 31, 2015	3,845,798	710,384	122,138					2,158,483	734,397	1,148,405	8,719,605
Segment liabilities as at December 31, 2015	3,027,924	620,488	59,852					2,159,103	473,855	995,901	7,337,123