

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

DIRECT INSURANCE FINANCIAL INVESTMENTS LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2017

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 18, 2017.

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, 2017

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, 2017, and the related condensed interim consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the period of 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 21.9% of the total consolidated assets as at March 31, 2017, and whose revenues constitute about 5.0% 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 a subsidiaries.

Tel-Aviv,
May 18, 2017

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>2017</u>	<u>2016</u>	<u>2016</u>
	<u>Unaudited</u>		<u>Audited</u>
	<u>NIS in thousands</u>		
CURRENT ASSETS			
Cash and cash equivalents	986,424	732,199	1,132,635
Cash and cash equivalents for yield-dependent contracts	9,235	21,661	10,740
Financial assets	969,717	568,115	1,009,628
Derivatives	15,314	1,234	3,065
Outstanding insurance premiums	514,544	435,177	454,819
Debtors and receivables	151,507	127,658	142,034
Deposits	84,441	18,541	206,836
Current taxes receivable	55,632	13,951	53,626
Reinsurance assets	59,179	57,872	49,118
Deferred acquisition costs	99,411	92,490	84,530
	<u>2,945,404</u>	<u>2,068,898</u>	<u>3,147,031</u>
Assets designated for sale	<u>841,561</u>	<u>370,042</u>	<u>791,809</u>
	<u>3,786,965</u>	<u>2,438,940</u>	<u>3,938,840</u>
NON-CURRENT ASSETS			
Financial assets	2,042,083	2,164,074	1,745,676
Derivatives	18,889	-	7,781
Reinsurance assets	126,037	105,950	123,437
Debtors	66,176	41,811	59,523
Deposits	50,462	37,392	44,447
Deferred acquisition costs	183,073	156,693	178,298
Investment property and investment property under construction	3,555,468	3,567,796	3,621,637
Fixed assets	147,088	144,127	147,534
Goodwill and intangible assets	207,431	168,437	191,908
Deferred taxes	1,013	2,168	2,458
	<u>6,397,720</u>	<u>6,388,448</u>	<u>6,122,699</u>
	<u>10,184,685</u>	<u>8,827,388</u>	<u>10,061,539</u>

DIRECT INSURANCE FINANCIAL INVESTMENTS LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	<u>March 31,</u>		<u>December 31,</u>
	<u>2017</u>	<u>2016</u>	<u>2016</u>
	<u>Unaudited</u>		<u>Audited</u>
	<u>NIS in thousands</u>		
CURRENT LIABILITIES			
Financial liabilities	1,265,721	842,828	1,222,215
Creditors and payables	362,863	435,932	435,049
Current taxes payable	6,643	15,890	12,840
Derivatives	13,982	29,944	24,267
Liability in respect of borrowing securities	64,076	-	183,126
Liabilities for insurance contracts and investment contracts	<u>1,134,650</u>	<u>1,007,791</u>	<u>1,017,491</u>
	<u>2,847,935</u>	<u>2,332,385</u>	<u>2,894,988</u>
NON-CURRENT LIABILITIES			
Financial liabilities	3,797,330	3,198,574	3,620,295
Liabilities for employee benefits, net	18,841	16,366	17,911
Creditors and payables	29,596	13,522	25,424
Liabilities for insurance contracts and investment contracts	1,922,320	1,718,663	1,904,989
Derivatives	24,529	48,693	26,671
Deferred taxes	<u>170,583</u>	<u>200,850</u>	<u>220,263</u>
	<u>5,963,199</u>	<u>5,196,668</u>	<u>5,815,553</u>
EQUITY			
Share capital	77,715	77,715	77,715
Share premium	180,848	180,848	180,848
Reserves	(114,717)	(94,625)	(104,928)
Retained earnings	708,531	690,130	689,682
Treasury shares	<u>(249,733)</u>	<u>(249,733)</u>	<u>(249,733)</u>
Total equity attributed to the Company's shareholders	602,644	604,335	593,584
Non-controlling interests	<u>770,907</u>	<u>694,000</u>	<u>757,414</u>
Total equity	<u>1,373,551</u>	<u>1,298,335</u>	<u>1,350,998</u>
	<u>10,184,685</u>	<u>8,827,388</u>	<u>10,061,539</u>

DIRECT INSURANCE FINANCIAL INVESTMENTS LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE LOSS

	Three months ended		Year ended
	March 31,		December 31,
	2017	2016	2016
	Unaudited		Audited
	NIS in thousands		
INCOME			
Premiums earned on retention	505,871	451,090	1,924,712
Income from lease of properties	51,853	52,946	215,302
Increase in value of investment property and properties under construction, net	-	126	22,437
Investment income (losses), net and other finance income (expenses)	22,295	(3,985)	88,152
Income from management fees	1,573	1,695	6,513
Income from grant of consumer credit	87,833	65,417	294,613
Income from reinsurers commissions	4,815	5,147	17,604
Company's share in losses of affiliate	-	-	(1,333)
Other income	35	38	208
Total income	<u>674,275</u>	<u>572,474</u>	<u>2,568,208</u>
EXPENSES			
Payments and change in liabilities in respect of insurance contracts and investment contracts on retention	356,894	329,013	1,467,224
Marketing and other acquisition expenses	102,828	87,075	383,582
Maintenance, general and administrative expenses	81,930	63,468	267,288
Finance expenses	46,902	33,337	193,503
Other expenses	81	129	892
Total expenses	<u>588,635</u>	<u>513,022</u>	<u>2,312,489</u>
Income before taxes on income	85,640	59,452	255,719
Taxes on income (tax benefit)	<u>(11,127)</u>	<u>34,066</u>	<u>118,882</u>
Net income	<u>96,767</u>	<u>25,386</u>	<u>136,837</u>
Other comprehensive income (loss) (after the tax benefit):			
Amounts that will be reclassified to profit or loss:			
Profit (loss) from cash flow hedging transactions	2,825	(14,403)	(7,809)
Adjustments resulting from translation of financial statements of activities abroad	(20,735)	13,654	(13,260)
Amounts that will not be reclassified subsequently to profit or loss:			
Loss from remeasurement in respect of defined benefit plans	-	-	(737)
Total other comprehensive loss	<u>(17,910)</u>	<u>(749)</u>	<u>(21,806)</u>
Total comprehensive income	<u>78,857</u>	<u>24,637</u>	<u>115,031</u>

DIRECT INSURANCE FINANCIAL INVESTMENTS LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE LOSS

	Three months ended March 31,		Year ended December 31,
	2017	2016	2016
	Unaudited		Audited
	NIS in thousands (except for net income per share data)		
Net income attributable to:			
Shareholders of the Company	48,849	10,323	45,718
Non-controlling interests	47,918	15,063	91,119
	96,767	25,386	136,837
Total comprehensive income attributable to:			
Shareholders of the Company	38,894	11,318	35,453
Non-controlling interests	39,963	13,319	79,578
	78,857	24,637	115,031
Net earnings per share attributable to shareholders of the Company (in NIS):			
Basic net earnings	0.99	0.21	0.93
Diluted net earnings	0.99	0.20	0.92

DIRECT INSURANCE FINANCIAL INVESTMENTS LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	<u>Attributable to equity holders of the Company</u>						Non- controlling interests	Total equity
	Share capital	Share premium	Reserves	Retained earnings	Treasury shares	Total		
	NIS in thousands							
<u>Balance at January 1, 2017</u> (Audited)	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 other 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 holders of non- controlling interests	-	-	-	-	-	-	(29,610)	(29,610)
<u>Balance at March 31, 2017</u> (Unaudited)	<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>
	<u>Attributable to equity holders of the Company</u>							
	Share capital	Share premium	Reserves	Retained earnings	Treasury shares	Total	Non- controlling interests	Total equity
	NIS in thousands							
	<u>Balance at January 1, 2016</u> (Audited)	77,715	180,848	(95,939)	730,868	(249,733)	643,759	738,723
Net income	-	-	-	10,323	-	10,323	15,063	25,386
Total other comprehensive income (loss)	-	-	995	-	-	995	(1,744)	(749)
Total comprehensive income	-	-	995	10,323	-	11,318	13,319	24,637
Realization of options to shares in subsidiaries by non-controlling interest holders and acquisition of shares by subsidiary	-	-	-	(1,061)	-	(1,061)	(898)	(1,959)
Cost of share-based payment	-	-	319	-	-	319	1,250	1,569
Dividend to Company's shareholders	-	-	-	(50,000)	-	(50,000)	-	(50,000)
Dividend to holders of non- controlling interests	-	-	-	-	-	-	(58,394)	(58,394)
<u>Balance at March 31, 2016</u> (Unaudited)	<u>77,715</u>	<u>180,848</u>	<u>(94,625)</u>	<u>690,130</u>	<u>(249,733)</u>	<u>604,335</u>	<u>694,000</u>	<u>1,298,335</u>

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company					Total	Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Other reserves	Treasury shares			
	NIS in thousands							
Balance at January 1, 2016 (Audited)	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 options to shares in subsidiaries by non-controlling interest holders and acquisition of shares by subsidiary	-	-	-	(1,904)	-	(1,904)	191	(1,713)
Cost of share-based payment	-	-	1,276	-	-	1,276	3,509	4,785
Dividend to Company's shareholders	-	-	-	(85,000)	-	(85,000)	-	(85,000)
Dividend to holders of non-controlling interests	-	-	-	-	-	-	(64,587)	(64,587)
Balance at December 31, 2016 (Audited)	<u>77,715</u>	<u>180,848</u>	<u>(104,928)</u>	<u>689,682</u>	<u>(249,733)</u>	<u>593,584</u>	<u>757,414</u>	<u>1,350,998</u>

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

	Three months ended March 31,		Year ended December 31,
	2017	2016	2016
	Unaudited		Audited
	NIS in thousands		
CASH FLOWS PROVIDED BY (USED IN) CURRENT ACTIVITIES (App. A)	(76,955)	230,039	363,014
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Settlement (grant) of deposits	(6,730)	(1,746)	47,800
Acquisition of fixed assets	(3,233)	(2,866)	(23,982)
Acquisition of investment property and investment property under construction	(27,936)	(25,620)	(139,283)
Interest paid and capitalized to cost of investment property under construction	(825)	-	(985)
Investment in intangible assets	(20,217)	(13,518)	(57,712)
Proceeds from sale of fixed assets	363	603	4,184
Proceeds from sale of investment property and investment property under construction	-	18,347	27,510
Investment in affiliates, net	-	-	(1,333)
Proceeds from hedging transactions	1,567	-	4,851
Payment for hedging transactions	-	(1,200)	(2,291)
Net cash used in investment activities	(57,011)	(26,000)	(141,241)
CASH FLOWS FROM FINANCE ACTIVITIES			
Settlement of CPI hedging transactions	(5,709)	-	(13,360)
Proceeds from the realization of options to subsidiary shares	-	58	304
Buy back of shares in subsidiary	-	(2,142)	(2,142)
Issue of bonds and subordinated deeds	346,874	-	1,199,057
Settlement of bonds and subordinated deeds	(66,248)	(66,449)	(648,656)
Receipt of loans from banking institutions and others	24,227	40,500	80,918
Settlements of loans from banking institutions and others	(249,689)	(45,711)	(180,802)
Dividend paid to non-controlling interest holders	(31,957)	(7,692)	(58,394)
Dividend paid to shareholders of the Company	(30,000)	-	(85,000)
Change in short-term credit from banking institutions, net	(764)	-	764
Net cash provided by (used in) finance activities	(13,266)	(81,436)	292,689
Exchange rate differences in respect of balances of cash and cash equivalents	(484)	1,181	(1,163)
Increase (decrease) in cash and cash equivalents	(147,716)	123,784	513,299
Balance of cash and cash equivalents as at the beginning of the period (App. B)	1,143,375	630,076	630,076
Balance of cash and cash equivalents as at the end of the period (App. C)	995,659	753,860	1,143,375

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

	Three months ended		Year ended
	March 31,		December 31,
	2017	2016	2016
	Unaudited		Audited
	NIS in thousands		
APPENDIX A - CASH FLOWS FROM CURRENT ACTIVITIES			
Net income	96,767	25,386	136,837
Adjustments to the profit and loss items:			
Net losses (profits) from financial investments for yield-dependent insurance contracts and investment contracts	(1,333)	3,197	(8,882)
Net profits from other financial investments	(65,713)	(31,741)	(210,604)
Finance expenses on financial and other liabilities	46,902	33,337	193,503
Net investment losses (income) and other finance expenses (income)	(5,880)	6,906	(14,282)
Increase in value of investment property and real estate under construction, net	-	(126)	(22,437)
Loss from sale of fixed assets, net	81	129	814
Depreciation and amortization:			
Fixed assets	4,505	4,448	17,617
Investment property	1,320	1,063	4,817
Intangible assets	6,874	6,615	27,324
Change in liabilities for insurance contracts and investment contracts	134,490	149,003	345,029
Cost of share-based payment	3,306	1,569	4,785
Change in reinsurance assets	(12,661)	525	(8,208)
Change in deferred acquisition costs	(19,656)	(19,903)	(33,548)
Company's share in losses of affiliate	-	-	1,333
Taxes on income (tax benefit)	(11,127)	34,066	118,882
Other financial investments:			
Sales of financial investments for yield dependent insurance contracts and investment contracts	2,960	6,591	2,189
Net sales (acquisition) of other financial investments	(276,562)	168,451	(149,222)
Acquisition of investment property in insurance company subsidiary	(152)	-	(474)
Changes in other assets and liabilities items:			
Short-term credit, net from banking institutions in respect of consumer credit grant activity	214,352	80,393	323,476
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)
Buy back of shares in subsidiary	-	(6,600)	(6,600)
Outstanding insurance premiums	(59,725)	(70,712)	(90,354)
Debtors and receivable	(30,429)	(26,466)	(102,955)
Creditors and payables	(71,029)	(43,954)	51,399
Employee benefit liabilities, net	930	(717)	(292)
Total adjustments required to present cash flows from current activities	(38,828)	321,460	575,564
Cash paid and received during the period for:			
Interest paid	(48,166)	(42,280)	(168,918)
Interest received	45,311	28,107	133,160
Taxes paid	(39,533)	(84,245)	(190,266)
Taxes received	1,792	4,300	6,666
Dividend received	2,469	2,697	6,808
Total cash flows provided by (used in) current activities	(76,955)	230,039	363,014

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended		Year ended
	March 31,		December 31,
	2017	2016	2016
	Unaudited		Audited
	NIS in thousands		
APPENDIX B - CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE PERIOD			
Cash and cash equivalents for yield-dependent contracts	10,740	15,519	15,519
Other cash and cash equivalents	<u>1,132,635</u>	<u>614,557</u>	<u>614,557</u>
Balance of cash and cash equivalents at beginning of period	<u><u>1,143,375</u></u>	<u><u>630,076</u></u>	<u><u>630,076</u></u>
APPENDIX C - CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD			
Cash and cash equivalents for yield-dependent contracts	9,235	21,661	10,740
Other cash and cash equivalents	<u>986,424</u>	<u>732,199</u>	<u>1,132,635</u>
Balance of cash and cash equivalents as at the end of the period	<u><u>995,659</u></u>	<u><u>753,860</u></u>	<u><u>1,143,375</u></u>
APPENDIX D - SIGNIFICANT NON-CASH TRANSACTIONS			
Acquisition of fixed asset, investment property and real estate under construction against creditors and payables	<u>47,413</u>	<u>29,332</u>	<u>40,337</u>
Dividend declared but not yet paid to Company's shareholders	<u>-</u>	<u>50,000</u>	<u>-</u>
Dividend declared but not yet paid to holders of non-controlling interests	<u>3,846</u>	<u>50,702</u>	<u>6,193</u>

CONDENSED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

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 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 assurance 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 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

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.

These lines include: third party liability, employers' liability and professional liability.

4. Granting of consumer credit segment

Including activities providing credit for the acquisition of vehicle (mostly second-hand), the granting of credit loans for any purpose and providing 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, 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
					Unaudited	NIS in thousands					
INCOME											
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 reinsurers 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
EXPENSES											
Payments and change in liabilities in respect of gross insurance 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 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, general and administrative 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

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, 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
	Unaudited										
NIS in thousands											
INCOME											
Gross premiums earned	-	62,553	41,552	106,157	220,135	39,973	3,469	369,734	-	-	473,839
Premiums earned by reinsurers	-	6,760	2,599	4,949	543	7,607	291	13,390	-	-	22,749
Premiums earned on retention	-	55,793	38,953	101,208	219,592	32,366	3,178	356,344	-	-	451,090
Income from lease of properties	54,520	-	-	-	-	-	-	-	-	(1,574)	52,946
Increase in value of investment property and real estate under construction, net	126	-	-	-	-	-	-	-	-	-	126
Income from management fees	(6,973)	(3,146)	46	3,871	1,397	230	69	5,567	93	428	(3,985)
Income from grant of consumer credit	-	1,695	-	-	-	-	-	-	-	-	1,695
Income from reinsurers commissions	-	-	-	-	-	-	-	-	65,441	(24)	65,417
Income from reinsurers commissions	-	3,497	423	-	-	1,227	-	1,227	-	-	5,147
Other income	-	-	-	-	-	-	-	-	38	-	38
Total income	47,673	57,839	39,422	105,079	220,989	33,823	3,247	363,138	65,572	(1,170)	572,474
EXPENSES											
Payments and change in liabilities in respect of gross insurance and investment contracts	-	22,823	15,165	110,322	176,169	19,371	102	305,964	-	(298)	343,654
Reinsurers' share of payments and in change in liabilities in respect of insurance contracts	-	1,967	1,316	6,176	2,469	2,676	37	11,358	-	-	14,641
Payments and change in liabilities in respect of insurance contracts on retention	-	20,856	13,849	104,146	173,700	16,695	65	294,606	-	(298)	329,013
Marketing and other acquisition expenses	-	9,773	8,559	11,449	25,287	6,069	428	43,233	26,249	(739)	87,075
Maintenance, general and administrative expenses	14,808	5,454	4,966	5,158	11,668	1,885	276	18,987	17,548	1,705	63,468
Finance expenses	23,939	19	-	-	-	26	-	26	1,432	7,921	33,337
Other expenses	54	-	-	-	-	-	-	-	-	75	129
Total expenses	38,801	36,102	27,374	120,753	210,655	24,675	769	356,852	45,229	8,664	513,022
Income (loss) before taxes on income	8,872	21,737	12,048	(15,674)	10,334	9,148	2,478	6,286	20,343	(9,834)	59,452

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, 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
	Audited										
NIS in thousands											
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 real estate 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 reinsurers commissions	-	12,192	1,758	-	-	3,654	-	3,654	-	-	17,604
Company's share in losses of affiliates	-	-	-	-	-	-	-	-	-	(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 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 on retention	-	119,804	69,570	443,367	764,817	61,380	9,492	1,279,056	-	(1,206)	1,467,224
Marketing 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