

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

DIRECT INSURANCE FINANCIAL INVESTMENTS LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2019

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 21, 2019.

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, 2019

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, 2019, 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 20.5% of the total consolidated assets as at March 31, 2019, and whose revenues constitute about 5.5% 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 21, 2019

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

DIRECT INSURANCE FINANCIAL INVESTMENTS LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	March 31,	December 31,	
	2019	2018	
	Unaudited	Audited	
	NIS in thousands		
CURRENT ASSETS			
Cash and cash equivalents	638,286	1,050,401	910,622
Cash and cash equivalents for yield-dependent contracts	11,836	10,537	4,881
Financial assets	924,189	705,031	961,274
Derivatives	17,561	4,590	5,567
Outstanding insurance premiums	613,176	592,794	575,807
Debtors and receivables	187,375	(* 157,279)	162,466
Deposits	23,336	19,440	31,350
Current taxes receivable	10,042	4,044	7,791
Reinsurance assets	161,027	90,718	137,416
Deferred acquisition costs	142,225	(* 117,823)	135,012
	2,729,053	2,752,657	2,932,186
Assets designated for sale	1,573,716	1,153,684	1,183,274
	4,302,769	3,906,341	4,115,460
NON-CURRENT ASSETS			
Financial assets	2,817,323	2,436,394	2,675,696
Derivatives	9,895	640	1,283
Reinsurance assets	503,177	203,655	389,099
Debtors and receivables	77,596	37,471	81,268
Deposits	80,664	93,499	83,179
Deferred acquisition costs	205,669	201,402	206,057
Investment property and investment property under construction	4,129,950	3,948,104	4,179,563
Fixed assets	250,240	176,805	189,224
Goodwill and intangible assets	281,231	240,691	271,760
Deferred taxes	5,549	5,309	5,697
	8,361,294	7,343,970	8,082,826
	12,664,063	11,250,311	12,198,286

*) Reclassified.

DIRECT INSURANCE FINANCIAL INVESTMENTS LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	March 31,		December 31,
	2019	2018	2018
	Unaudited		Audited
	NIS in thousands		
CURRENT LIABILITIES			
Financial liabilities	1,704,687	1,196,110	1,371,268
Creditors and payables	869,873	627,588	794,144
Current taxes payable	4,129	8,499	22,664
Derivatives	6,613	15,080	11,907
Liabilities for insurance contracts and investment contracts	1,478,334	1,361,944	1,346,091
	4,063,636	3,209,221	3,546,074
NON-CURRENT LIABILITIES			
Financial liabilities	4,327,580	4,175,977	4,499,463
Liabilities for employee benefits, net	34,591	31,037	34,591
Creditors and payables	105,255	26,132	36,770
Liabilities for insurance contracts and investment contracts	2,207,026	2,028,461	2,203,148
Derivatives	35,717	17,567	30,412
Deferred taxes	195,913	180,219	182,855
	6,906,082	6,459,393	6,987,239
EQUITY			
Share capital	61,563	57,554	61,488
Share premium	141,892	-	140,701
Reserves	(92,899)	(73,624)	(81,790)
Retained earnings	671,203	679,865	647,251
Total equity attributable to the Company's shareholders	781,759	663,795	767,650
Non-controlling interests	912,586	917,902	897,323
Total equity	1,694,345	1,581,697	1,664,973
	12,664,063	11,250,311	12,198,286

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

	Three months ended		Year ended
	March 31,		December 31,
	2019	2018	2018
	Unaudited		Audited
	NIS in thousands		
INCOME			
Premiums earned on retention	543,073	574,925	2,276,858
Income from lease of properties	58,515	57,668	236,200
Increase in value of investment property and properties under construction, net	442	848	24,594
Net gains from investments and other finance income	30,648	9,060	67,495
Income from management fees	1,340	1,427	5,790
Income from grant of consumer credit	147,020	148,081	482,680
Income from commissions	21,818	9,279	64,872
Other income	6,269	168	176
Total income	<u>809,125</u>	<u>801,456</u>	<u>3,158,665</u>
EXPENSES			
Payments and change in liabilities in respect of insurance contracts and investment contracts on retention	379,966	400,067	1,586,734
Marketing and other acquisition expenses	143,502	123,306	552,502
Maintenance, administrative and general expenses	98,051	93,875	383,638
Finance expenses	44,070	42,652	214,054
Other expenses	-	129	525
Total expenses	<u>665,589</u>	<u>660,029</u>	<u>2,737,453</u>
Income before taxes on income	143,536	141,427	421,212
Taxes on income	45,135	52,544	147,945
Net income	<u>98,401</u>	<u>88,883</u>	<u>273,267</u>
Other comprehensive income (loss) (after the tax effect):			
Amounts that will be reclassified subsequently to profit or loss:			
Net change in respect of debt instruments measured at fair value through other comprehensive income (loss)	7,689	(1,387)	(9,854)
Net change in respect of debt instruments measured at fair value through other comprehensive income transferred to profit or loss	1,086	51	1,080
Profit (loss) from cash flow hedging transactions	(4,937)	740	(3,649)
Transfer to profit or loss in respect of cash flow hedging transactions, net	-	1,951	1,951
Adjustments resulting from translation of financial statements of activities abroad	(25,724)	8,879	3,678
Amounts that will not be reclassified subsequently to profit or loss:			
Revaluation in respect of fixed assets	-	-	2,007
Loss from remeasurement in respect of defined benefit plans	-	-	(2,129)
Total other comprehensive income (loss)	<u>(21,886)</u>	<u>10,234</u>	<u>(6,916)</u>
Total comprehensive income	<u>76,515</u>	<u>99,117</u>	<u>266,351</u>

DIRECT INSURANCE FINANCIAL INVESTMENTS LTD.

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

	Three months ended March 31,		Year ended December 31,
	2019	2018	2018
	Unaudited		Audited
	NIS in thousands (except for net income per share data)		
Net income attributable to:			
Shareholders of the Company	53,952	42,383	123,609
Non-controlling interests	44,449	46,500	149,658
	98,401	88,883	273,267
Total comprehensive income attributable to:			
Shareholders of the Company	43,997	46,582	120,018
Non-controlling interests	32,518	52,535	146,333
	76,515	99,117	266,351
Net earnings per share attributable to shareholders of the Company (in NIS):			
Basic earnings, net	1.01	0.86	2.49
Diluted earnings, net	1.00	0.86	2.47

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	Total		
	NIS in thousands						
Balance at January 1, 2019 (Audited)	61,488	140,701	(81,790)	647,251	767,650	897,323	1,664,973
Net income	-	-	-	53,952	53,952	44,449	98,401
Total other comprehensive loss	-	-	(9,955)	-	(9,955)	(11,931)	(21,886)
Total comprehensive income (loss)	-	-	(9,955)	53,952	43,997	32,518	76,515
Share-based payment cost	-	-	37	-	37	953	990
Realization of options to Company shares	75	1,191	(1,191)	-	75	-	75
Dividend to Company's shareholders	-	-	-	(30,000)	(30,000)	-	(30,000)
Dividend of non-controlling interest holders	-	-	-	-	-	(18,208)	(18,208)
Balance at March 31, 2019 (Unaudited)	61,563	141,892	(92,899)	671,203	781,759	912,586	1,694,345

	Attributable to equity holders of the Company				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total		
	NIS in thousands					
Balance at January 1, 2018 (Audited)	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)
Balance at January 1, 2018 after first-time implementation	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
Share-based payment cost	-	89	-	89	1,155	1,244
Dividend to Company's shareholders	-	-	(40,000)	(40,000)	-	(40,000)
Dividend of non-controlling interest holders	-	-	-	-	(69,499)	(69,499)
Balance at March 31, 2018 (Unaudited)	57,554	(73,624)	679,865	663,795	917,902	1,581,697

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	Reserves	Retained earnings			
	Audited						
	NIS in thousands						
Balance at January 1, 2018	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)
Balance at January 1, 2018 after first-time implementation	57,554	-	(77,912)	677,482	657,124	933,711	1,590,835
Net income	-	-	-	123,609	123,609	149,658	273,267
Total other comprehensive loss	-	-	(3,591)	-	(3,591)	(3,325)	(6,916)
Total comprehensive income (loss)	-	-	(3,591)	123,609	120,018	146,333	266,351
Realization of option to subsidiary's shares by non-controlling interest holders	-	-	-	(16)	(16)	615	599
Realization of options to Company shares	39	644	(644)	-	39	-	39
Share-based payment cost	-	-	357	-	357	4,142	4,499
Issue of Company's shares in consideration of subsidiary shares	3,895	140,057	-	(83,824)	60,128	(69,731)	(9,603)
Dividend to Company's shareholders	-	-	-	(70,000)	(70,000)	-	(70,000)
Dividend of non-controlling interest holders	-	-	-	-	-	(117,747)	(117,747)
Balance at December 31, 2018	61,488	140,701	(81,790)	647,251	767,650	897,323	1,664,973

DIRECT INSURANCE FINANCIAL INVESTMENTS LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	<u>App.</u>	<u>Three months ended</u>		<u>Year ended</u>
		<u>March 31,</u>		<u>December 31,</u>
		<u>2019</u>	<u>2018</u>	<u>2018</u>
		<u>Unaudited</u>		<u>Audited</u>
		<u>NIS in thousands</u>		
CASH FLOWS USED IN CURRENT ACTIVITIES	A	(21,086)	(119,194)	(114,651)
CASH FLOWS FROM INVESTMENT ACTIVITIES				
Settlement (grant) of deposits		7,108	(899)	(4,637)
Acquisition of fixed assets		(5,435)	(4,111)	(26,297)
Purchase of investment property and investment property under construction		(48,042)	(43,046)	(239,307)
Interest paid and capitalized to cost of investment property under construction		(1,640)	(1,206)	(6,822)
Investment in intangible assets		(20,104)	(18,651)	(79,809)
Proceeds from sale of fixed assets		150	899	2,907
Proceeds from hedging transactions		270	467	1,378
Payment for hedging transactions		(3,656)	(1,468)	(14,950)
Net cash used in investment activities		<u>(71,349)</u>	<u>(68,015)</u>	<u>(367,537)</u>
CASH FLOWS FROM FINANCE ACTIVITIES				
Settlement of CPI hedging transactions and interest rate determination		134	(2,601)	(2,331)
Proceeds from realization of options to Company's shares		75	-	39
Proceeds from realization of options to subsidiary's shares		-	-	599
Expenses, net in respect of issue of Company's shares		-	-	(273)
Issue of bonds and subordinated deeds		-	437,446	694,274
Settlement of bonds and subordinated deeds		(151,238)	(66,447)	(282,307)
Receipt of loans from banking institutions and others		41,480	71,334	463,698
Settlement of loans from banking institutions and others		(56,116)	(22,328)	(125,510)
Settlement of lease liability		(2,584)	-	-
Dividend paid to non-controlling interest holders		-	(59,193)	(169,275)
Dividend paid to shareholders of the Company		-	-	(70,000)
Net cash provided by (used in) finance activities		<u>(168,249)</u>	<u>358,211</u>	<u>508,914</u>
Exchange rate differences in respect of balances of cash and cash equivalents		<u>(4,697)</u>	<u>600</u>	<u>(559)</u>
Increase (decrease) in cash and cash equivalents		<u>(265,381)</u>	<u>171,602</u>	<u>26,167</u>
Balance of cash and cash equivalents as at the beginning of the period	B	<u>915,503</u>	<u>889,336</u>	<u>889,336</u>
Balance of cash and cash equivalents as at the end of the period	C	<u><u>650,122</u></u>	<u><u>1,060,938</u></u>	<u><u>915,503</u></u>

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended March 31,		Year ended December 31,
	2019	2018	2018
	Unaudited		Audited
	NIS in thousands		
APPENDIX A - CASH FLOWS FROM CURRENT ACTIVITIES			
Net income	98,401	88,883	273,267
Adjustments to the profit and loss items:			
Net losses (profits) from financial investments for yield-dependent insurance contracts and investment contracts	(12,285)	1,373	5,441
Net profits from other financial investments	(111,658)	(93,470)	(348,498)
Finance expenses on financial liabilities and other liabilities	44,070	42,652	214,054
Net investment losses (income) and other finance expenses (income)	(8,642)	7,779	12,096
Increase in value of investment property and property under construction, net	(442)	(848)	(24,594)
Loss (profit) from sale of fixed assets, net	(8)	129	525
Depreciation and amortization	20,643	15,747	66,394
Change in liabilities for insurance contracts and investment contracts	136,121	158,502	317,336
Cost of share-based payment	990	1,244	4,499
Change in reinsurance assets	(137,689)	(100,164)	(332,306)
Change in deferred acquisition costs	(6,825)	(21,844)	(23,800)
Taxes on income	45,135	52,544	147,945
Other financial investments:			
Sale of financial investments for yield dependent insurance contracts and investment contracts	11,126	5,858	13,564
Net sale (acquisition) of other financial investments	(415,870)	31,441	(400,264)
Acquisition and investments in investment property in insurance subsidiary	-	-	(16)
Changes in other assets and liabilities items:			
Short-term credit, net from banking institutions and others in respect of consumer credit grant activities	384,935	(312,676)	(176,397)
Outstanding insurance premiums	(37,369)	(52,089)	(35,102)
Debtors and receivable	(34,468)	(26,643)	(146,153)
Creditors and payables	45,118	23,208	281,436
Employee benefit liabilities	-	200	519
Total adjustments required to present cash flows from current activities	21,283	(178,174)	(150,054)
Cash paid and received during the period for:			
Interest paid	(54,641)	(50,276)	(194,192)
Interest received	62,657	73,740	258,071
Taxes paid	(88,363)	(17,573)	(89,116)
Taxes received	36,277	49,378	50,051
Dividend received	1,701	3,711	10,589
Total cash flows used in current activities	(21,086)	(119,194)	(114,651)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended		Year ended
	March 31,		December 31,
	2019	2018	2018
	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	4,881	8,279	8,279
Other cash and cash equivalents	<u>910,622</u>	<u>881,057</u>	<u>881,057</u>
Balance of cash and cash equivalents at beginning of period	<u><u>915,503</u></u>	<u><u>889,336</u></u>	<u><u>889,336</u></u>
APPENDIX C - CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD			
Cash and cash equivalents for yield-dependent contracts	11,836	10,537	4,881
Other cash and cash equivalents	<u>638,286</u>	<u>1,050,401</u>	<u>910,622</u>
Balance of cash and cash equivalents as at the end of the period	<u><u>650,122</u></u>	<u><u>1,060,938</u></u>	<u><u>915,503</u></u>
APPENDIX D - SIGNIFICANT NON-CASH TRANSACTIONS			
Acquisition of fixed asset, investment property and property under construction against creditors and payables	<u><u>21,666</u></u>	<u><u>41,280</u></u>	<u><u>36,055</u></u>
Recognition of a right to use asset against a lease liability	<u><u>64,165</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Dividend declared but not yet paid to Company's shareholders	<u><u>30,000</u></u>	<u><u>40,000</u></u>	<u><u>-</u></u>
Dividend declared but not yet paid to non-controlling interest holders	<u><u>18,208</u></u>	<u><u>61,836</u></u>	<u><u>-</u></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, 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 assurance 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

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

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, 2019										
	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											
INCOME											
Gross premiums earned	-	74,546	64,075	140,880	317,774	50,983	4,481	514,118	-	-	652,739
Premiums earned by reinsurers	-	8,689	2,473	75,545	858	21,776	325	98,504	-	-	109,666
Premiums earned on retention	-	65,857	61,602	65,335	316,916	29,207	4,156	415,614	-	-	543,073
Income from lease of properties	60,316	-	-	-	-	-	-	-	-	(1,801)	58,515
Increase in value of investment property and properties under construction, net	442	-	-	-	-	-	-	-	-	-	442
Net gains from investments and other finance income	8,512	12,535	233	2,236	1,130	252	87	3,705	899	4,764	30,648
Income from management fees	-	1,340	-	-	-	-	-	-	-	-	1,340
Income from grant of consumer credit	-	-	-	-	-	-	-	-	147,170	(150)	147,020
Income from commissions	-	1,690	544	15,206	-	4,378	-	19,584	-	-	21,818
Other income	6,143	-	-	-	-	-	-	-	9	117	6,269
Total income	75,413	81,422	62,379	82,777	318,046	33,837	4,243	438,903	148,078	2,930	809,125
EXPENSES											
Payments and change in liabilities in respect of gross insurance contracts and investment contracts	-	48,320	26,658	158,369	233,786	34,953	1,546	428,654	-	-	503,632
Reinsurers' share of payments and in change in liabilities in respect of insurance contracts	-	5,899	1,338	99,920	(20)	16,637	(108)	116,429	-	-	123,666
Payments and change in liabilities in respect of insurance contracts and investment contracts on retention	-	42,421	25,320	58,449	233,806	18,316	1,654	312,225	-	-	379,966
Marketing and other acquisition expenses	-	17,819	18,455	14,826	40,025	7,891	486	63,228	44,000	-	143,502
Maintenance, administrative and general expenses	16,760	6,258	7,666	5,552	13,613	2,455	266	21,886	44,222	1,259	98,051
Finance expenses	22,195	17	-	347	109	82	-	538	7,843	13,477	44,070
Total expenses	38,955	66,515	51,441	79,174	287,553	28,744	2,406	397,877	96,065	14,736	665,589
Income (loss) before taxes on income	36,458	14,907	10,938	3,603	30,493	5,093	1,837	41,026	52,013	(11,806)	143,536
Other comprehensive income (loss) before taxes on income	(31,849)	53	39	7,323	3,696	826	281	12,126	-	1,114	(18,517)
Comprehensive income (loss) before taxes on income	4,609	14,960	10,977	10,926	34,189	5,919	2,118	53,152	52,013	(10,692)	125,019

CONDENSED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

NOTE 3:- SEGMENTS OF ACTIVITY (Cont.)

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

	Three months ended as at March 31, 2018										
	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	-	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 properties 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
Total income	56,043	65,622	58,163	124,698	302,728	36,664	4,460	468,550	148,216	4,862	801,456
EXPENSES											
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
Total expenses	40,840	41,818	47,053	126,794	267,689	28,999	3,862	427,344	90,110	12,864	660,029
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) before taxes on income	12,346	-	-	(812)	(204)	(11)	(24)	(1,051)	-	(979)	10,316
Comprehensive income (loss) before taxes on income	27,549	23,804	11,110	(2,908)	34,835	7,654	574	40,155	58,106	(8,981)	151,743

CONDENSED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

NOTE 3:- SEGMENTS OF ACTIVITY (Cont.)

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

	Year ended as at December 31, 2018										
	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				
	Audited										
NIS in thousands											
INCOME											
Gross premiums earned	-	291,357	253,777	553,957	1,266,044	195,375	17,940	2,033,316	-	-	2,578,450
Premiums earned by reinsurers	-	34,317	10,011	187,624	3,410	64,955	1,275	257,264	-	-	301,592
Premiums earned on retention	-	257,040	243,766	366,333	1,262,634	130,420	16,665	1,776,052	-	-	2,276,858
Income from lease of properties	243,282	-	-	-	-	-	-	-	-	(7,082)	236,200
Increase in value of investment property and properties under construction, net	24,594	-	-	-	-	-	-	-	-	-	24,594
Net gains (losses) on investments and other finance income (expenses)	(3,672)	(3,684)	1,295	34,659	12,344	2,223	1,183	50,409	2,608	20,539	67,495
Income from management fees	-	5,790	-	-	-	-	-	-	-	-	5,790
Income from grant of consumer credit	-	-	-	-	-	-	-	-	482,748	(68)	482,680
Income from commissions	-	12,373	2,369	37,250	-	12,880	-	50,130	-	-	64,872
Other income	-	-	-	-	-	-	-	-	50	126	176
Total income	264,204	271,519	247,430	438,242	1,274,978	145,523	17,848	1,876,591	485,406	13,515	3,158,665
EXPENSES											
Payments and change in liabilities in respect of gross insurance contracts and investment contracts	-	127,585	107,220	575,670	906,870	110,353	13,848	1,606,741	-	(1,235)	1,840,311
Reinsurers' share of payments and in change in liabilities in respect of insurance contracts	-	19,615	5,750	193,809	254	32,880	1,269	228,212	-	-	253,577
Payments and change in liabilities in respect of insurance contracts and investment contracts on retention	-	107,970	101,470	381,861	906,616	77,473	12,579	1,378,529	-	(1,235)	1,586,734
Marketing and other acquisition expenses	-	63,460	73,906	69,068	148,888	29,945	2,360	250,261	167,940	(3,065)	552,502
Maintenance, administrative and general expenses	68,580	23,776	31,644	20,474	48,356	9,821	595	79,246	167,202	13,190	383,638
Finance expenses	116,225	68	-	707	461	104	-	1,272	43,696	52,793	214,054
Other expenses	61	-	-	-	-	-	-	-	-	464	525
Total expenses	184,866	195,274	207,020	472,110	1,104,321	117,343	15,534	1,709,308	378,838	62,147	2,737,453
Income (loss) before taxes on income	79,338	76,245	40,410	(33,868)	170,657	28,180	2,314	167,283	106,568	(48,632)	421,212
Other comprehensive income (loss) before taxes on income	4,279	(541)	(599)	(5,281)	(3,107)	(529)	(183)	(9,100)	-	(6,328)	(12,289)
Comprehensive income (loss) before taxes on income	83,617	75,704	39,811	(39,149)	167,550	27,651	2,131	158,183	106,568	(54,960)	408,923