

**Summary Results of the Financial  
Statements  
for the Period January-March  
2017**

**Analysts Review, May 2017**

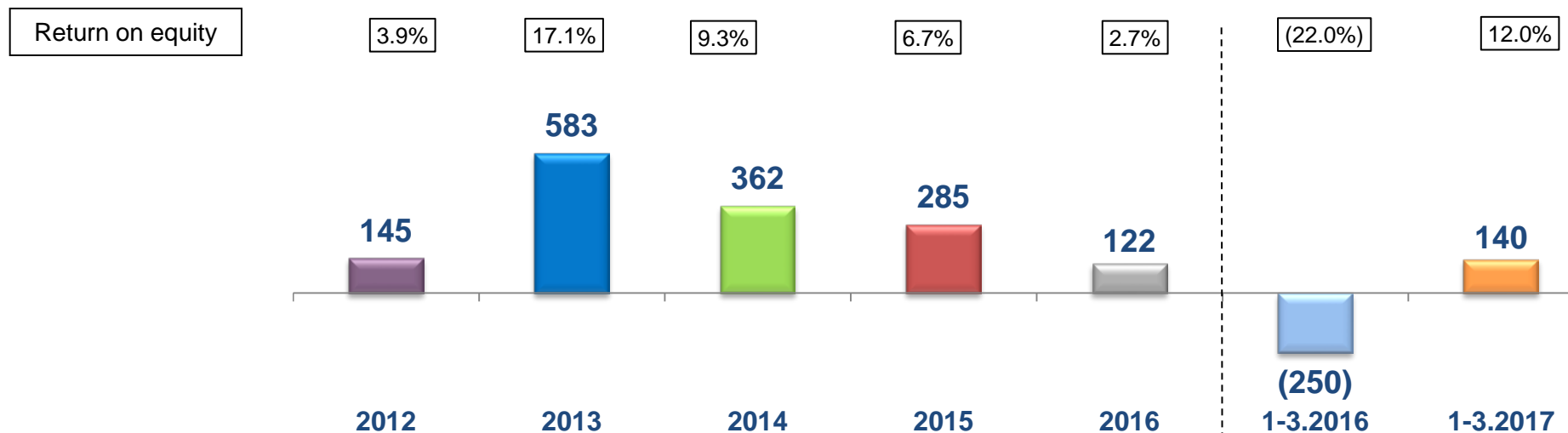
# Limitation of Liability

This presentation includes partial information only with respect to the Company's results for the period January-March 2017, and was prepared for summary and convenience purposes only.

This presentation cannot serve as a substitute for a review of the Company's public reports (including in the Company's financial statements), which contain the complete information regarding the Company, before reaching any decision regarding an investment in the Company's securities.

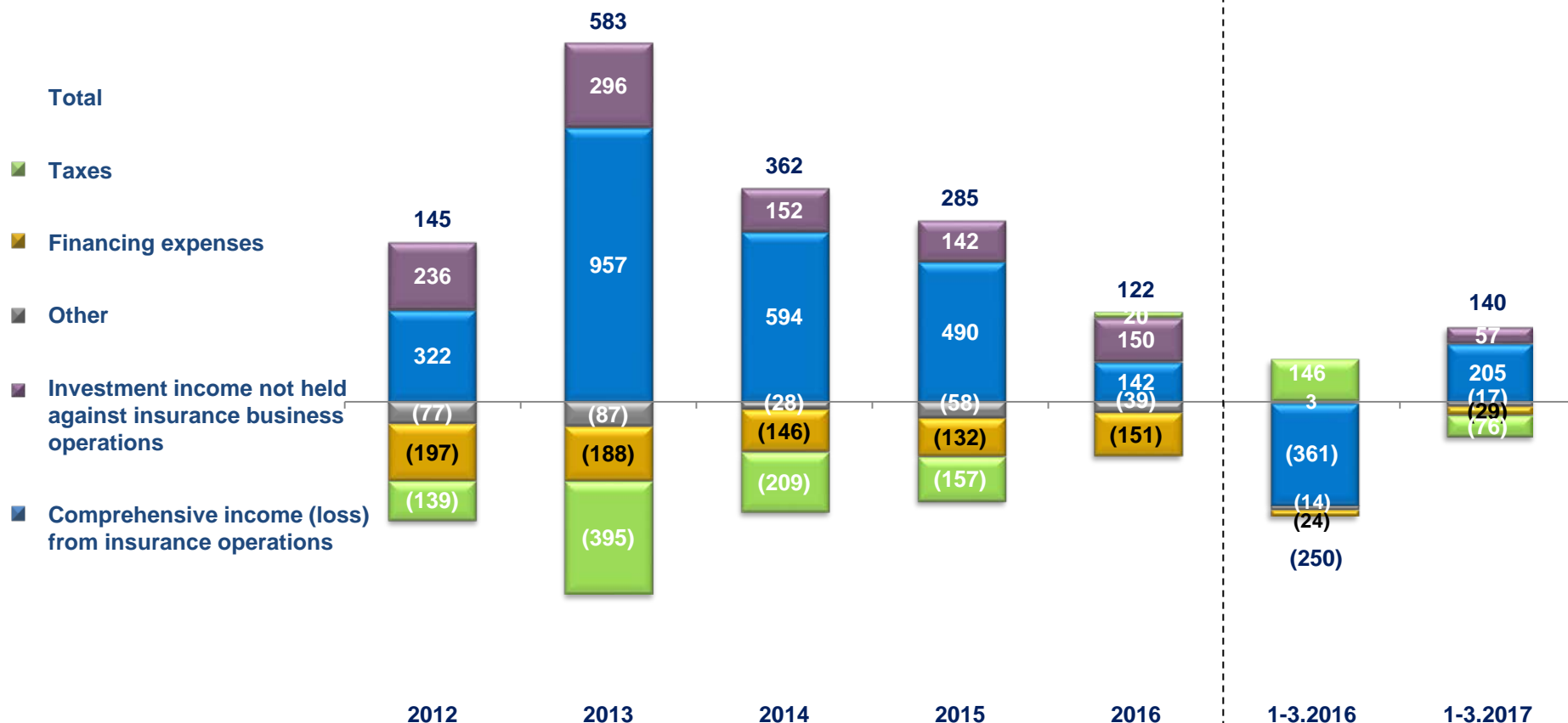
This presentation does not constitute an offer for the acquisition of the Company's securities, nor a request for any such offers, and is intended for the delivery of information only, as part of the provision of explanations regarding the Company.

## Comprehensive Income After Tax Attributable to Shareholders (NIS Millions)

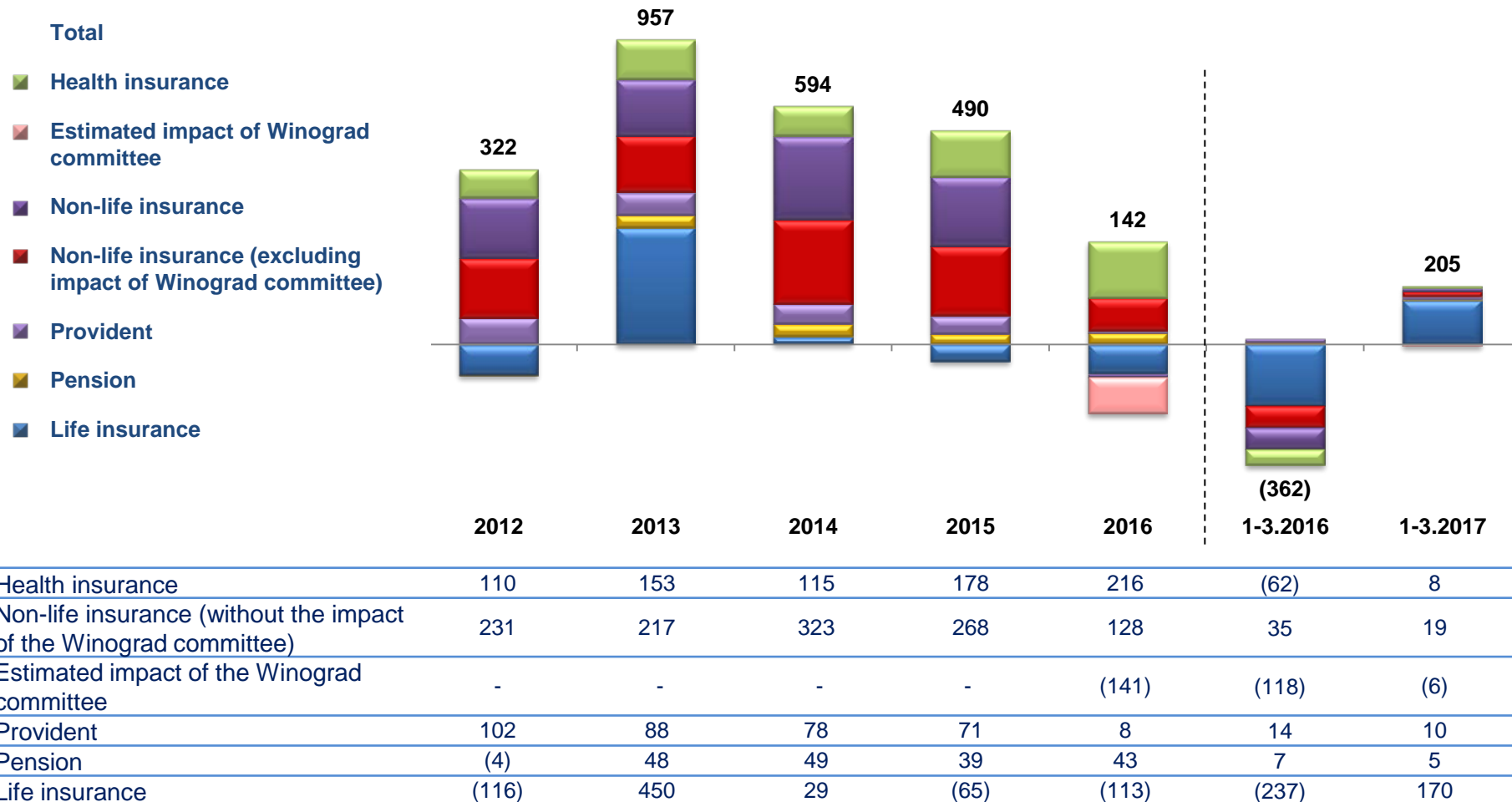


	2012	2013	2014	2015	2016	1-3.2016	1-3.2017
<b>The results include (net of tax):</b>							
Impact of the low interest rate environment on insurance liabilities	(25)	-	(192)	(166)	(124)	(224)	47
Estimated impact of the Winograd committee	-	-	-	-	(90)	(77)	(4)
Special provisions in long term savings	-	-	-	(16)	(65)		
Impairment of goodwill in the provident fund segment	-	-	-		(16)		
Repayment fee for deferred liability notes	-	-	-	(6)	(15)		
Sale of foreign operation	39	-	-	-	-		
Loss in Clal Finance	(47)	(27)	(43)	-	-		
Income from the transition to Atidim	-	-	45	-	-		
Impact of the update of tax rates	-	-	-	5	37		
<b>Total</b>	<b>(33)</b>	<b>(27)</b>	<b>(190)</b>	<b>(183)</b>	<b>(274)</b>	<b>(300)</b>	<b>43</b>
<b>Comprehensive income without these effects</b>	<b>178</b>	<b>610</b>	<b>552</b>	<b>468</b>	<b>396</b>	<b>50</b>	<b>97</b>
<b>Normalized return on equity</b>	<b>4.8%</b>	<b>17.9%</b>	<b>14.1%</b>	<b>11.0%</b>	<b>8.7%</b>	<b>4.4%</b>	<b>8.3%</b>

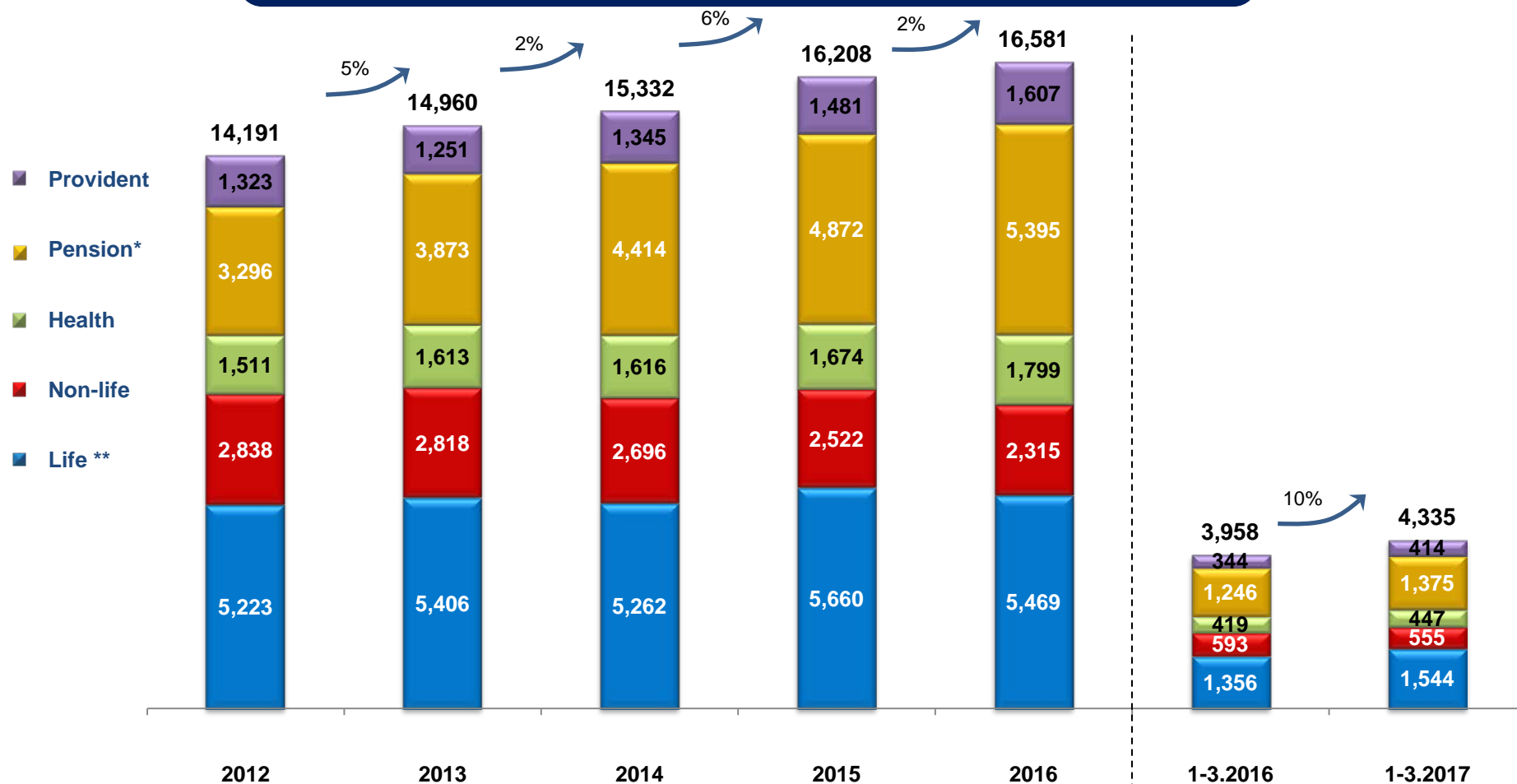
## Composition of Comprehensive Income After Tax Attributable to Shareholders (NIS Millions)



## Comprehensive Income Before Tax from Insurance Operations by Segments (NIS Millions)



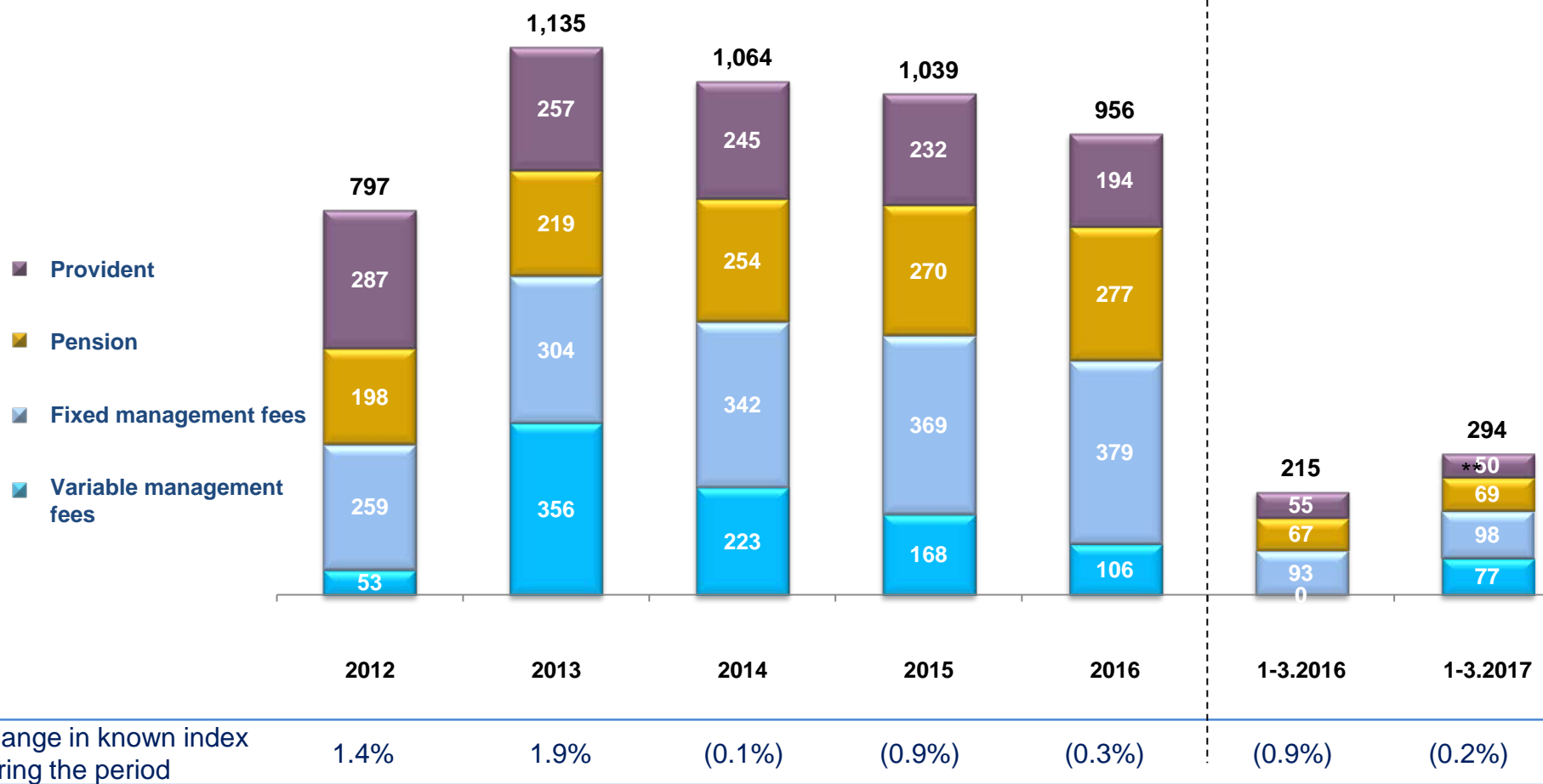
## Gross Premiums Earned and Contributions (NIS Millions)



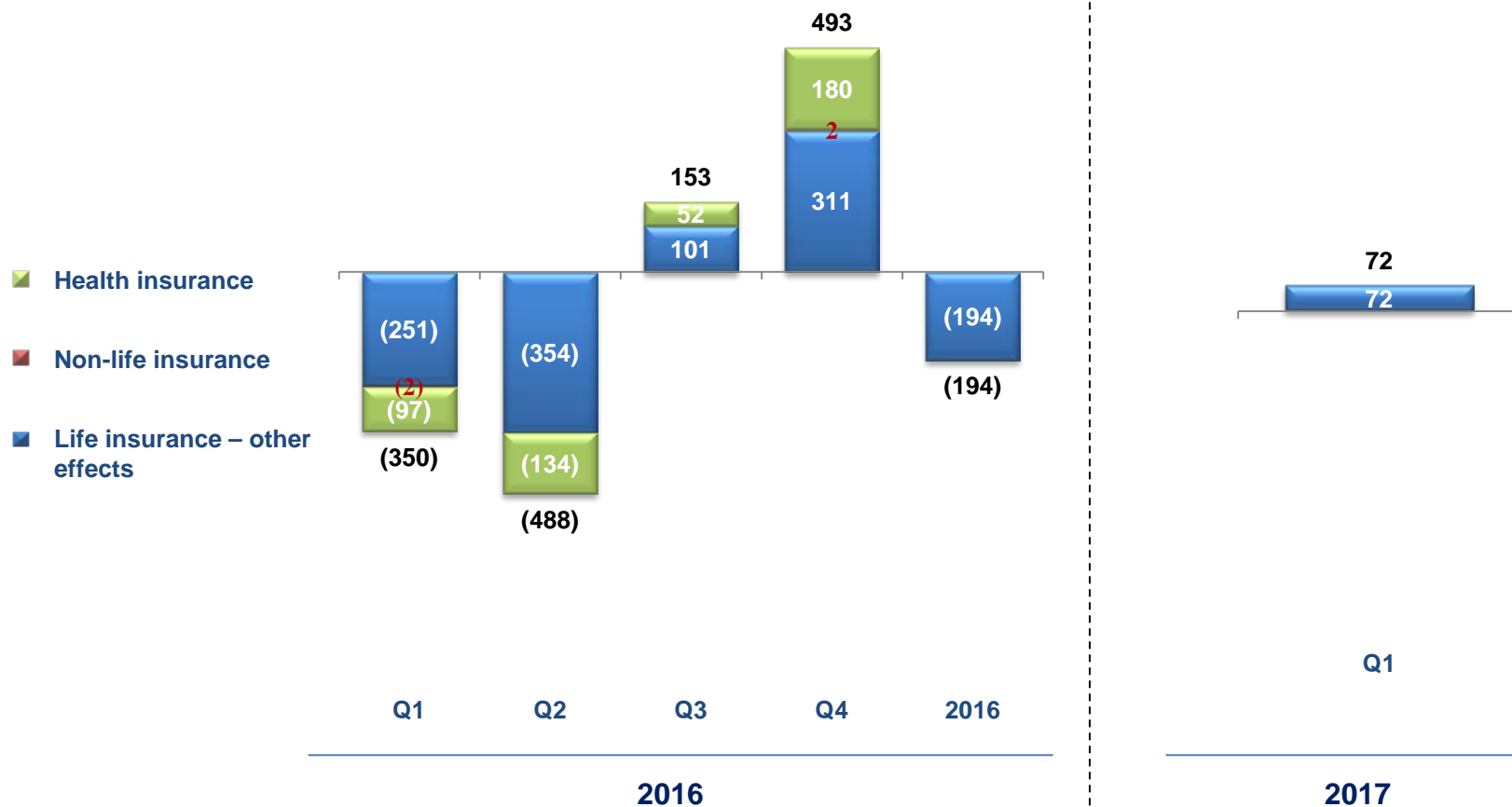
\* Excluding central provident fund for severance pay and for other purposes

\*\* Including investment contracts

## Long Term Savings Segment - Management Fees (NIS Millions)



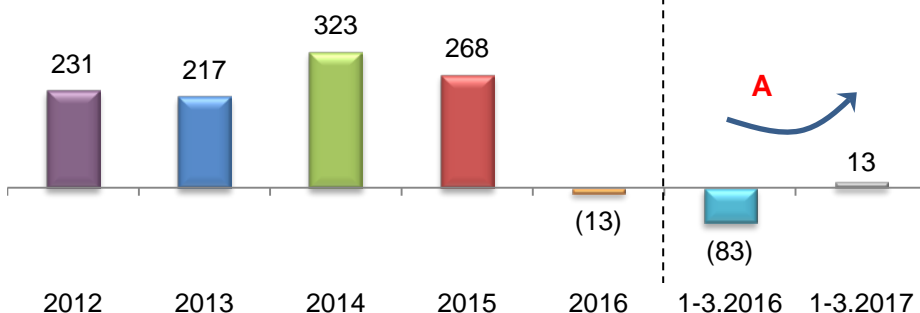
## Impact of the Low Interest Rate Environment on Profit Before Tax with Respect to Insurance Liabilities (NIS Millions)



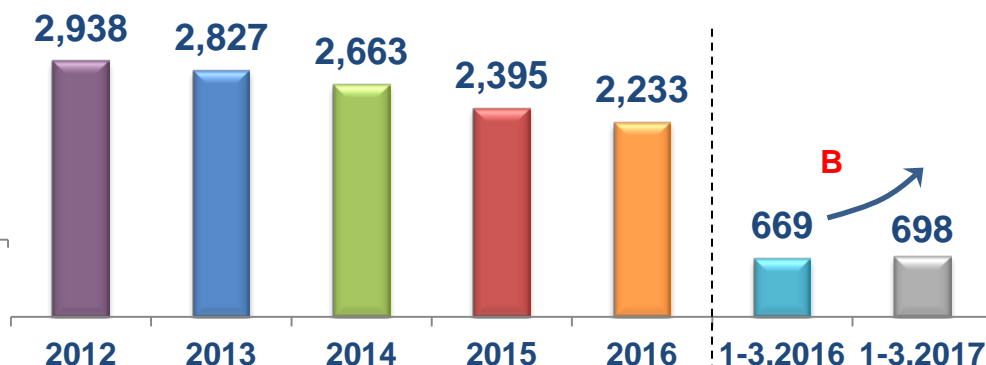


# Non-Life Insurance - Main Results

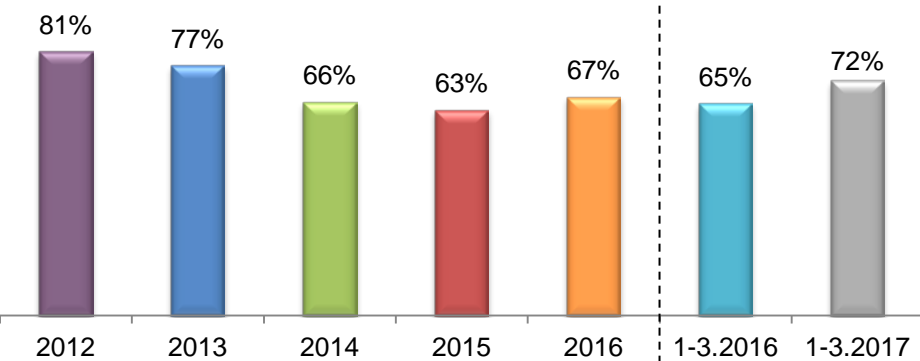
**Comprehensive income (loss)  
before tax**



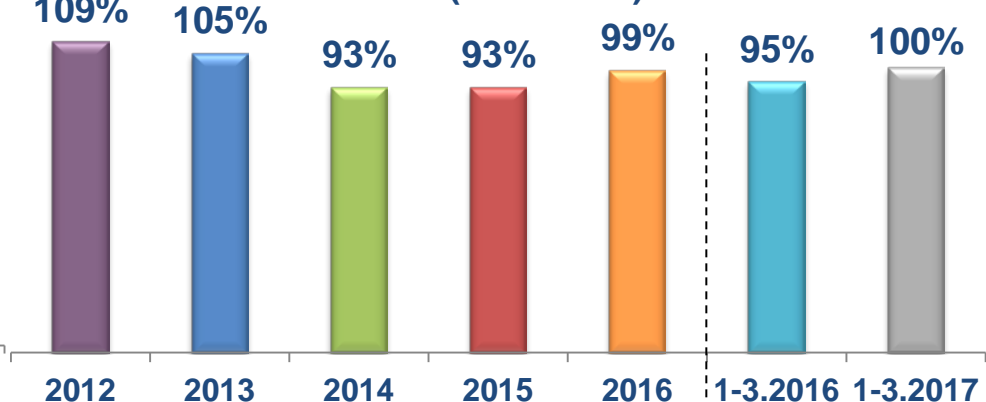
**Gross premiums**



**LR\* (Retention)**



**CR\* (Retention)**

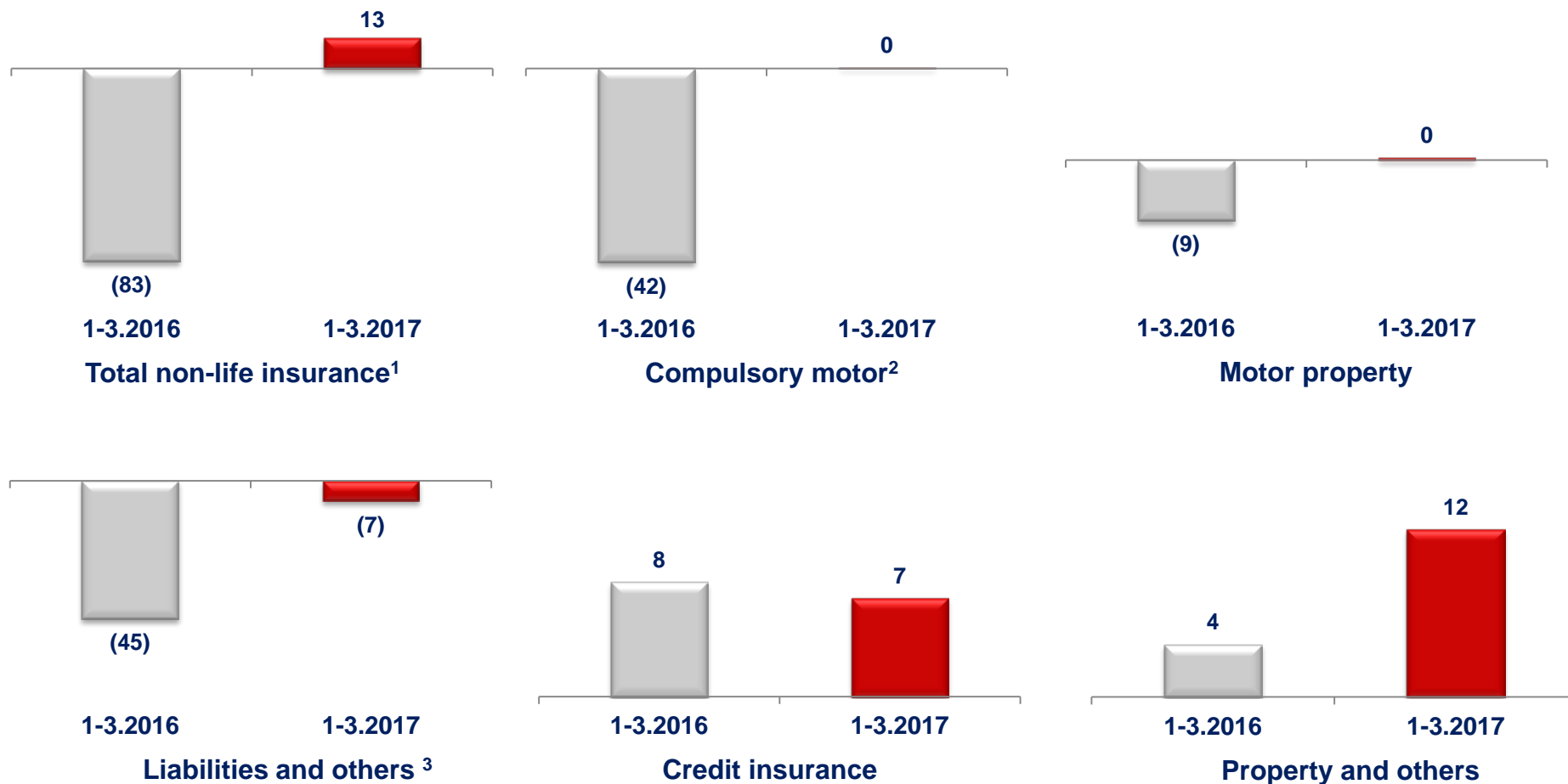


A - The increase in income in the first quarter of 2017 was primarily due to the provision which was performed in the corresponding period last year with respect to the possible implications of the amendment to the Discounting Regulations, in light of the recommendation of the Winograd committee, in the amount of approximately NIS 118 million.

B - The increase in gross premiums in the first quarter of 2017 occurred for the first time following a period of several years during which the Company performed business optimization of the insurance portfolio.

\* After neutralizing the provision for the possible implications of the amendment to the Discounting Regulations, in light of the recommendations of the Winograd committee.

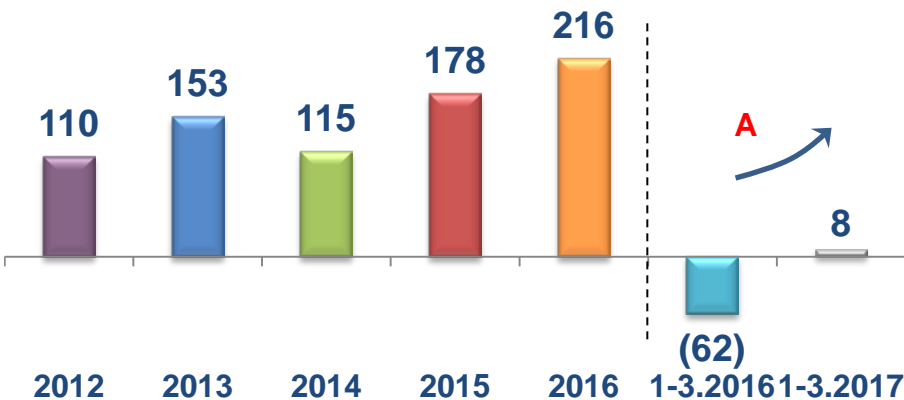
## Non-Life Insurance -Comprehensive Income Before Tax (NIS Millions)



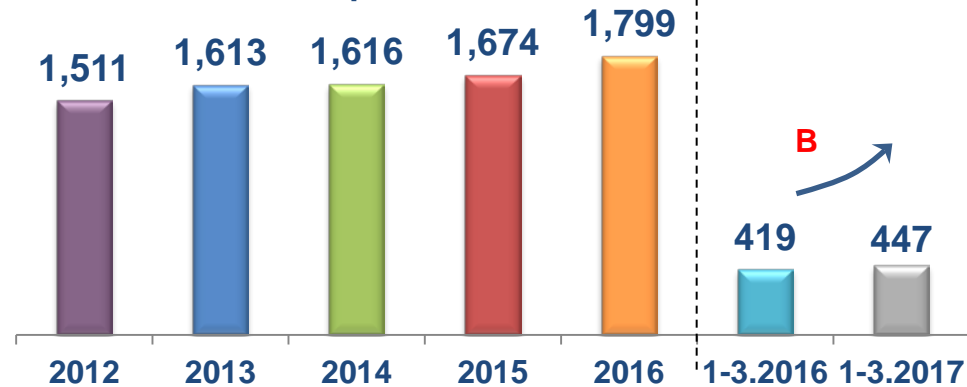
1. The increase in income was primarily due to the provision with respect to the possible implications of the amendment to the Discounting Regulations, in light of the recommendations of the Winograd committee, in the amount of approximately NIS 118 million, which was performed in the corresponding period last year.
2. The increase in income was primarily due to the provision with respect to the possible implications of the amendment to the Discounting Regulations, in light of the recommendations of the Winograd committee, in the amount of NIS 71 million, which was performed in the corresponding period last year.
3. The increase in income was primarily due to the provision with respect to the possible implications of the amendment to the Discounting Regulations, in light of the recommendations of the Winograd committee, in the amount of NIS 46 million, which was performed in the corresponding period last year.

# Health Insurance -Main Results

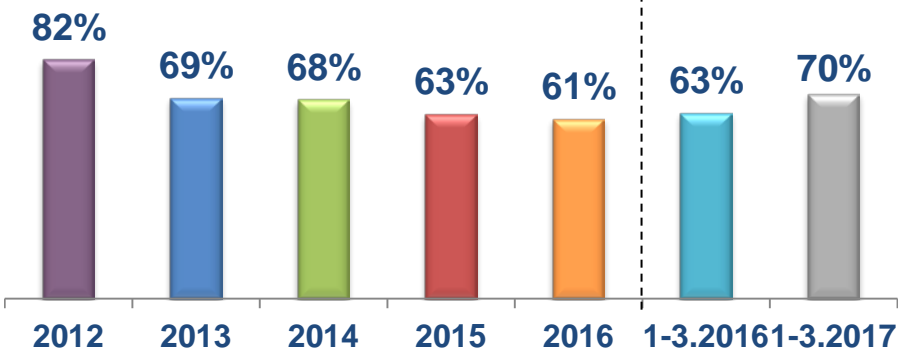
Comprehensive income (loss) before tax



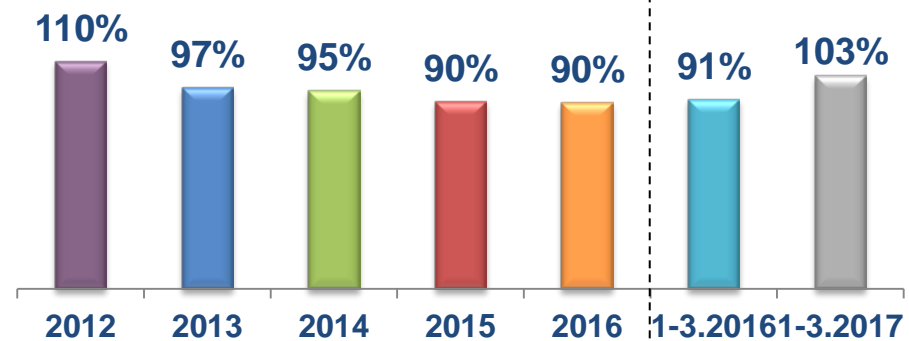
Gross premiums earned



LR (Retention)



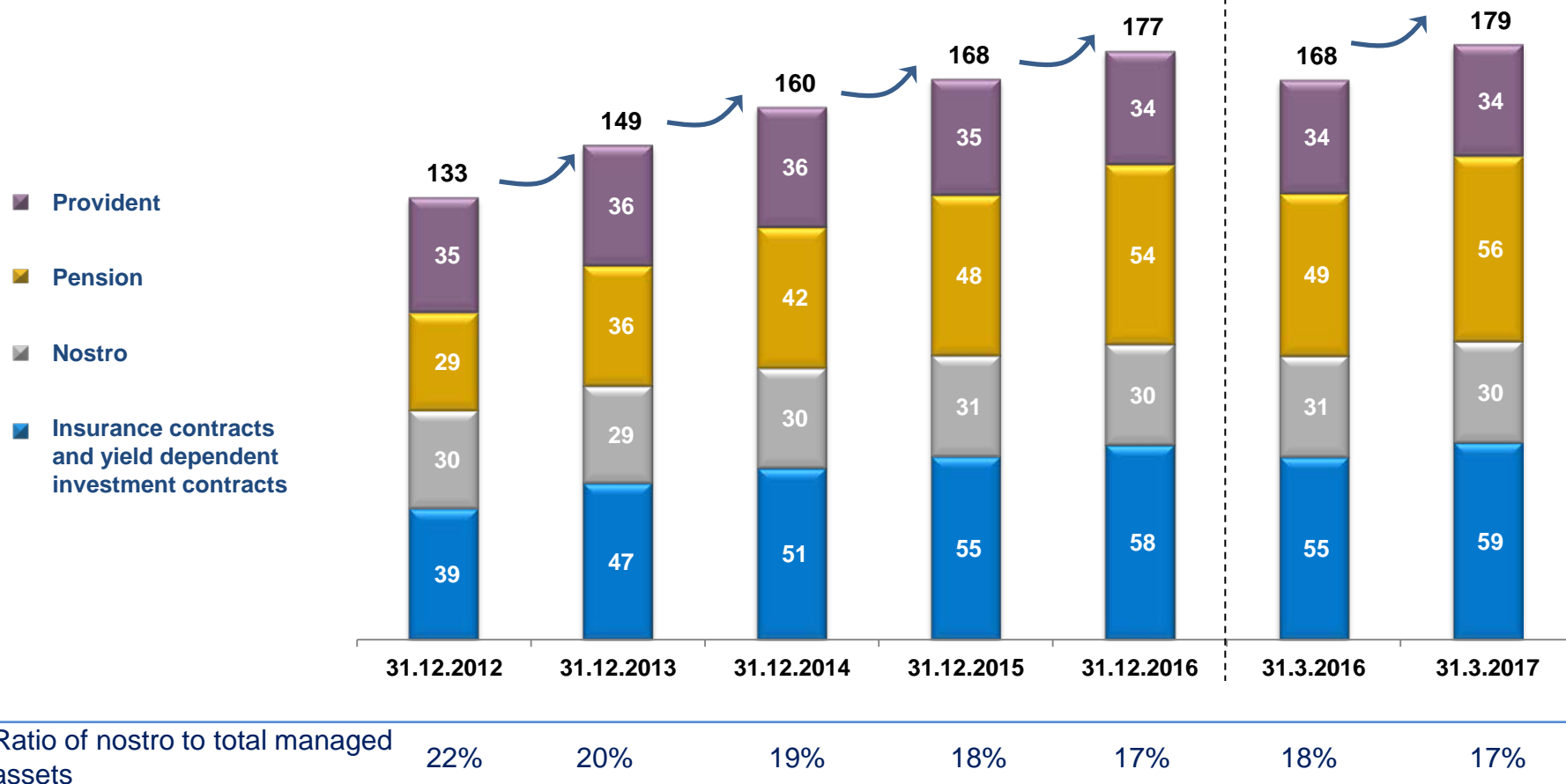
CR (Retention)



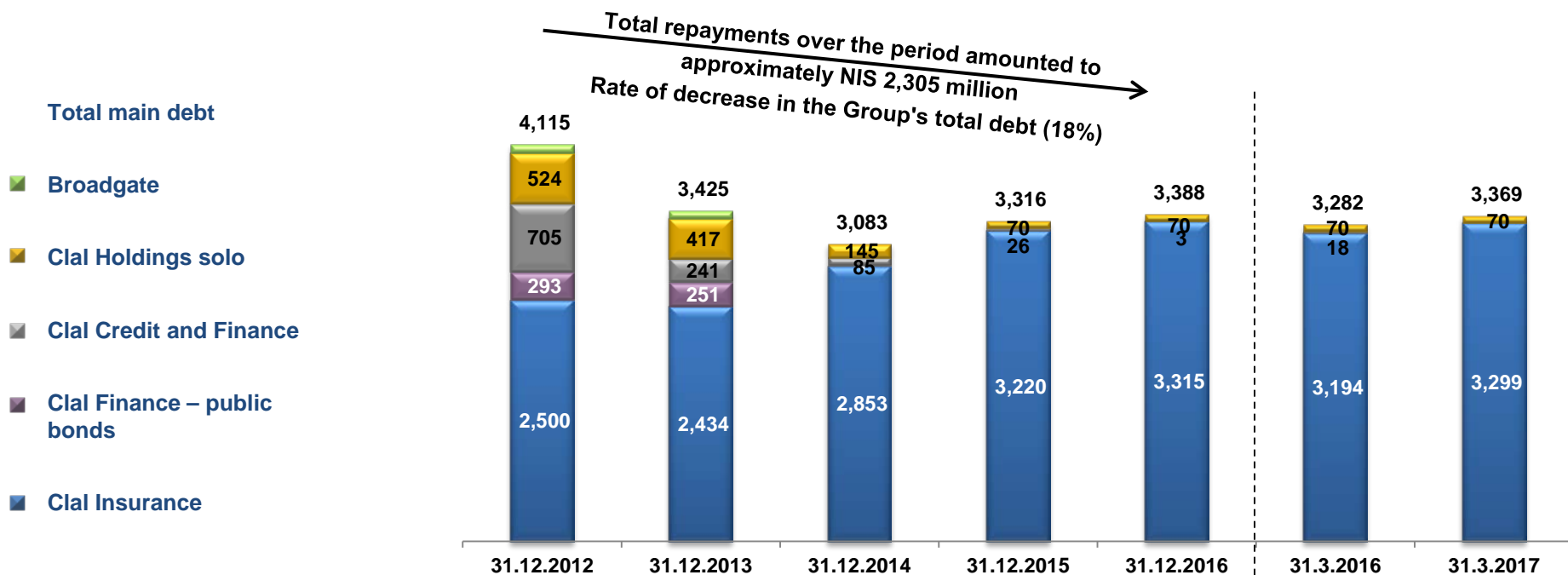
A- The increase in comprehensive income before tax during the reporting period was primarily due to the provision for the adequacy of insurance reserves, which was performed in the corresponding period last year, in the amount of approximately NIS 97 million.

B- The increase in premiums was primarily due to the increase in individual business operations.

# Managed Assets by Portfolio (NIS Billions)



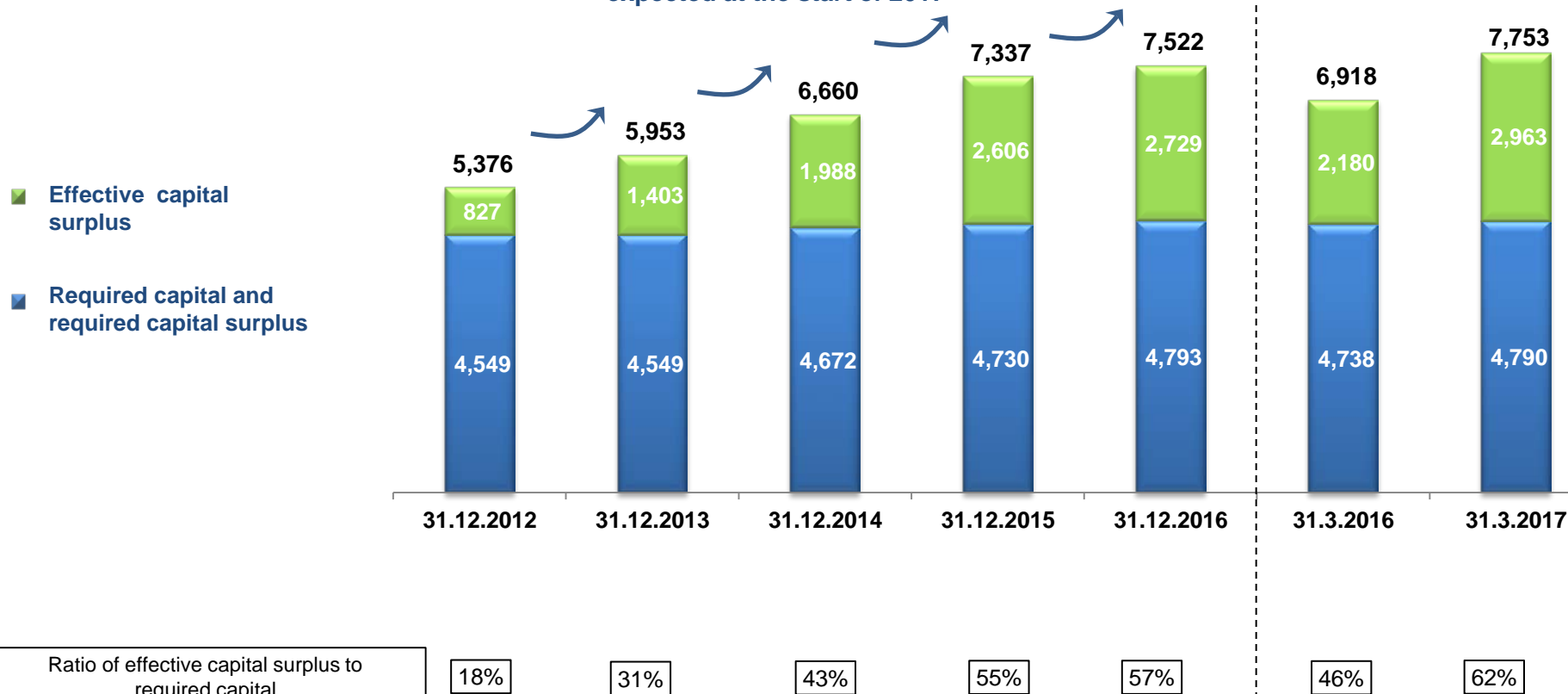
# Main Debt of the Group(NIS Millions)



	2013	2014	2015	2016	1-3.2016	1-3.2017
Raisings in Clal Insurance	150	513	695	201	-	-
Repayments to external parties, interest, linkage and other	(840)	(855)	(462)	(129)	(34)	(19)
<b>Total change</b>	<b>(688)</b>	<b>(342)</b>	<b>233</b>	<b>72</b>	<b>(34)</b>	<b>(19)</b>

## Clal Insurance - Required Capital and Effective Capital Surplus (NIS Millions)

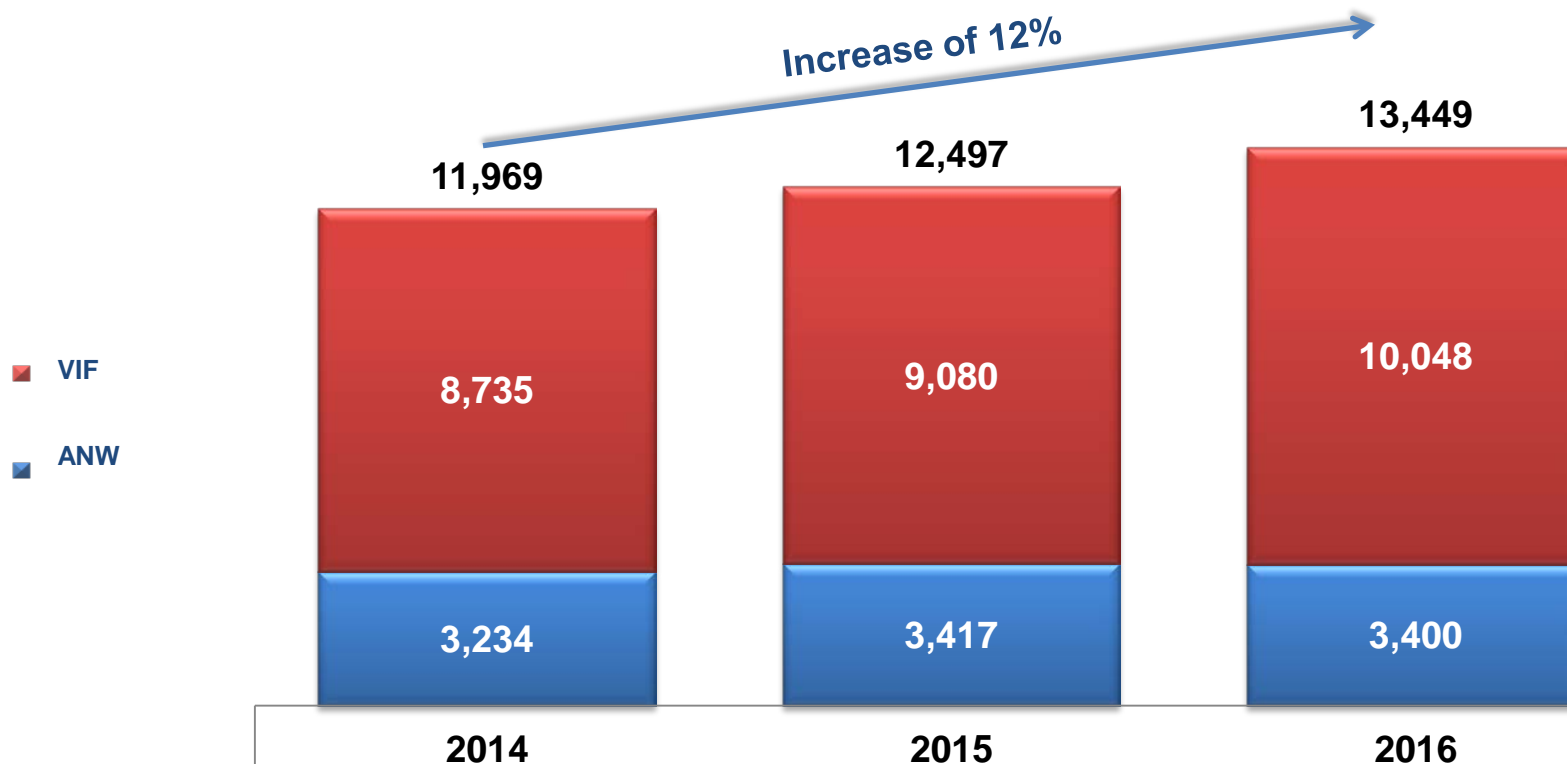
Before the application of the Solvency II capital regime, which is expected at the start of 2017



## Estimated Capital Status According to Solvency II as of December 31, 2015

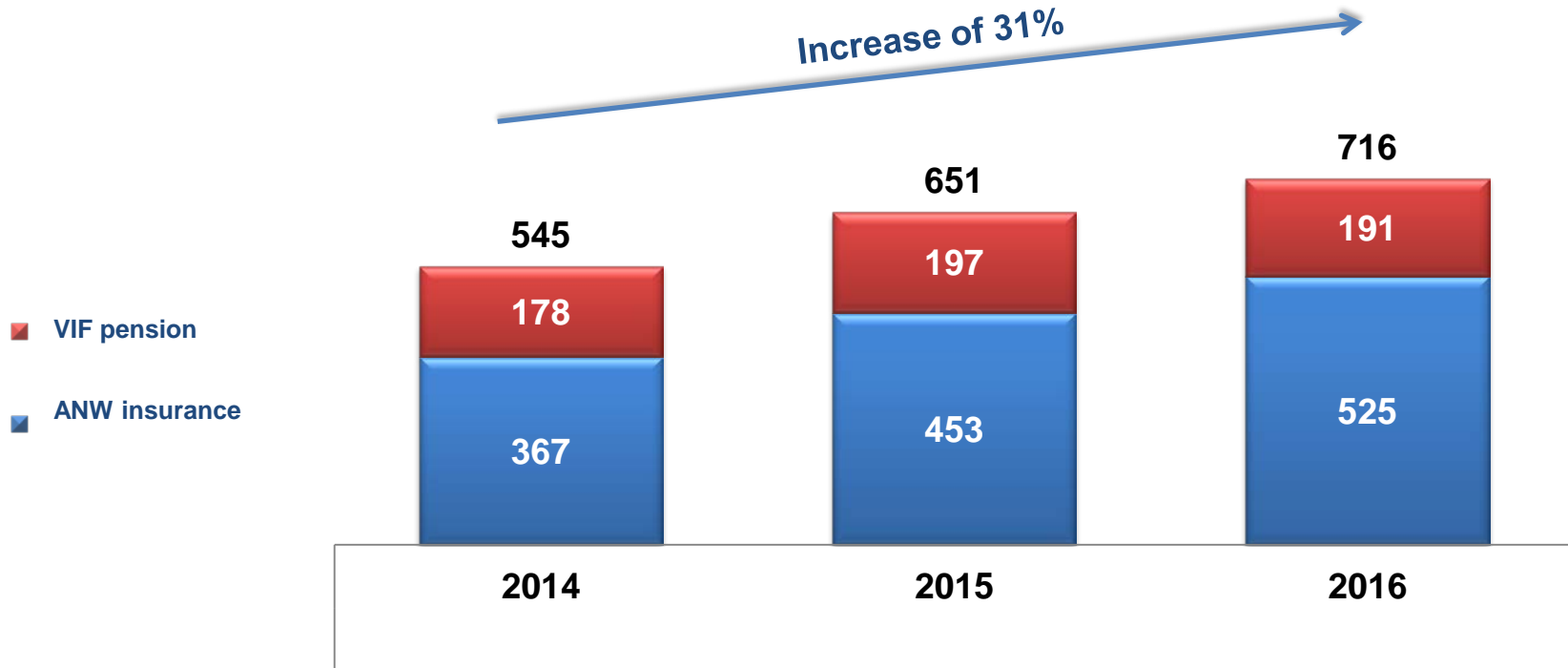
- ✓ In accordance with the results of IQIS5, as of December 31, 2015, according to the calculation rules which were determined by the Ministry of Finance, the solvency ratio of Clal Insurance under the new solvency regime amounts to approximately 104%, in consideration of the transitional provisions regarding the stock scenario. Without taking into account the transitional provisions, the Company's solvency ratio is 97%.
- ✓ On May 22, 2017, the provisions regarding the adoption of a Solvency II-based economic solvency regime for insurance companies entered into effect, after the Knesset Finance Committee decided not to express any reservations regarding them. As the Finance Committee was informed, an update will be implemented to the distribution outline which was previously known, in a manner whereby the capital requirement will gradually increase until full adoption in 2024.
- ✓ The solvency ratio of Clal Insurance as of December 31, 2015, as reflected in the preliminarily and approximately estimate of the impact of these provisions on the solvency ratio, as calculated in IQIS5, is within the range of 107%-111%, according to a full calculation, and within the range of 114%-118%, in consideration of the transitional provisions pertaining to the capital requirement with respect to the holding of shares, without taking into account the distribution outline.
- ✓ The solvency ratio for 2016 will be calculated after the publication of embedded value for 2016, and is expected to be published in the reports for the second quarter of 2017.

## Embedded value report as of December 31 (life and pension) (NIS millions)





## Embedded Value Report as of December 31 (Life and Pension) (NIS millions)



## CEO Summary

**“Clal Insurance today completes a successful quarter in which we enjoyed the results of the business optimization process which we conducted over the last 4 years, including focusing on core operations and on branches with high underwriting profit. The Company’s results in this quarter were also affected by the interest rate increase, which allowed the partial release of reserves, due to the low interest rate environment in recent quarters.”**

# Thank You