

Clal Insurance Enterprises Holdings Ltd.

Financial Statements for Q1 2016

Review for Analysts, May 2016

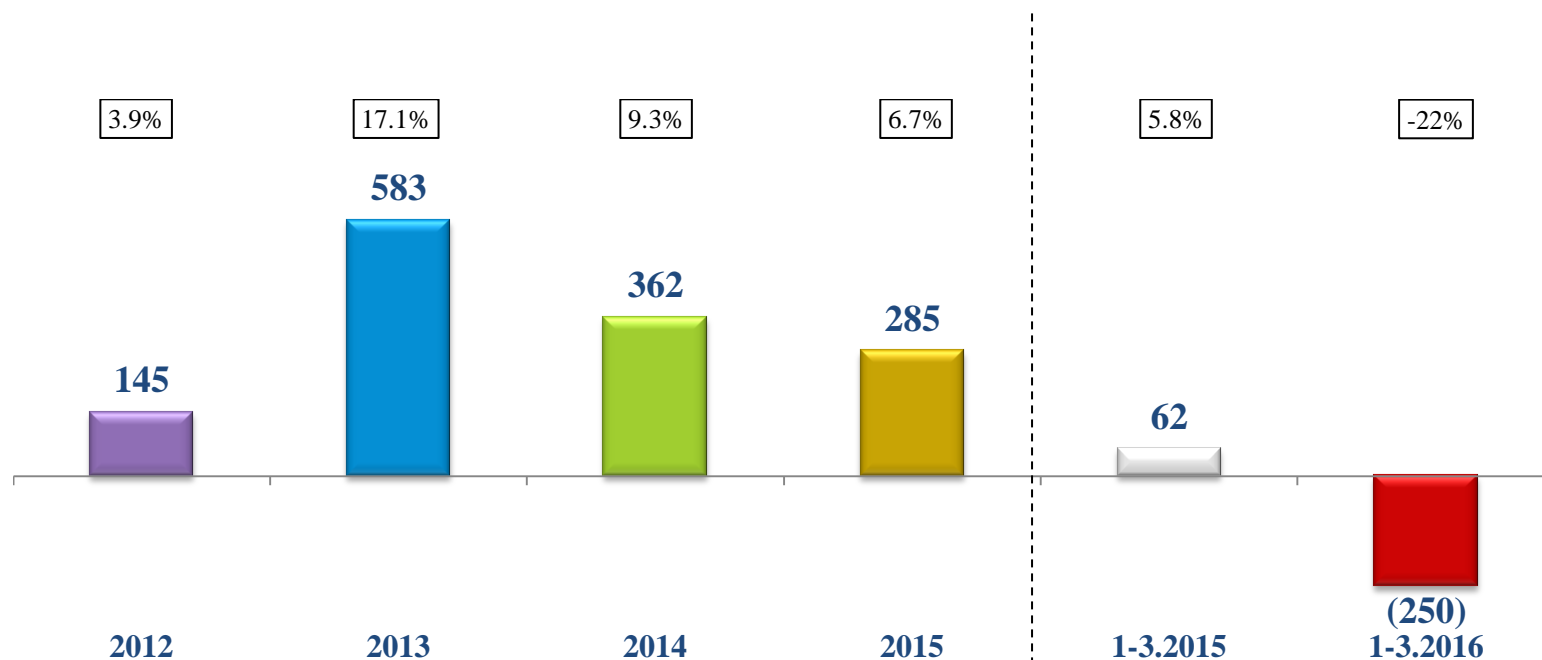
Limitation of Liability

This presentation includes partial information only with respect to the Company's results for Q1 2016, 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, 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)

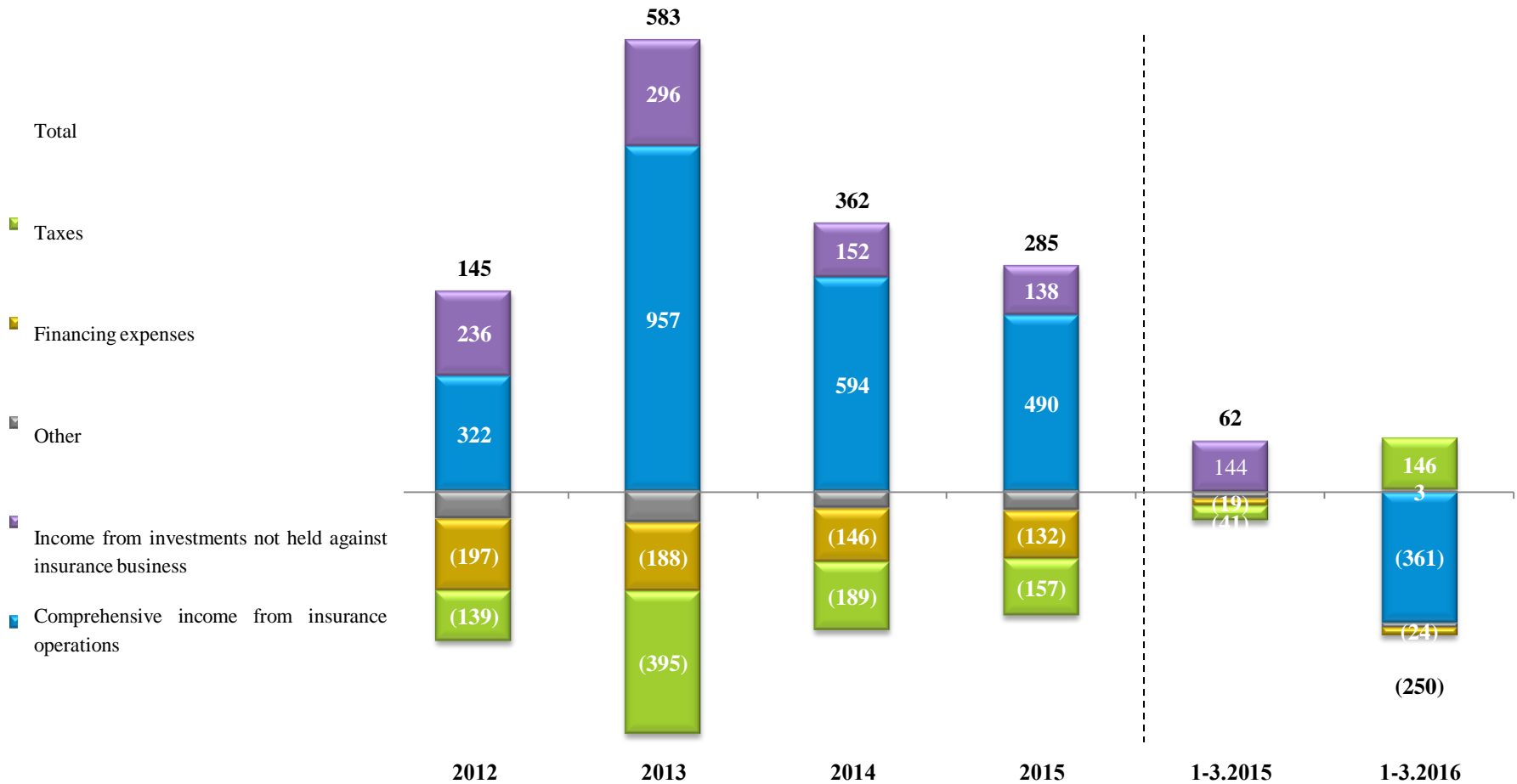


Overall results (net of tax):

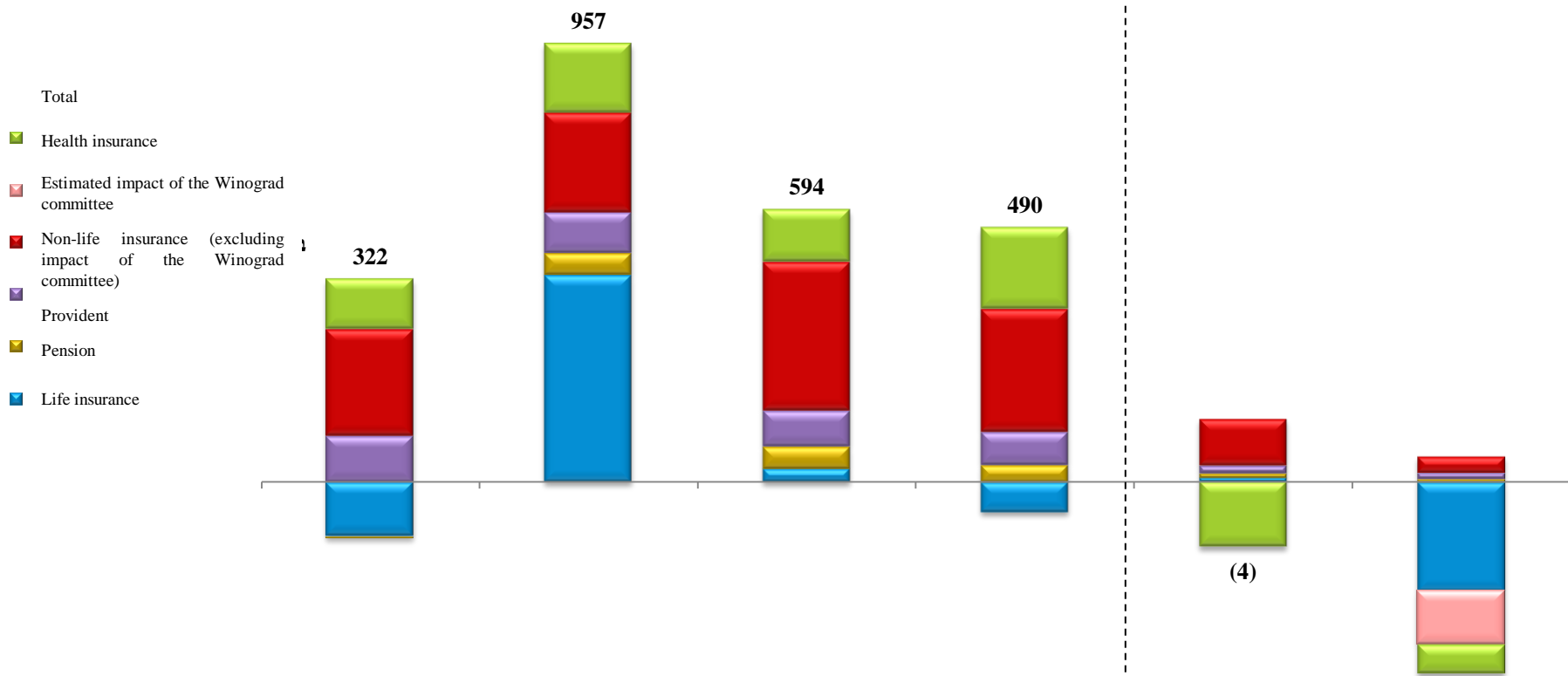
Low interest rate environment	(25)		(192)	(166)	(427)	(224)
Sale of foreign operation	(39)					
Loss in Clal Finance	(47)	(27)	(43)			
Profit from the transition to Atidim *			45			
Estimated impact of the Winograd committee						(76)
Total	(111)	(27)	(190)	(166)	(427)	(300)
Comprehensive income without these effects	256	610	552	451	489	50

* Capital gains from the sale of the headquarters building and from the revaluation of a property which was used by the Group and which became an investment property

Composition of Comprehensive Income Attributable to Shareholders (NIS Millions)



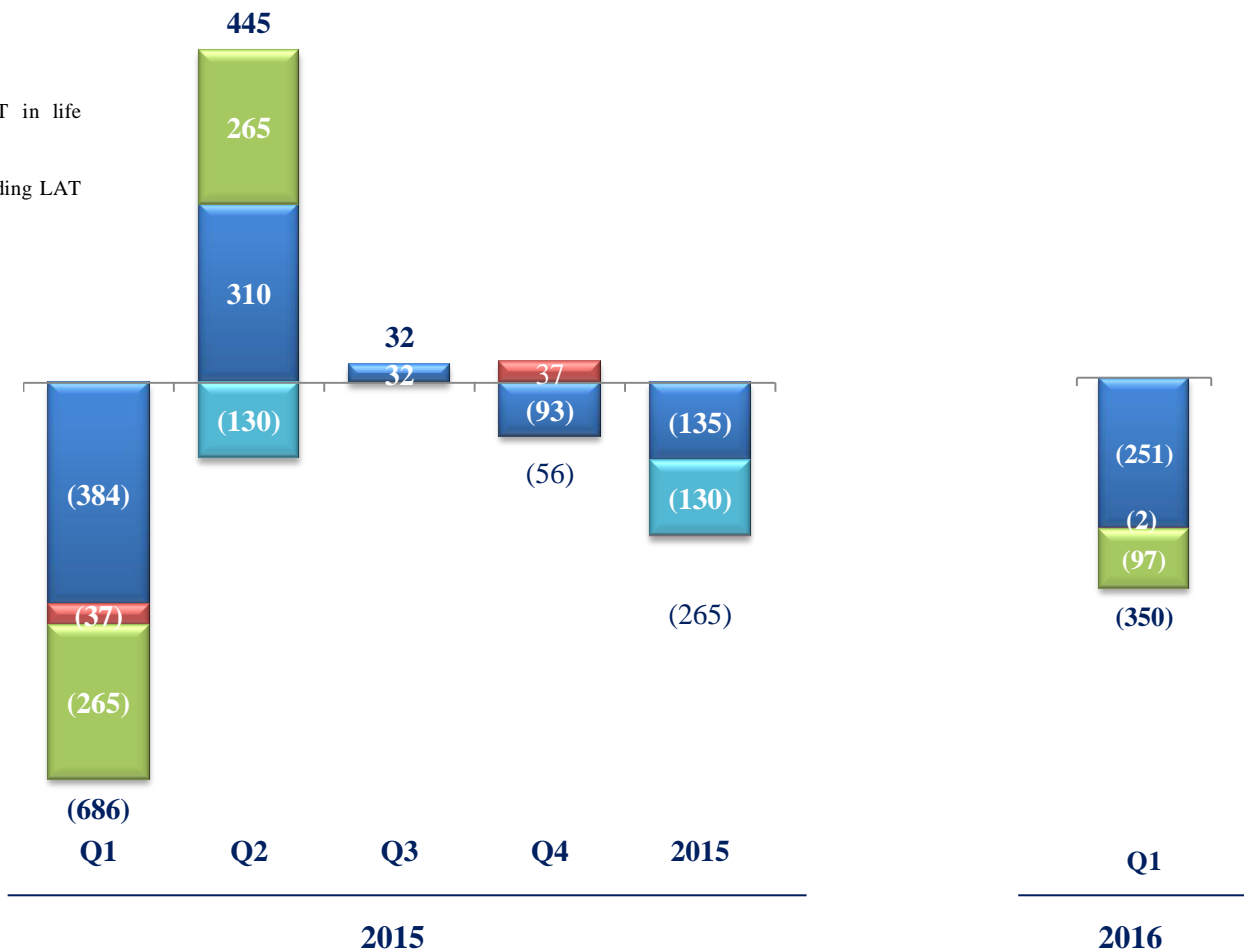
Comprehensive Income Before Tax from Insurance Operations by Segments (NIS Millions)



	2012	2013	2014	2015	1-3.2015	1-3.2016
Health insurance	110	153	115	178	(141)	(62)
Non-life insurance (without the impact of the Winograd committee)	231	217	323	268	101	35
Estimated impact of the Winograd committee						(118)
Provident	102	88	78	71	16	14
Pension	(4)	48	49	39	11	7
Life insurance	(116)	450	29	(65)	9	(237)

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

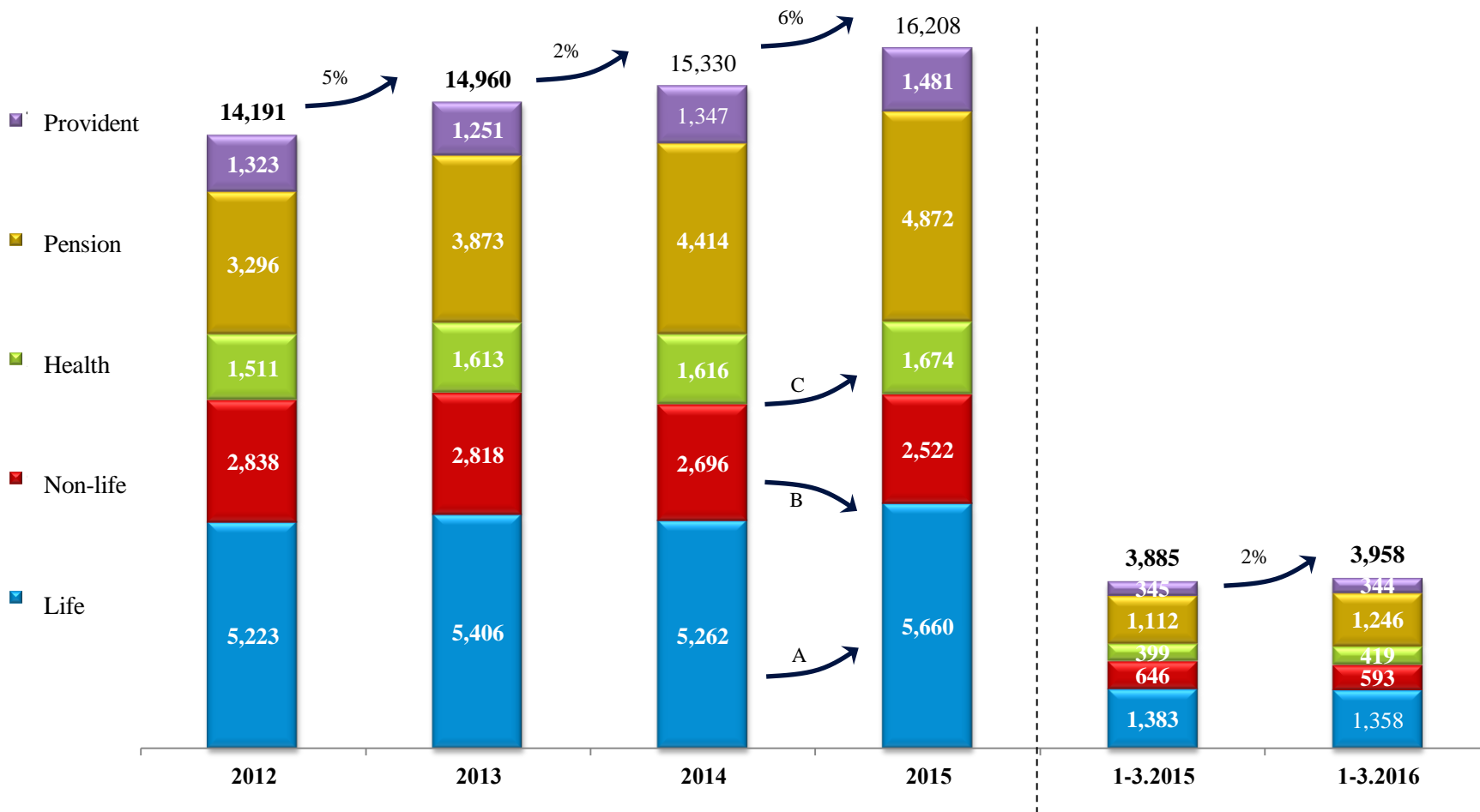
- Health insurance
- Non-life insurance
- New circular regarding LAT in life insurance*
- Excluding new circular regarding LAT in life insurance



As measured at the time of initial publication on June 30, 2015



Gross Premiums Earned and Contributions (NIS Millions)



* After adjustments and offsets

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

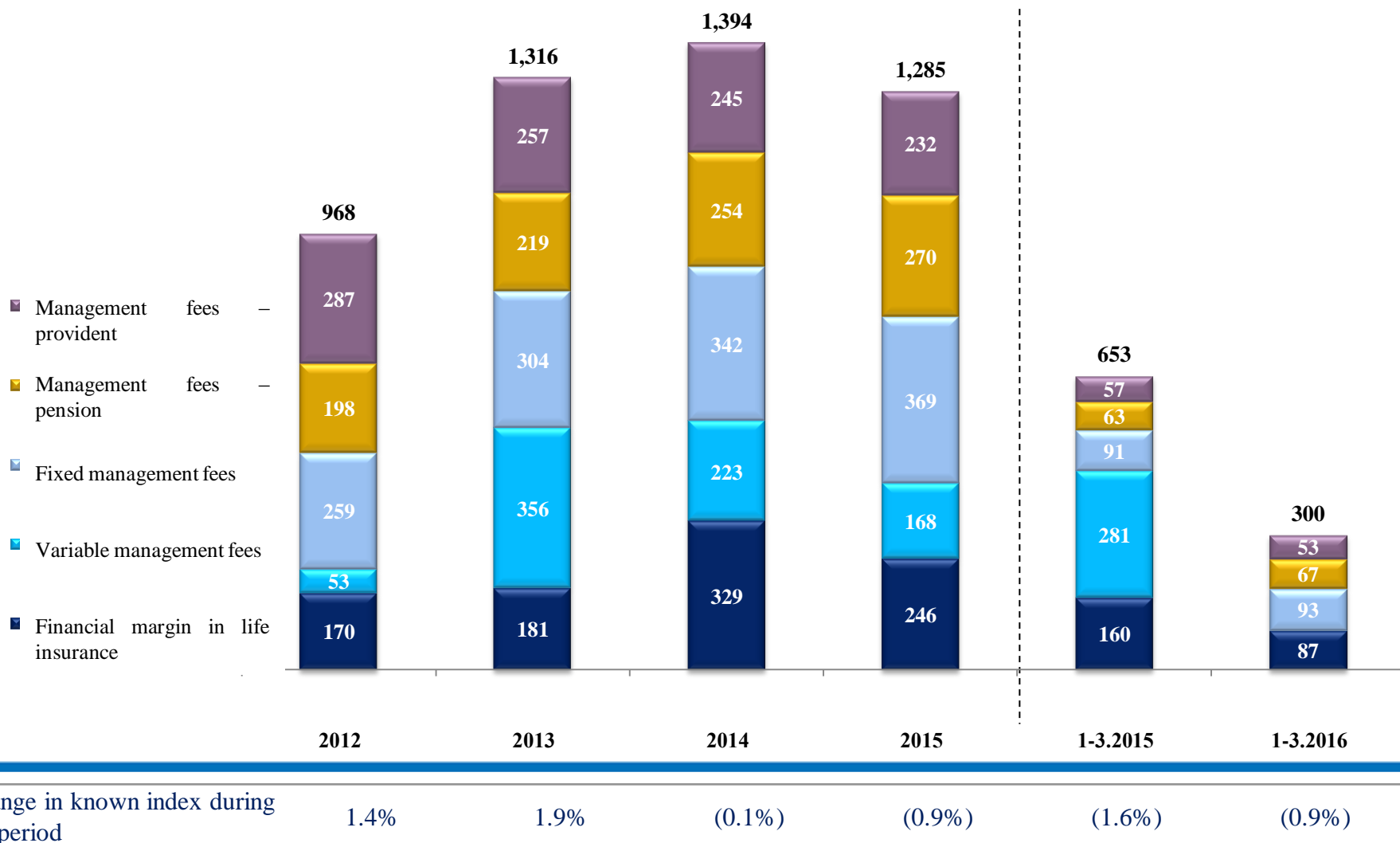
*** Including investment contracts

A. Primarily due to increased individual product sales and decreased cancellations

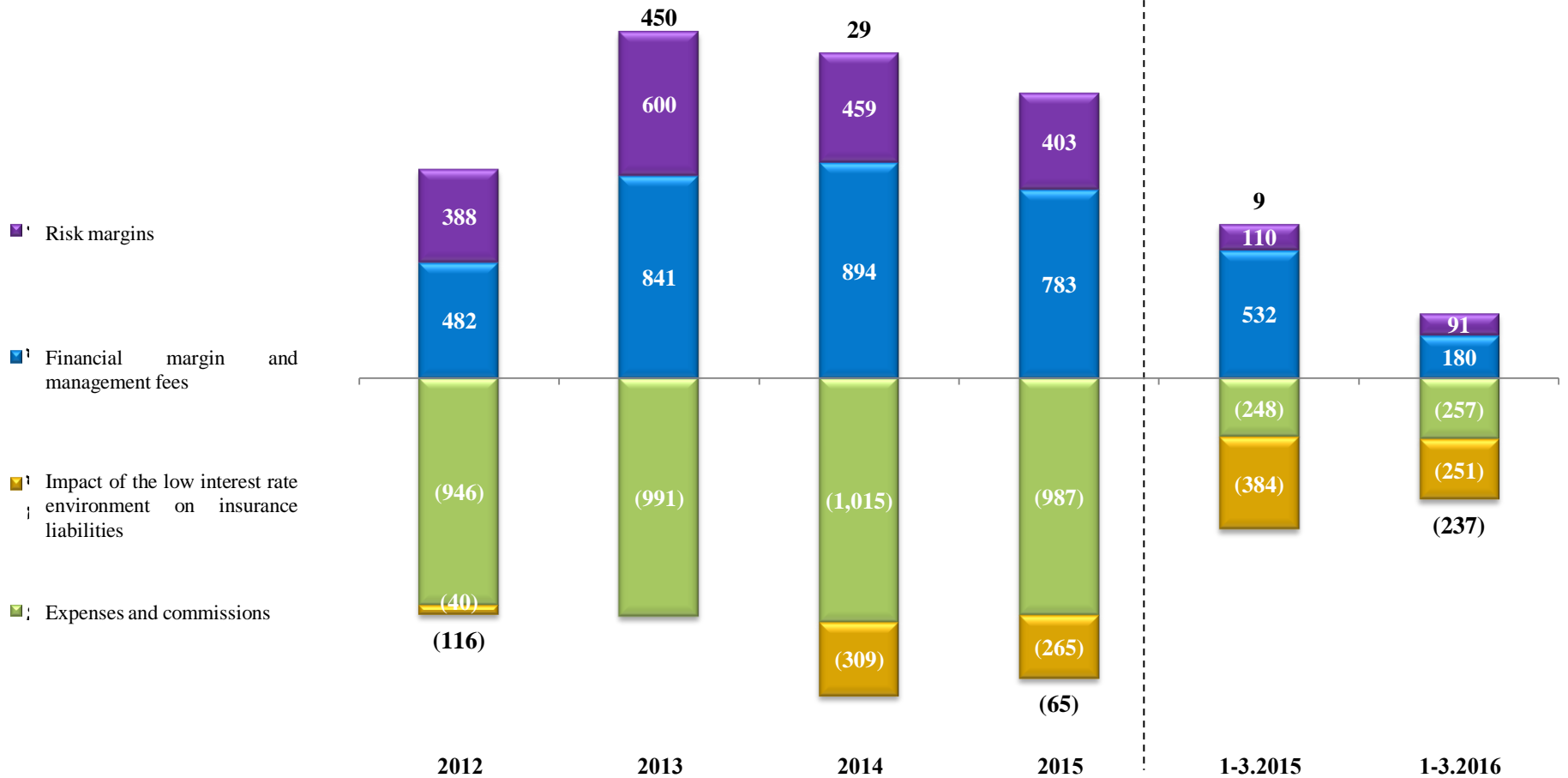
B. Primarily due to the continued optimization of the portfolios by way of non-renewal of losing business operations, including collective business operations, as well as timing differences in the renewal of policies

C. Increase in individual sales which was offset by the discontinuation of insurance for foreign population groups, with premiums of approximately NIS 22 million last year

Long Term Savings Segment - Management Fees and Financial Margin (NIS Millions)



Life Insurance - Composition of Comprehensive Income (NIS Millions)



Returns in members' portfolios

(March 2016)

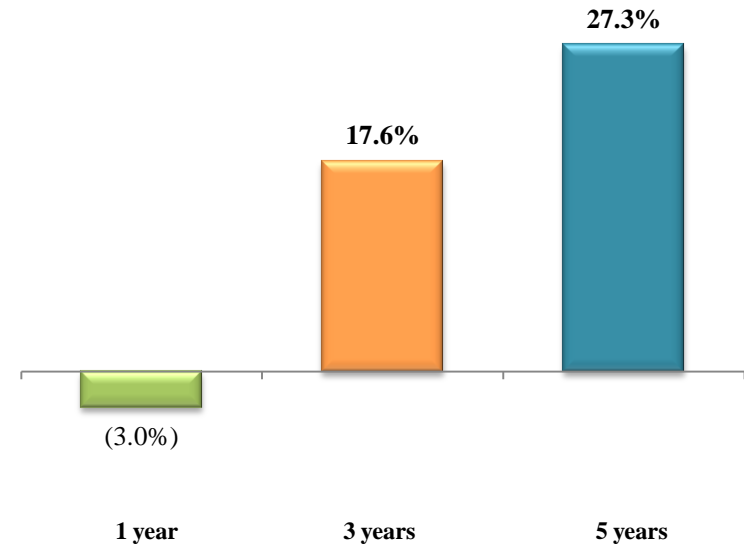
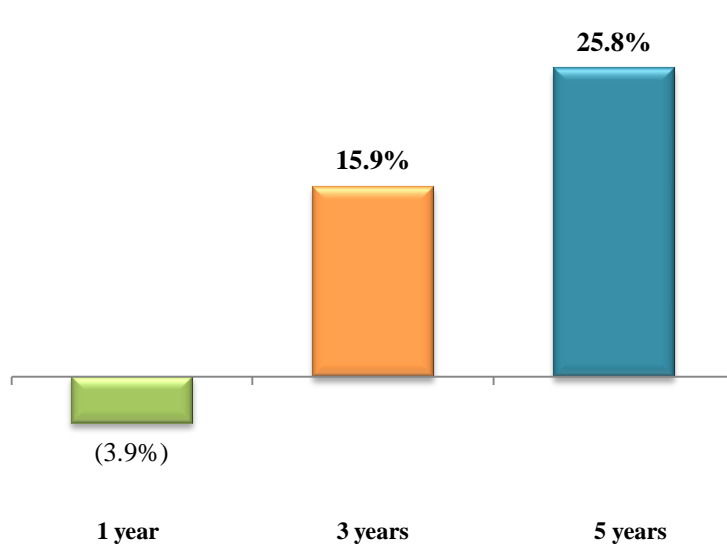
Sharpe
Index

0.74%

New Fund J

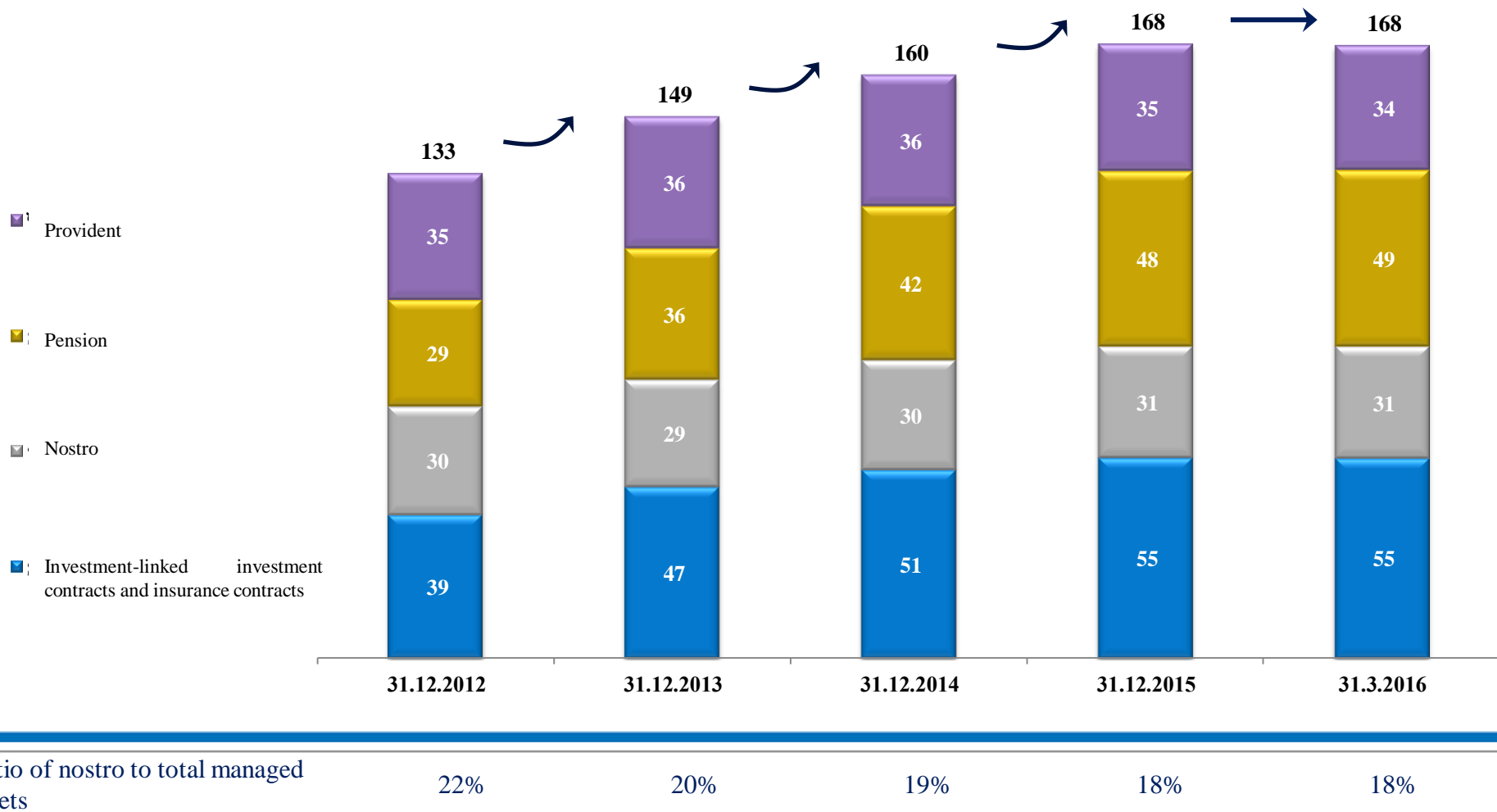
0.66%

Fund J



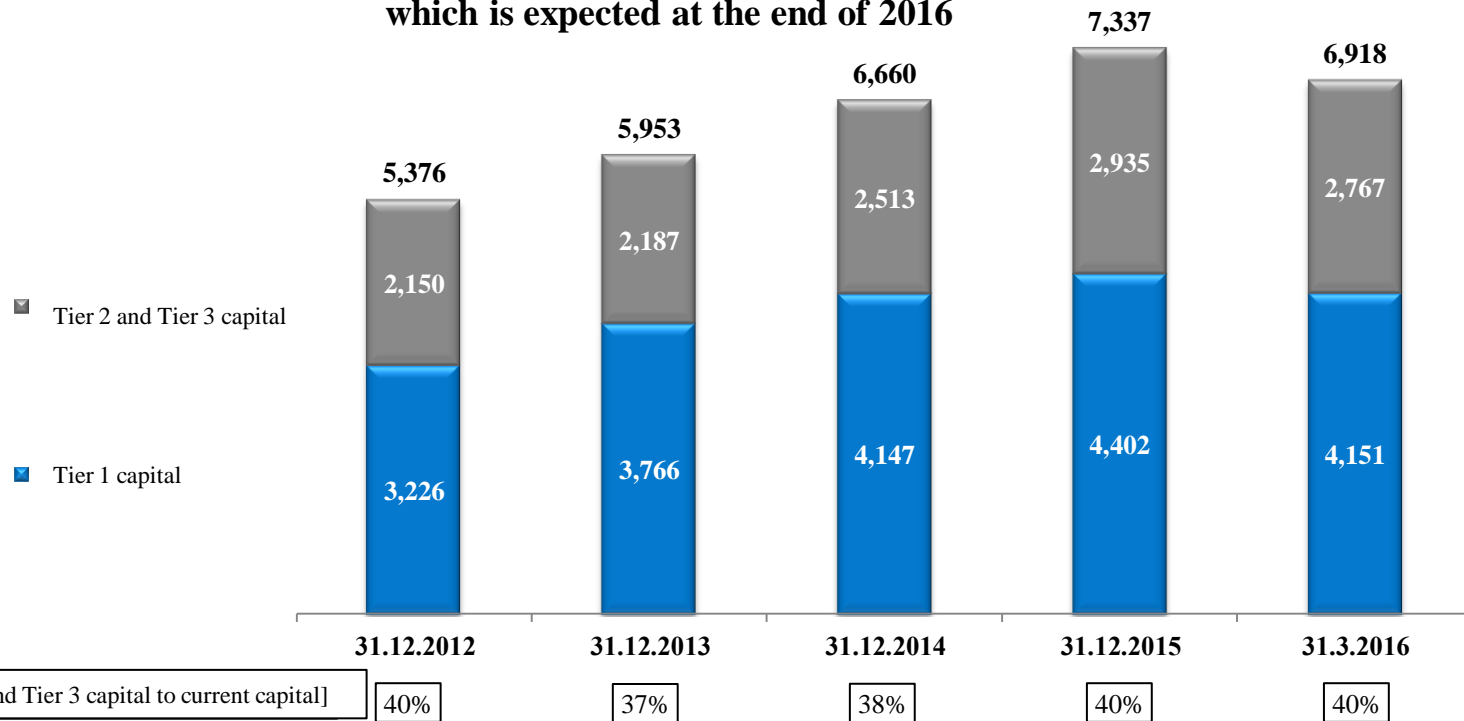
- Information regarding past returns does not constitute a prediction regarding future returns.
- The above should not be viewed as any recommendation and/or advice and/or marketing and/or substitute for the receipt of pension advice from a lawfully licensed advisor, in consideration of the needs and situation of the particular individual.
- Sharpe Index figures were obtained from the website of the Ministry of Finance, and are current as of December 2015.

Managed Assets by Portfolio (NIS Billions)



Clal Insurance - Components of Recognized Capital (NIS Millions)

Before the application of the Solvency II capital governance, which is expected at the end of 2016



	2013	2014	2015	1-3.2016
Repayments and amortizations in recognized Tier 2 and Tier 3 capital **	(113)	(187)	(273)	(168)
** Raisings (debt issuances)	150	513	695	-*
Total change in recognized Tier 2 and Tier 3 capital	37	326	422	(168)

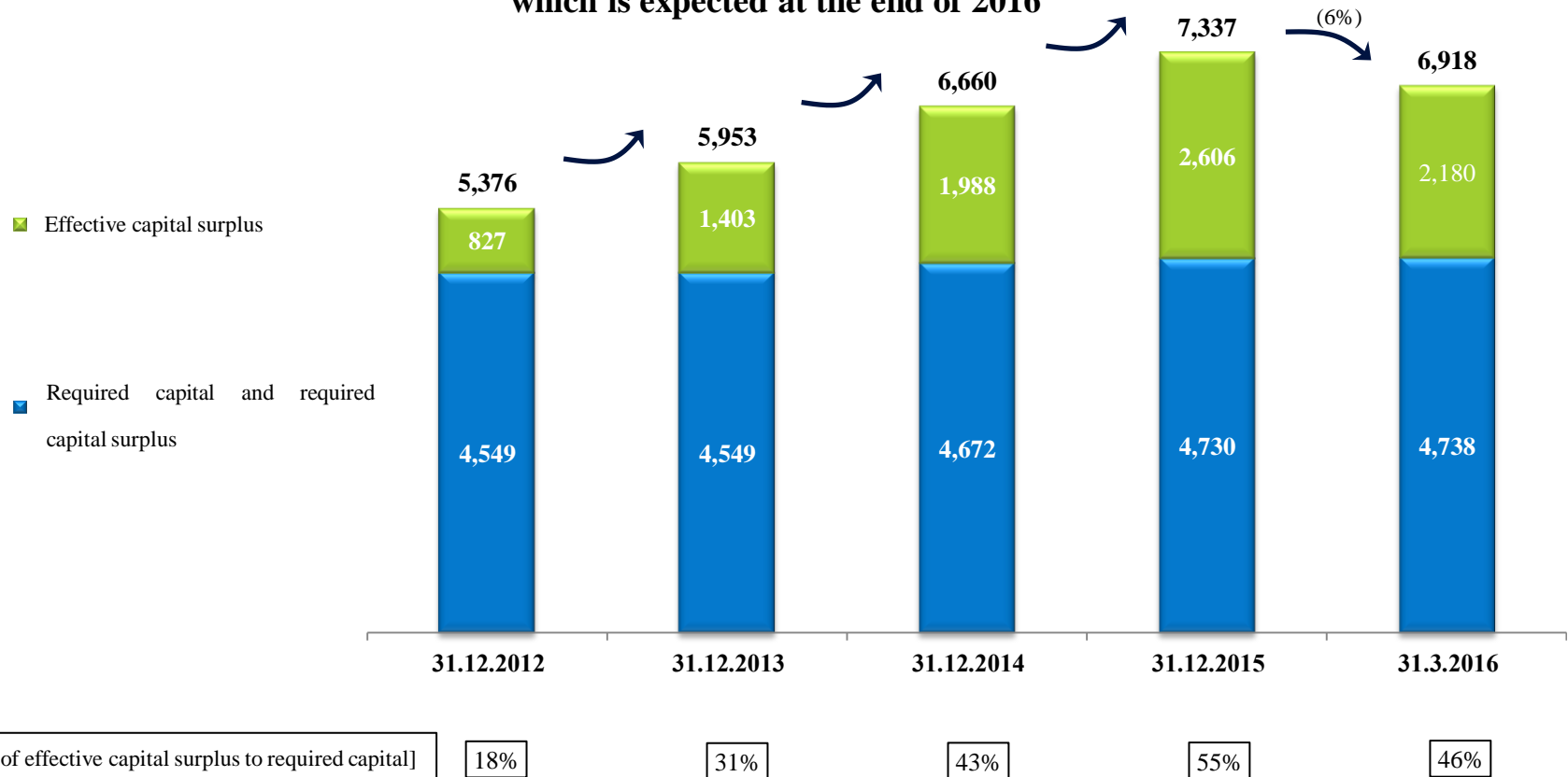
* Subsequent to the reporting date, approximately NIS 628 million was replaced. as of the reporting date, a total of approximately NIS 202 million of Tier 2 hybrid capital is not recognized as equity as of March 31, 2016, in light of the restrictions on the ratio of Tier 2 and Tier 3 capital to Tier 1 capital. These amounts will be recognized if profit is created which increases Tier 1 capital, or against future repayments.

** The repayments and raisings include the debt replacement amounts

*** Total increase in recognized capital - NIS 1,542 million (rate of increase: 29%)

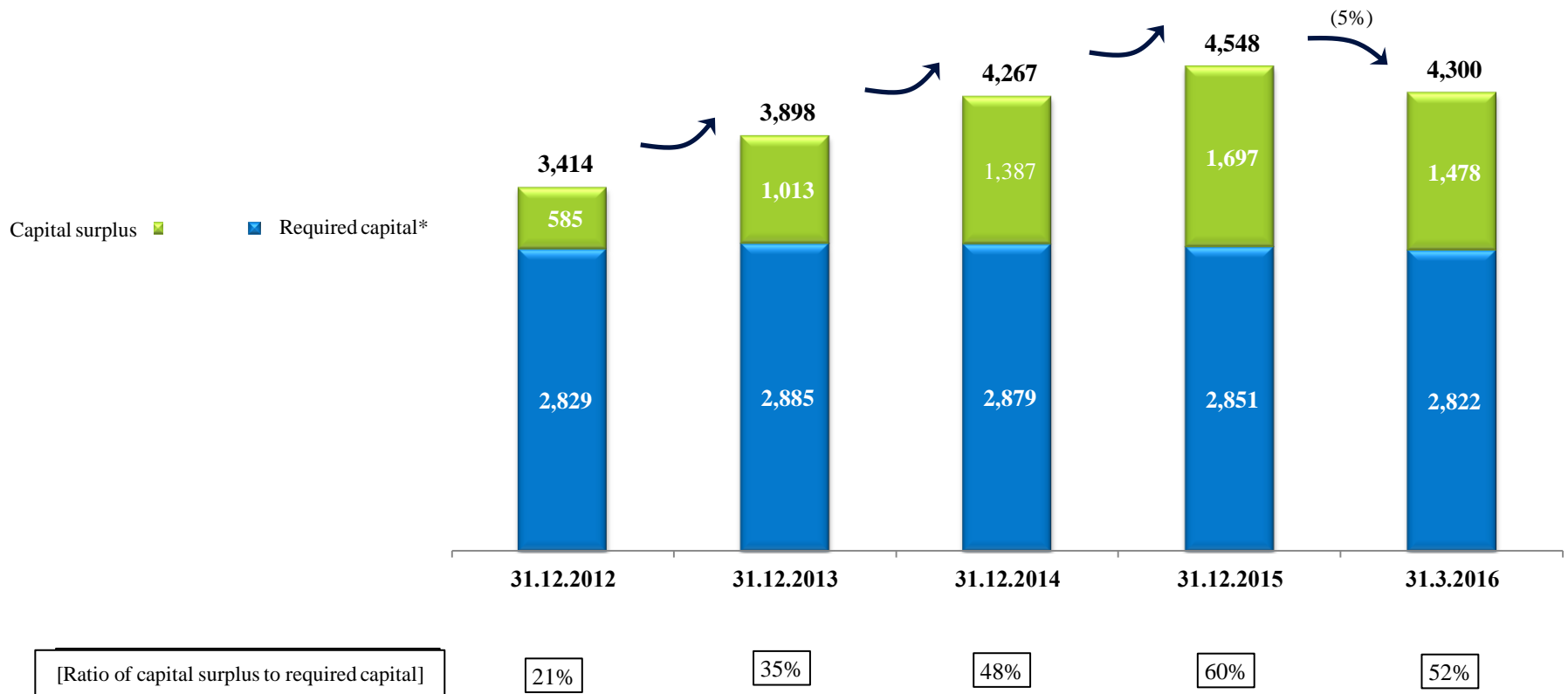
Clal Insurance - Required Capital and Effective Capital Surplus (NIS Millions)

Before the application of the Solvency II capital governance, which is expected at the end of 2016

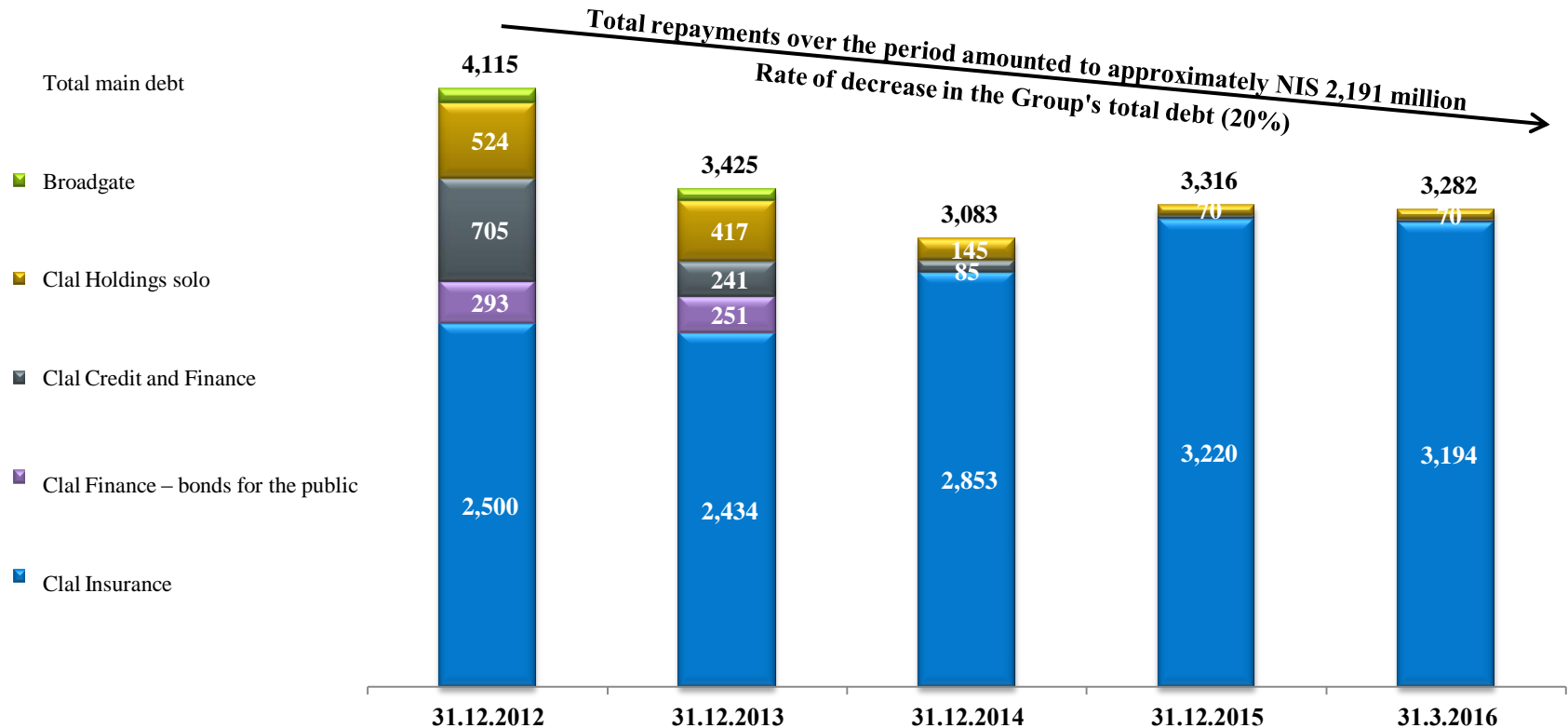


* Total increase in effective capital surplus - NIS 1,353 million (rate of increase: 164%)

Clal Holdings - Capital Requirements* and Capital Surplus (NIS Millions)



Main Debt of the Group (NIS Millions)

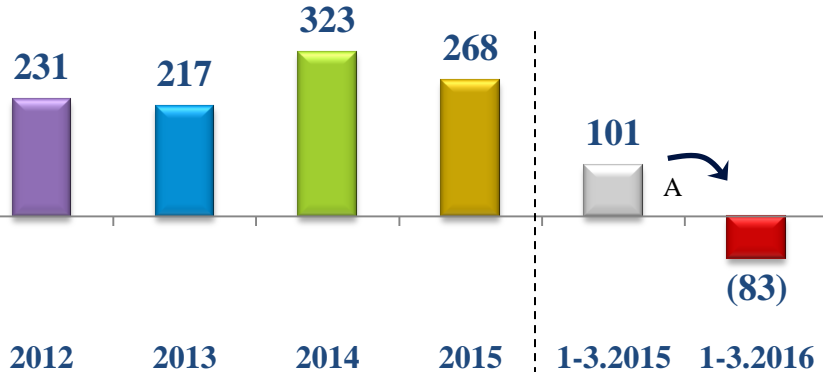


	2013	2014	2015	1-3.2016
Raisings in Clal Insurance *	150	513	695	-
Repayments to external parties*, interest, linkage and other	(840)	(855)	(462)	(34)
Total change	(688)	(342)	233	(34)

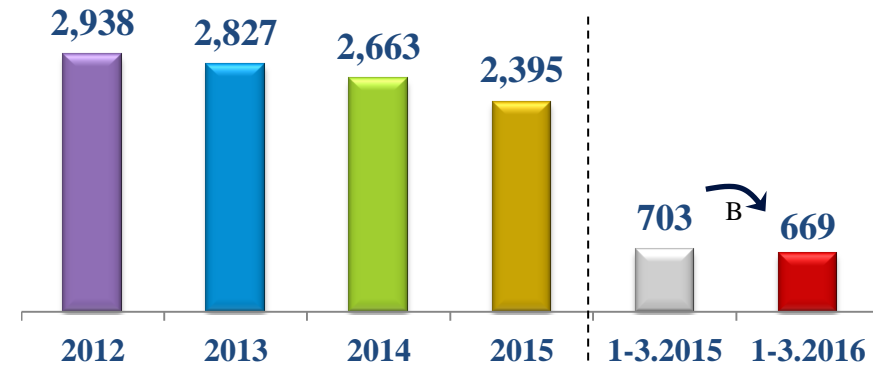
* Includes raisings and repayments by way of debt replacement

Non-Life Insurance - Main Results

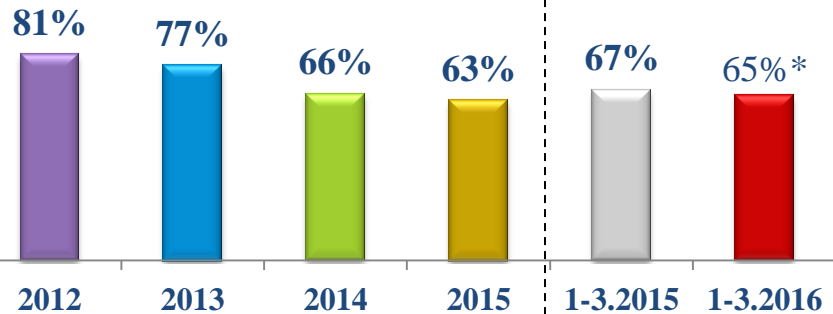
Comprehensive income (loss) before tax



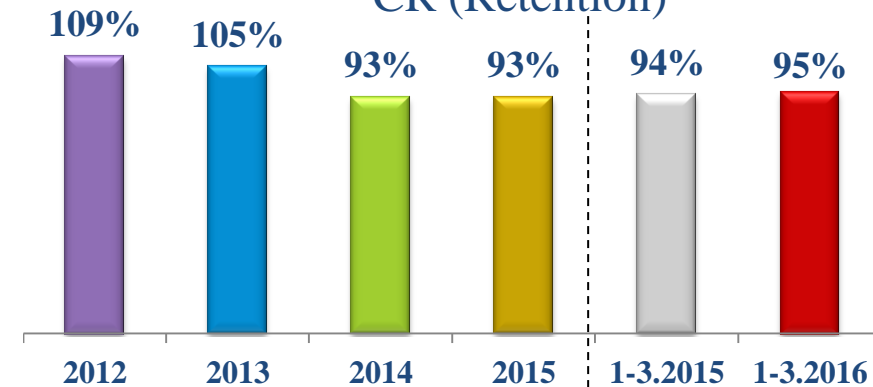
Gross premiums



LR (Retention)



CR (Retention)

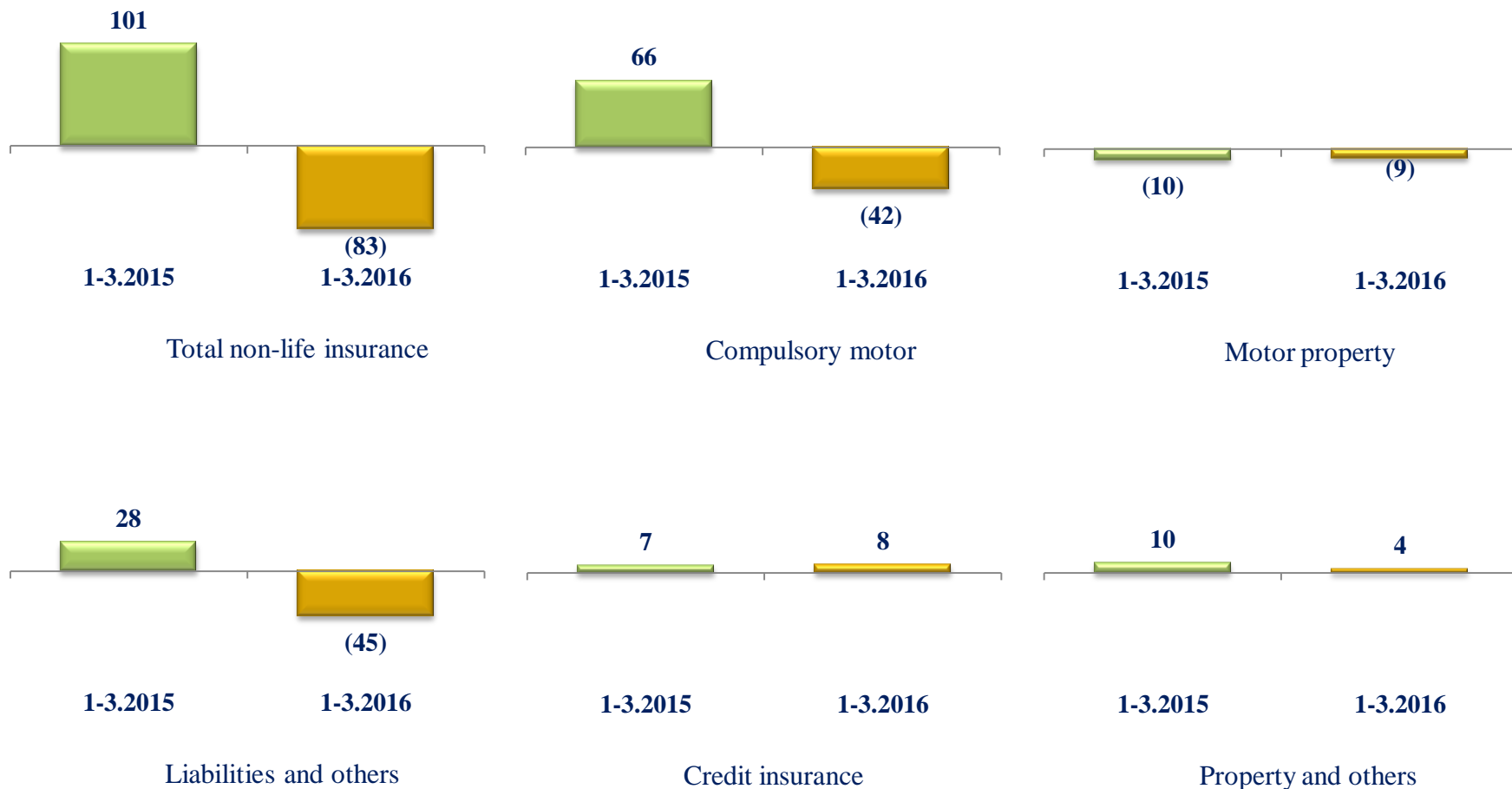


A. Primarily due to the provision with respect to the possible implications of the amendment to the discounting regulations, in light of the recommendations of the Winograd committee, in the amount of approximately NIS 118 million; on the other hand, in the corresponding period last year, the discount rates used to calculate insurance liabilities in the compulsory motor, liabilities and personal accidents branches were updated, and accordingly, the reserve increased by approximately NIS 37 million, with no significant impact during the reporting period. After neutralization of the provisions, comprehensive income for the quarter in the reporting period amounted to a total of approximately NIS 35 million, as compared with income of approximately NIS 138 million in the corresponding period last year.

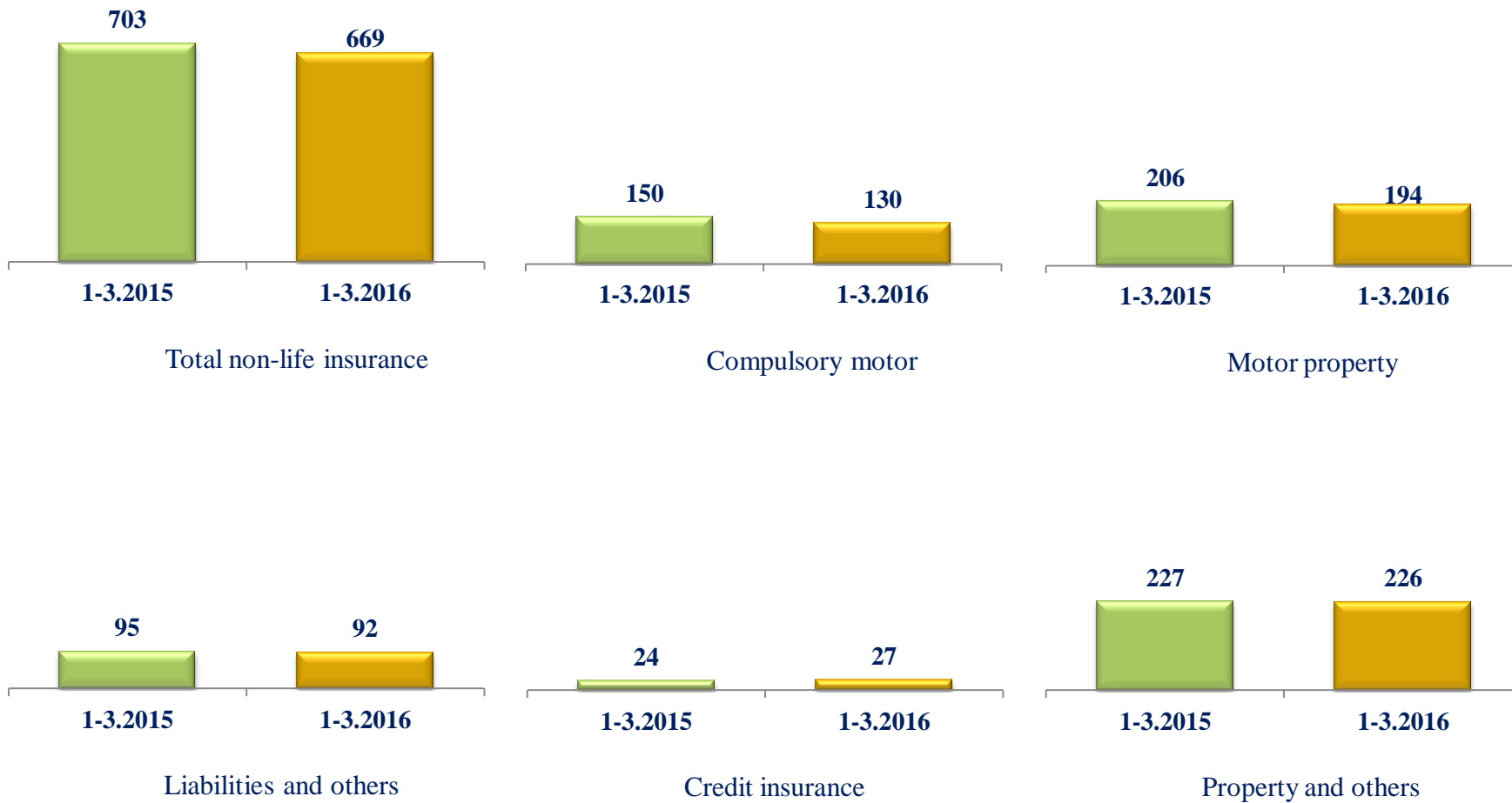
B. Primarily due to the non-renewal of losing business operations, including collective business operations, in the compulsory motor and proper branches.

* After neutralization of the impact of the Winograd committee's recommendations.

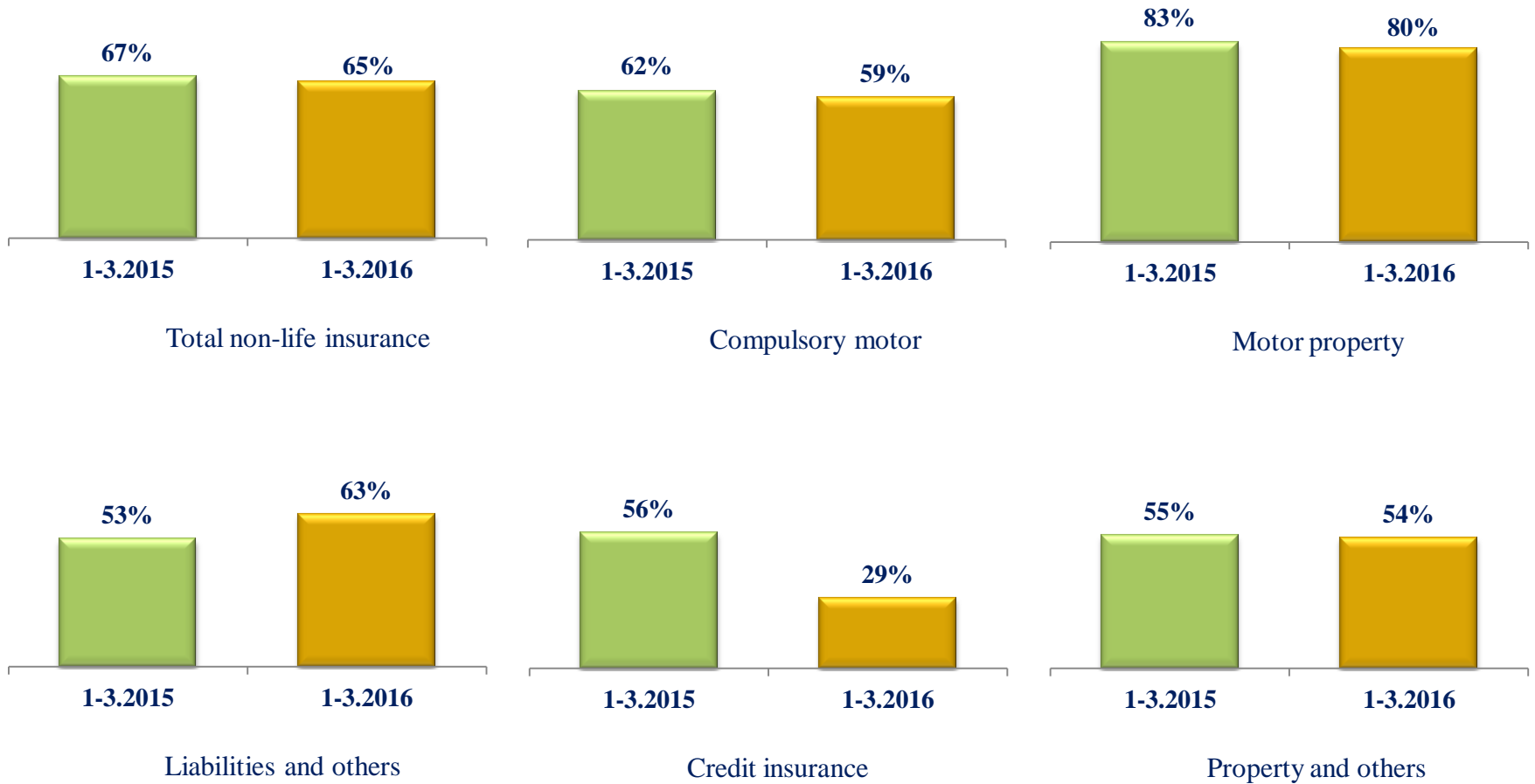
Non-Life Insurance - Comprehensive Income Before Tax (NIS Millions)



Non-Life Insurance - Gross Premiums



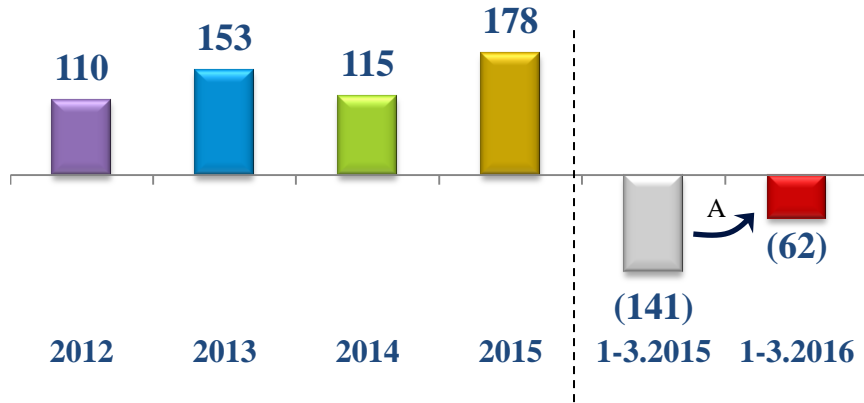
Non-Life Insurance - LR* on Retention



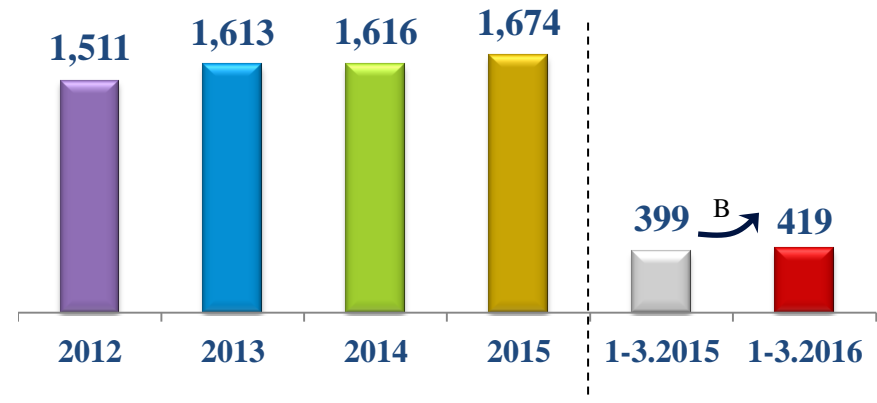
* After neutralization of the impact of the Winograd committee's recommendations

Health Insurance - Main Results

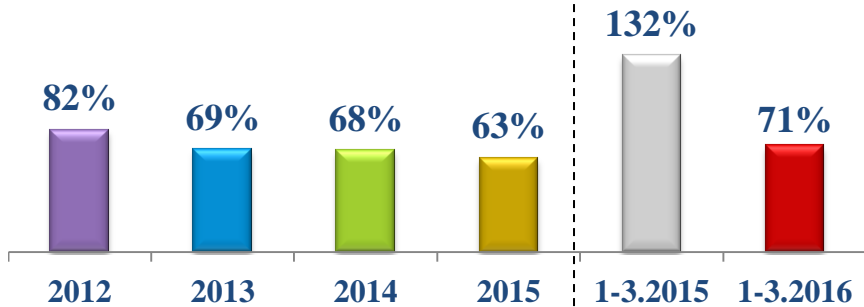
Comprehensive income (loss) before tax



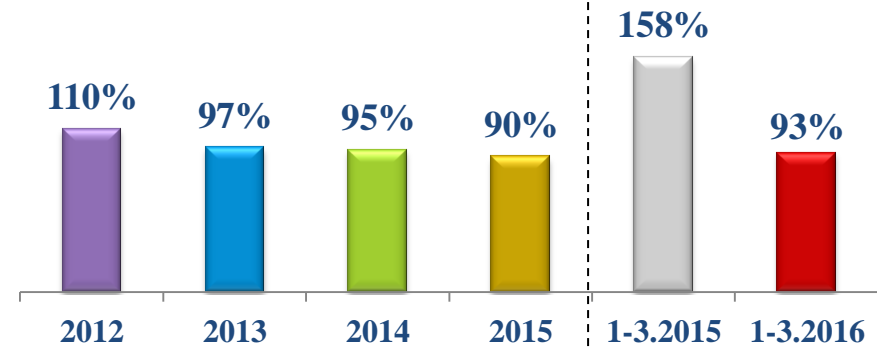
Gross premiums earned



LR* (Retention)



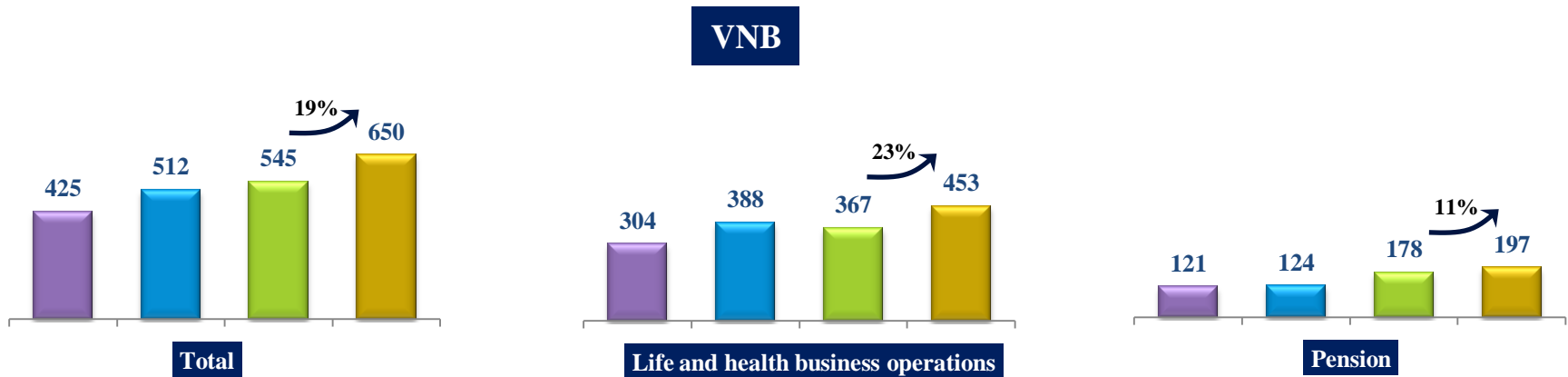
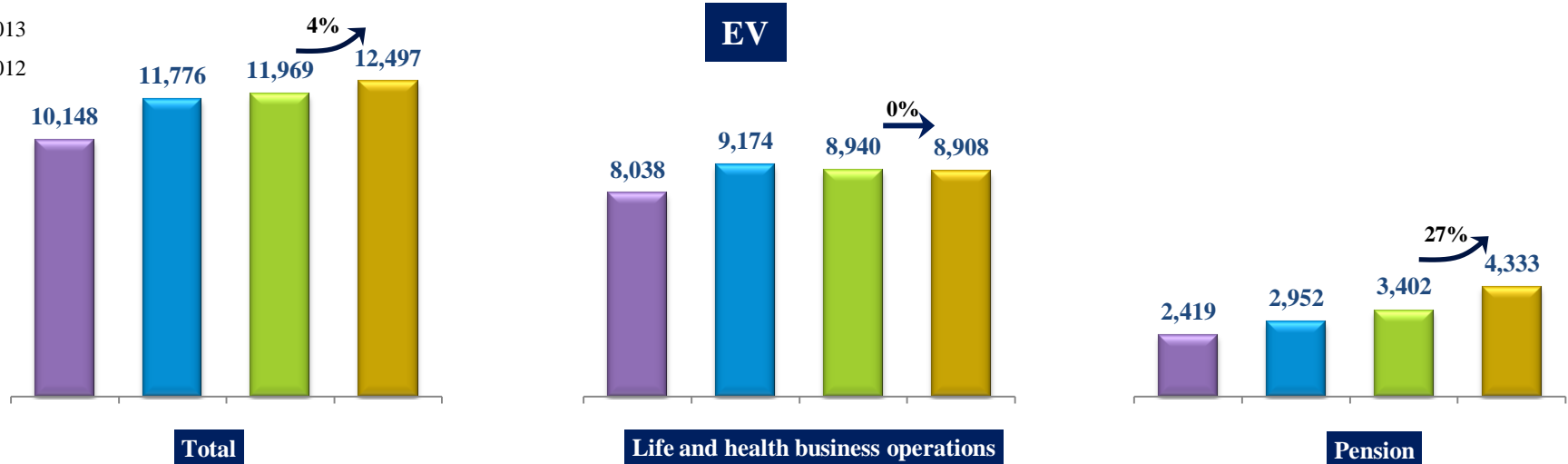
CR* (Retention)



- A. The loss in the reporting period was mostly due to the liability adequacy test (LAT), which resulted in increased reserves. After neutralization of this provision, income for the quarter in the reporting period amounted to a total of approximately NIS 35 million, as compared with income in the amount of approximately NIS 124 million in the corresponding period last year. The decrease in income, after neutralization of the provision for the liability adequacy test, is primarily due to the decrease in investment income above the level required to cover the insurance liabilities.
- B. The increase in premiums was primarily due to the increase in the Company's individual business operations.

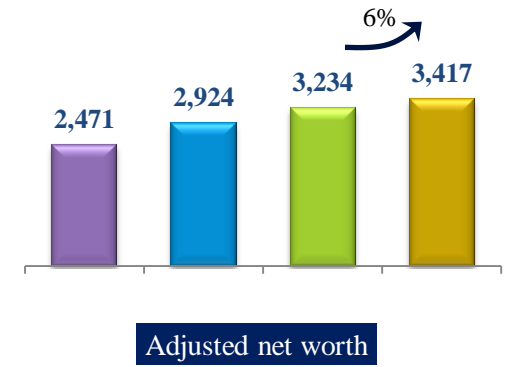
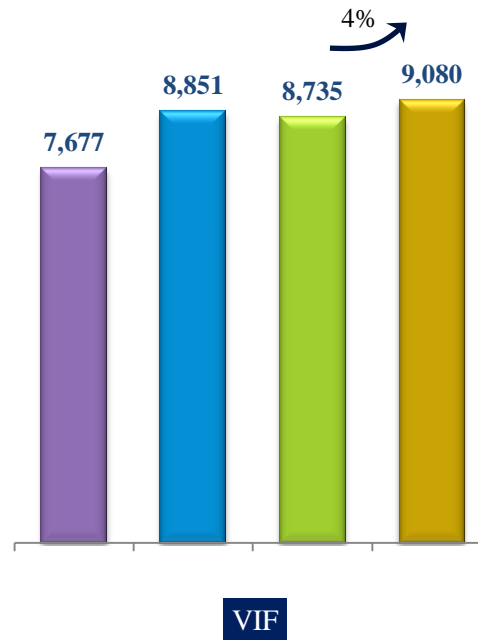
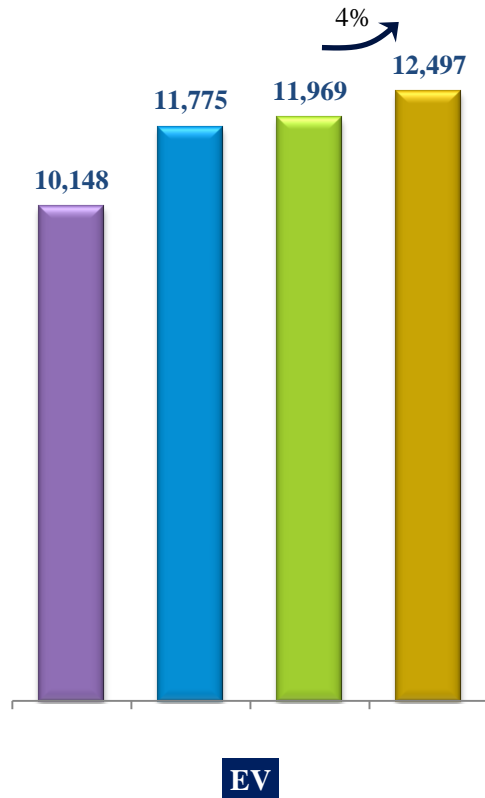
Embedded value results (NIS milions)

- 31.12.2015
- 31.12.2014
- 31.12.2013
- 31.12.2012



Embedded value results (NIS milions)

- 1.12.2015
- 1.12.2014
- 1.12.2013
- 1.12.2012



CEO Summary

"Clal Insurance continues to present excellent underwriting results, in accordance with its business policy of increasing underwriting profit in its core business operations. The Company's results, as published today, do not reflect the Company's activity in this quarter, due to the provisions required by the Company in light of the low interest rate environment and in light of the impact of the negative fluctuations in the capital market during the quarter. The Company is continuing to implement its operations at full speed, in accordance with its established work plans."

Thank You