

Summary Results from the Financial Statements for the Period January-September 2017

Review for Analysts, November 2017

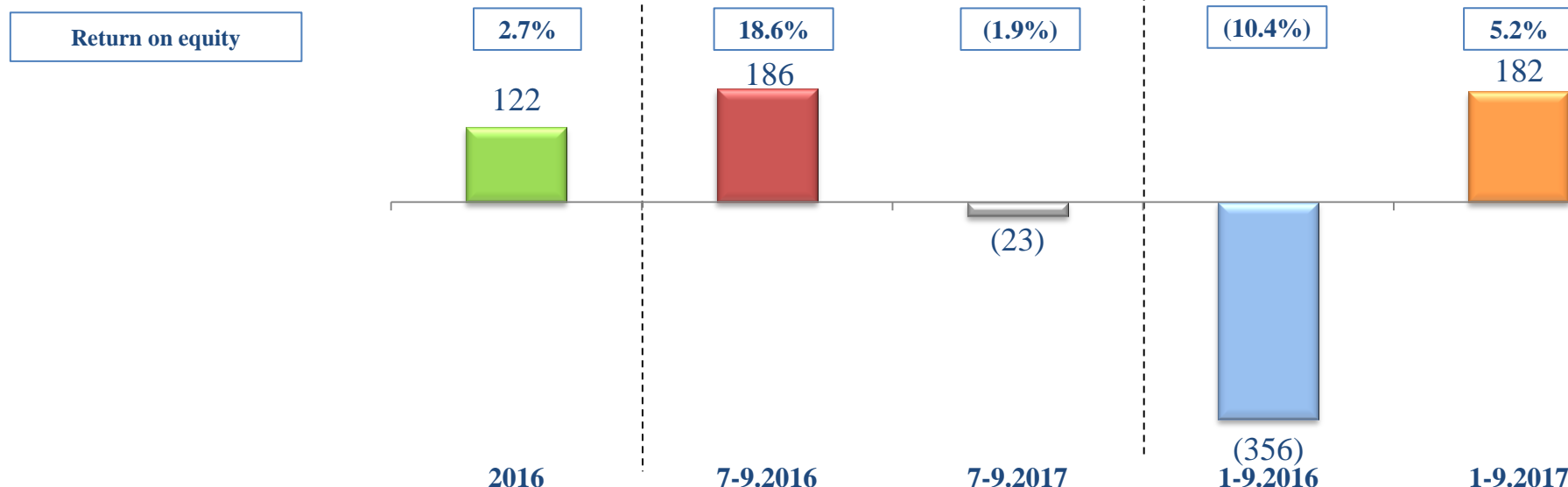
Limitation of Liability

This presentation includes partial information only with respect to the Company's results for the period January-September 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.

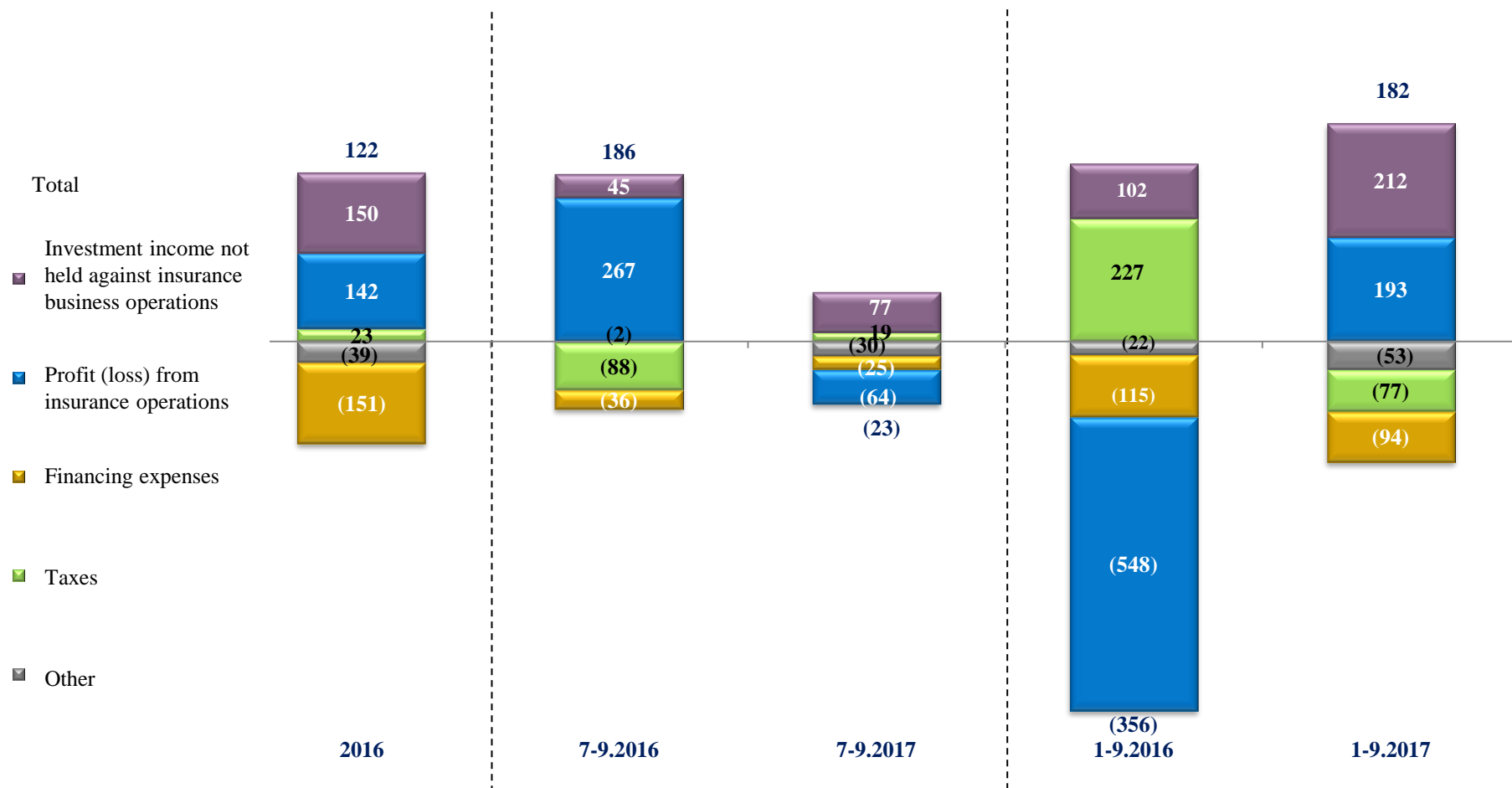
This presentation does not constitute an offer for the acquisition of the Company's securities, nor a request for any such offers, and is intended for the delivery of information only, as part of the provision of explanations regarding the Company.

Comprehensive Income After Tax Attributable to Shareholders (NIS Millions)

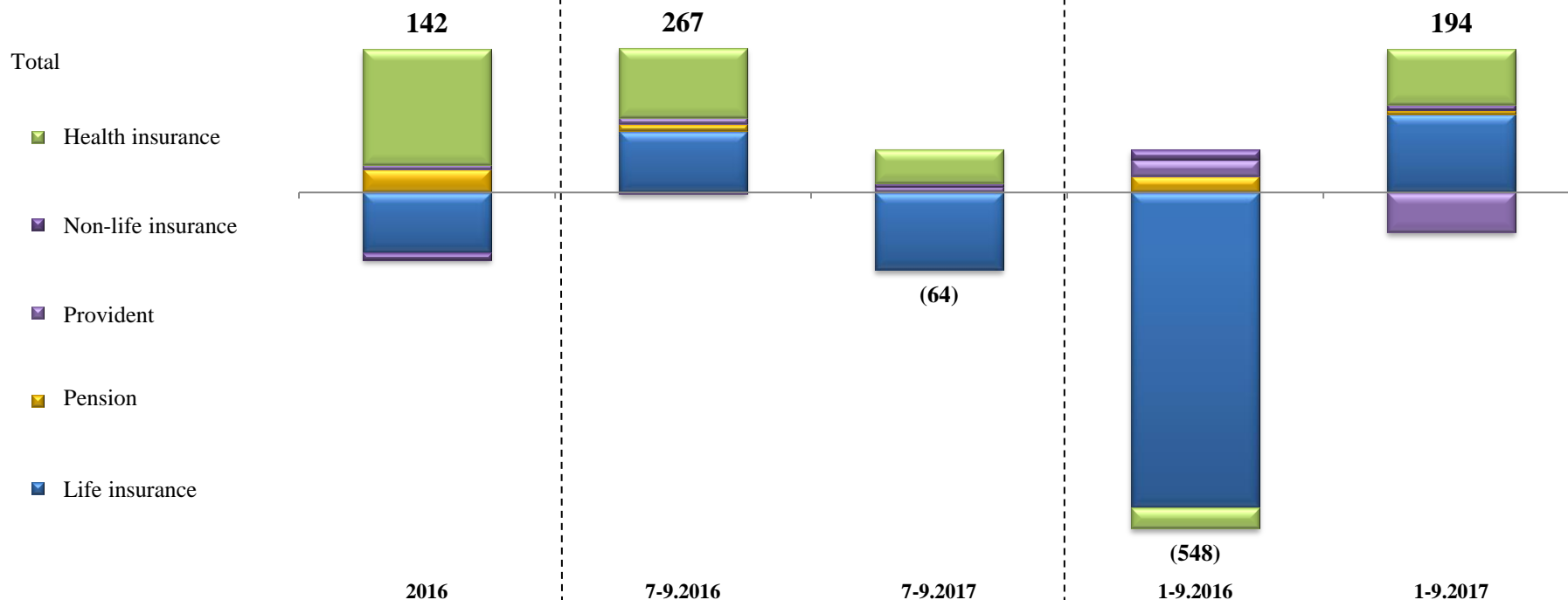


The results include (net of tax):					
Impact of the low interest rate environment on insurance liabilities	(124)	98	(218)	(440)	(162)
Estimated impact of the Winograd committee	(90)	(3)	(44)	(81)	(62)
Special provisions in long term savings	(65)	0	(27)	(66)	(40)
Impairment of goodwill in the provident segment	(16)	-	-	-	(53)
Repayment fee for deferred liability notes	(15)			(11)	
Impact of the update of tax rates	37	13	-	13	-
Update of the discount rate used to calculate liabilities for paid pensions	-	-	-	-	57
Update to provisions with respect to claims which were filed against the Company	-	-	-	-	(10)
Voluntary retirement program			(15)		(15)
Total	(274)	109	(303)	(584)	(285)
Comprehensive income without these effects	396	77	280	228	467
Normalized return on equity	8.7%	7.7%	22.9%	6.7%	13.3%

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

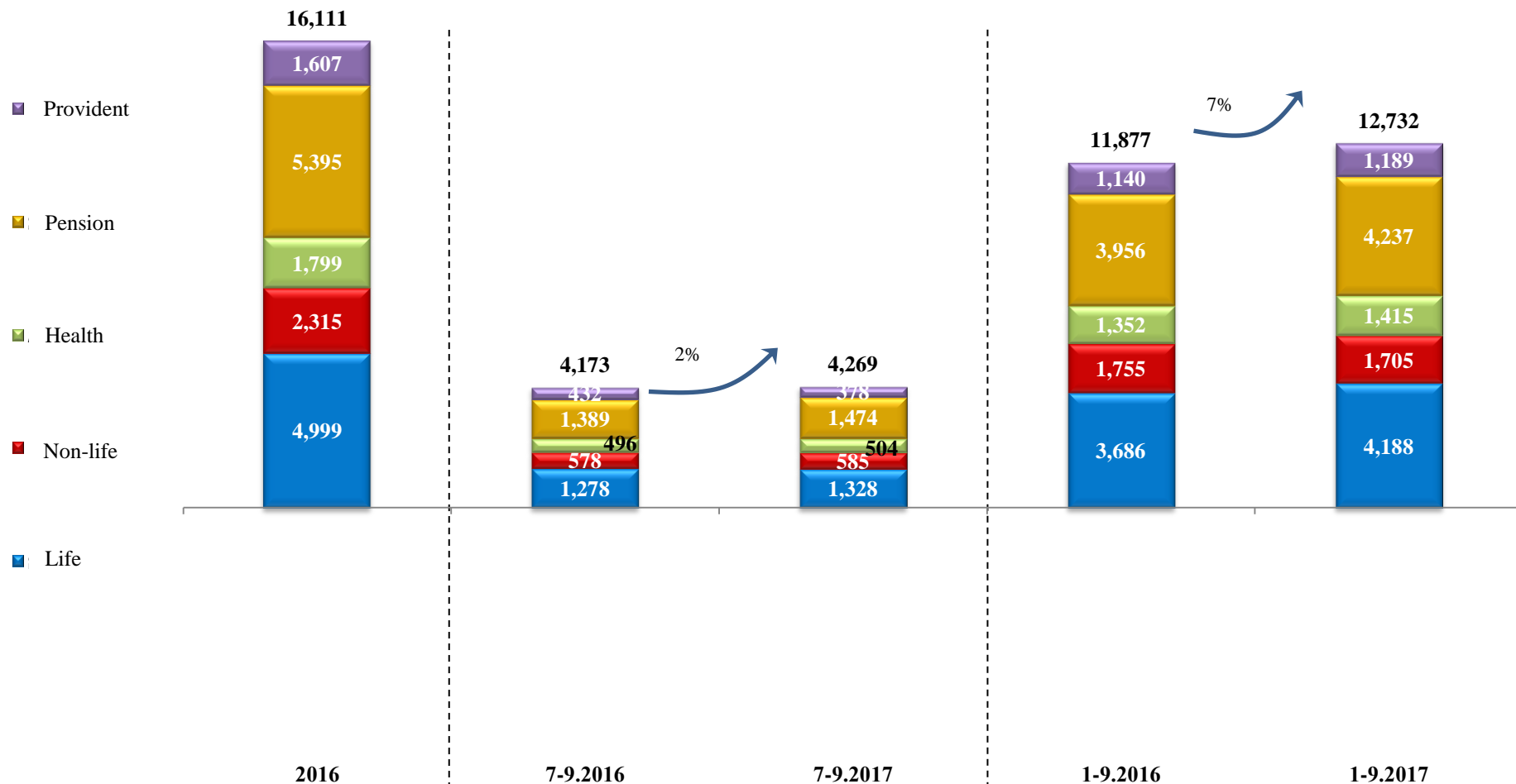


Comprehensive Income Before Tax from Insurance Operations by Segments (NIS Millions)



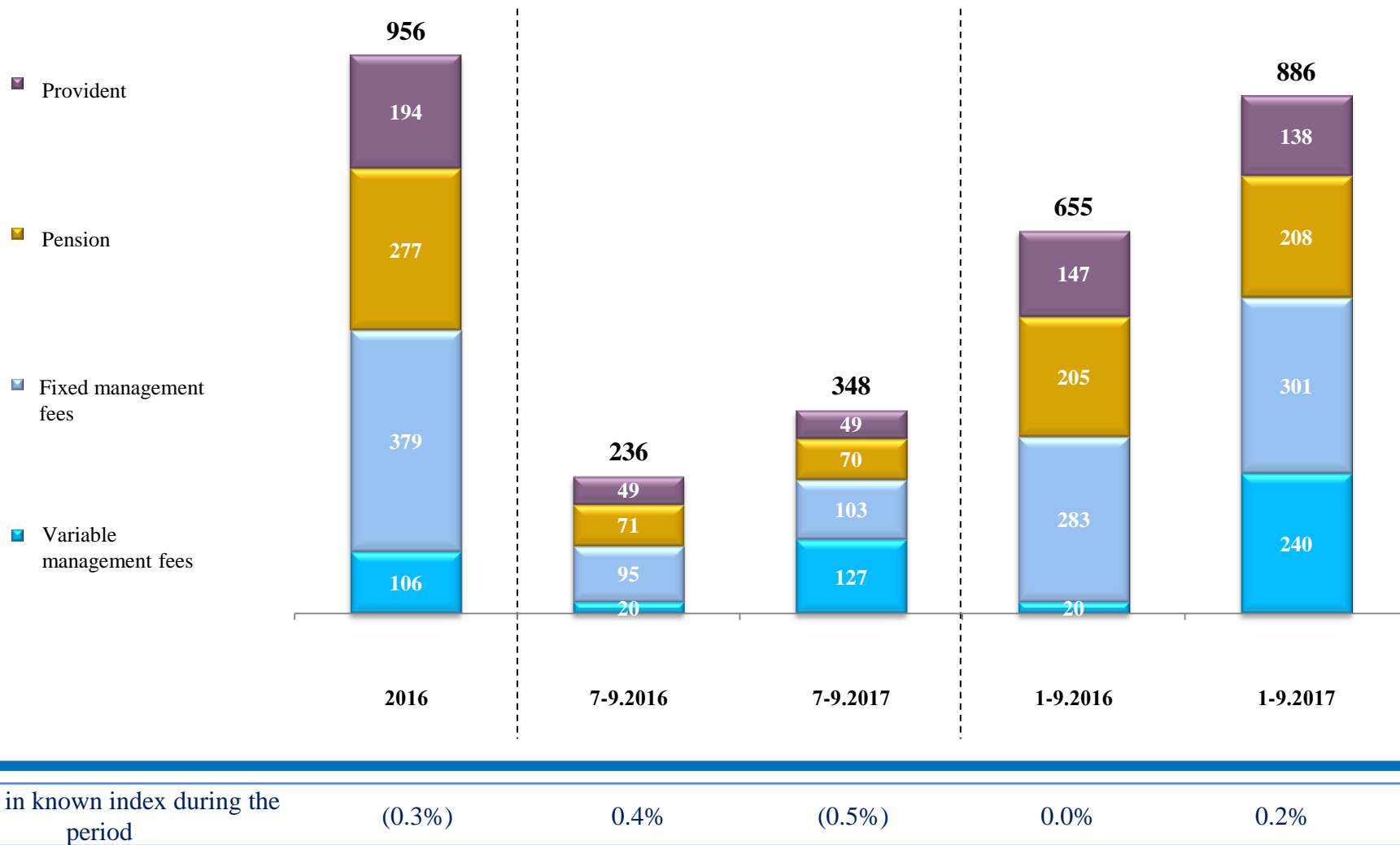
	2016	7-9.2016	7-9.2017	1-9.2016	1-9.2017
Health insurance	216	130	64	(39)	104
Non-life insurance	(13)	(3)	6	19	10
Provident	8	12	9	30	(74)
Pension	43	13	1	31	6
Life insurance	(113)	115	(145)	(589)	147

Gross Premiums Earned and Contributions (NIS Millions)

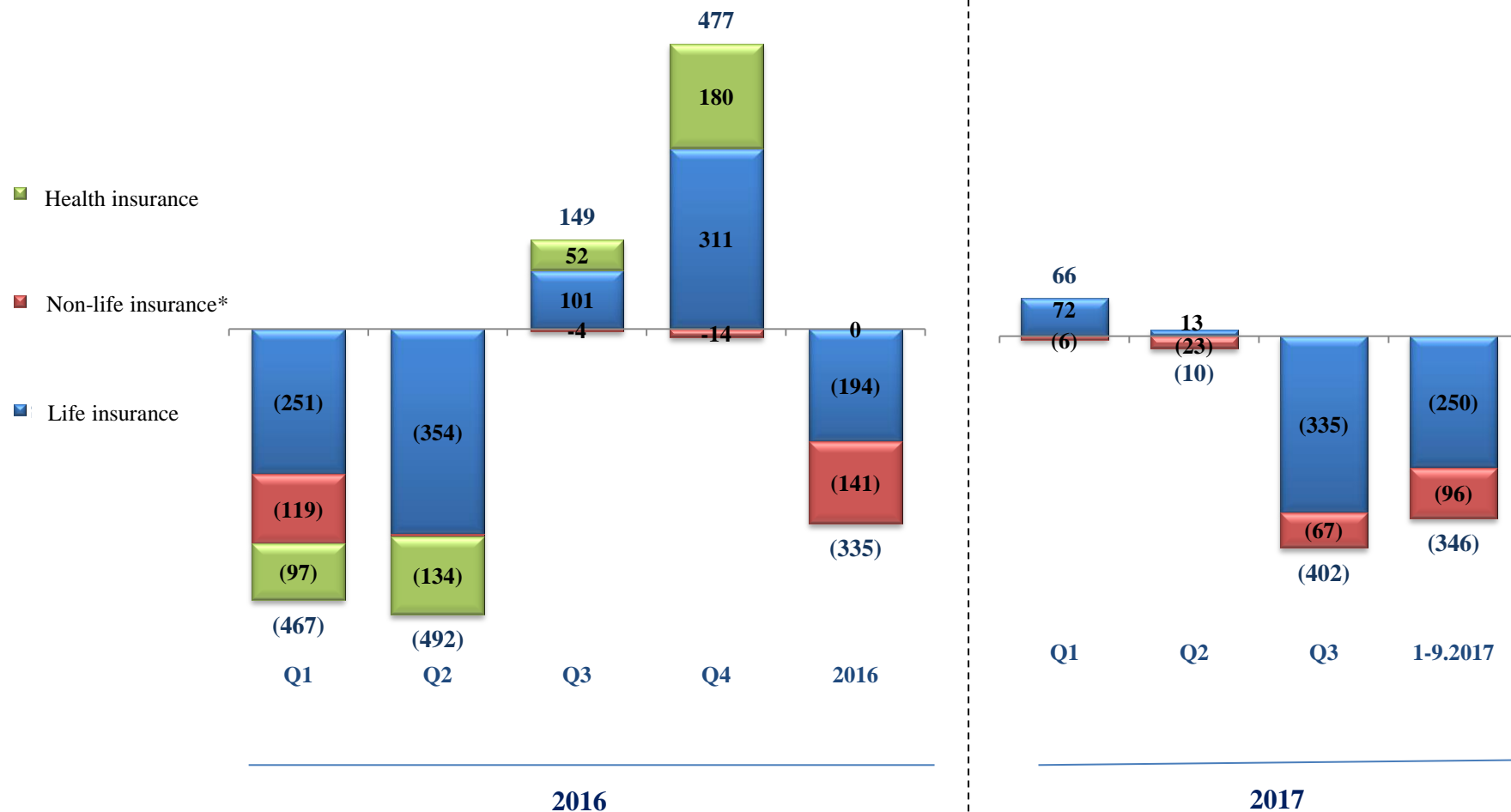


* Excluding central provident fund for severance pay and for other purposes

Long Term Savings Segment - Management Fees NIS Millions)



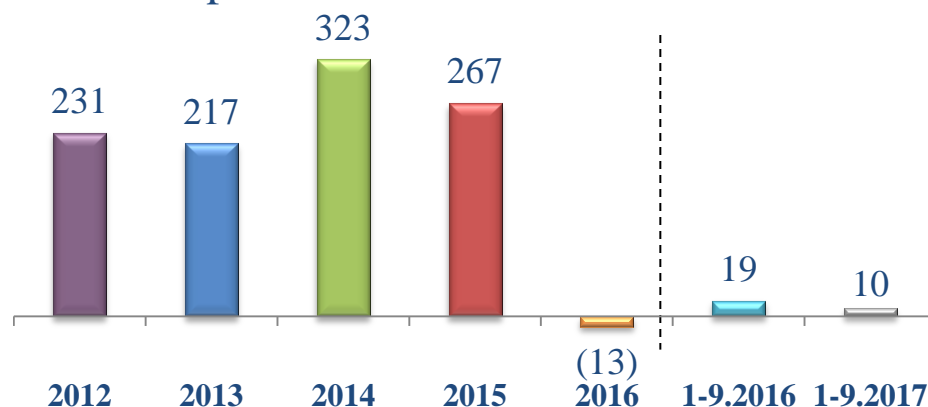
Impact of the Low Interest Rate Environment on Profit Before Tax with Respect to Insurance Liabilities (NIS Millions)



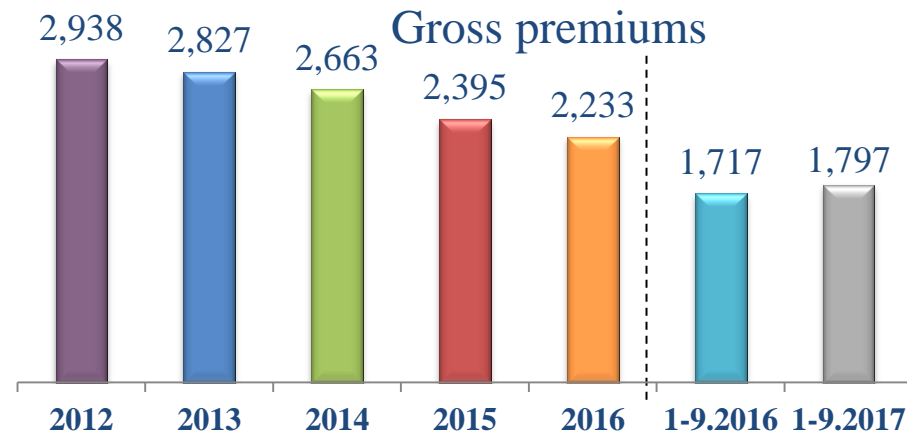
* Including the provision for the possible implications of the Discounting Regulations, in light of the recommendations of the Winograd committee.

Non-Life Insurance - Main Results

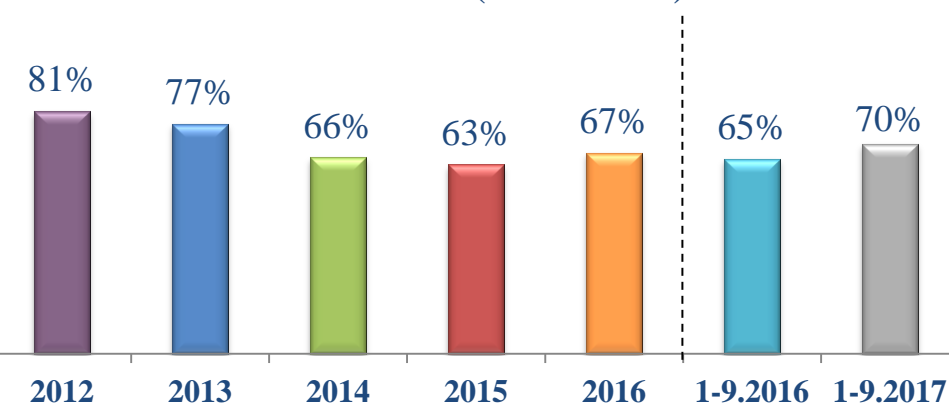
Comprehensive income before tax



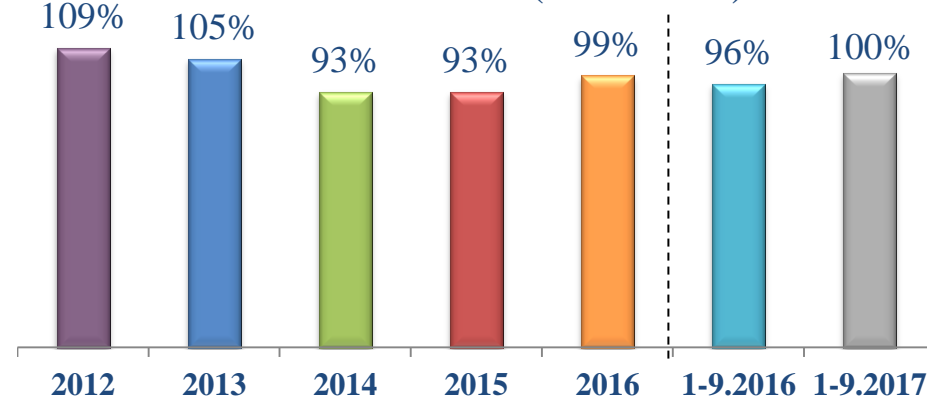
Gross premiums



LR* (Retention)



CR** (Retention)

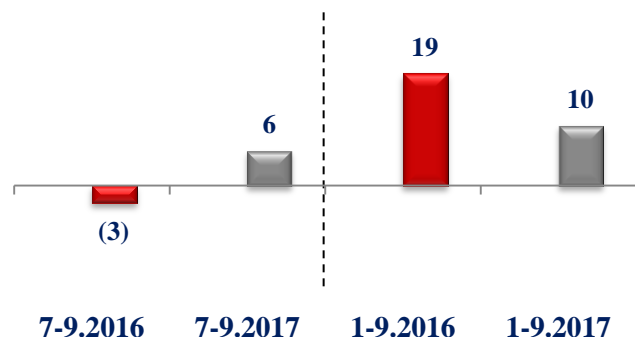


* After neutralizing the provision for the possible implications of the amendment to the Discounting Regulations, in light of the recommendations of the Winograd committee.

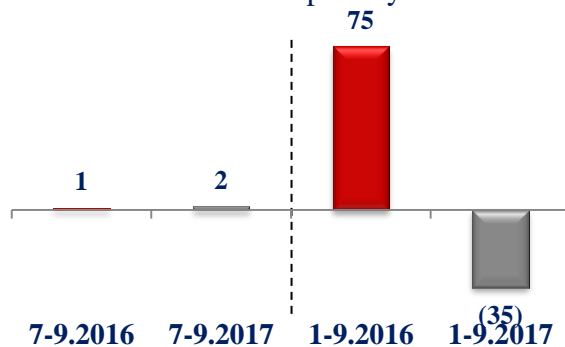
** After neutralizing compulsory motor, during the reporting period, CR on retention was 98%, as compared with 106% in the corresponding period last year.

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

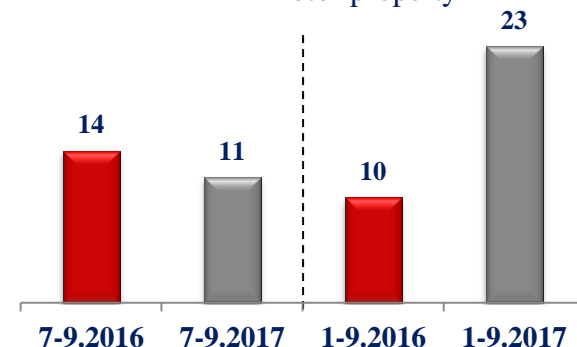
Total non-life insurance



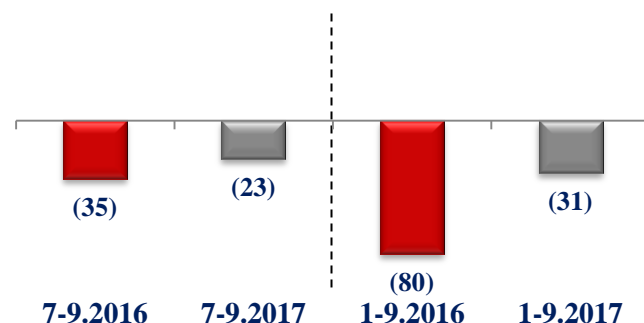
Compulsory motor¹



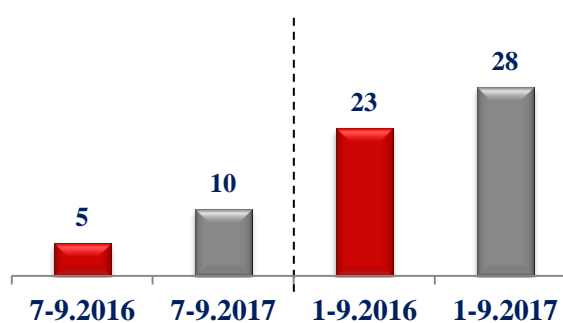
Motor property²



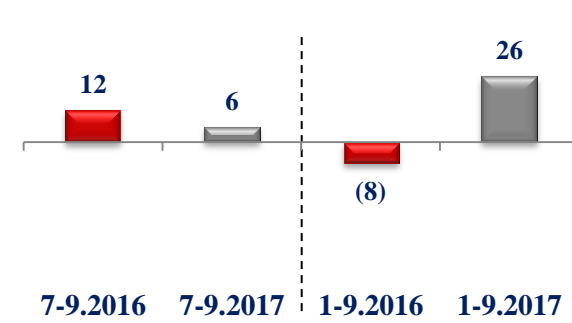
Liabilities and others⁴



Credit insurance



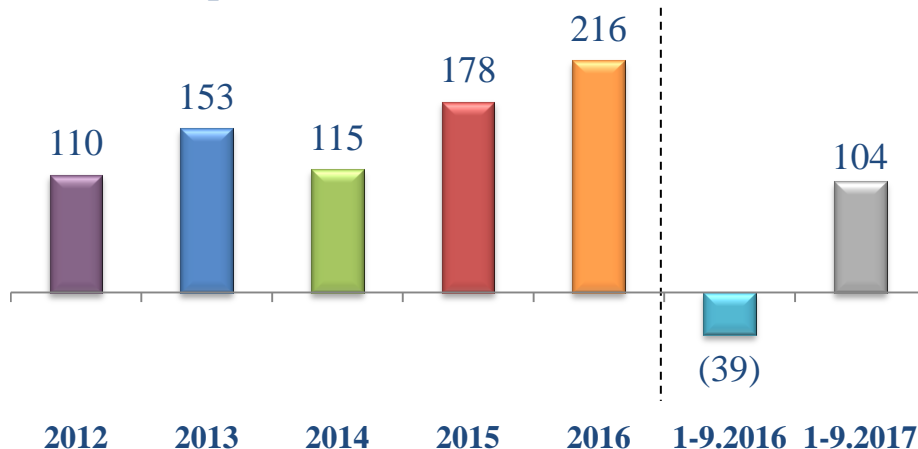
Property and others³



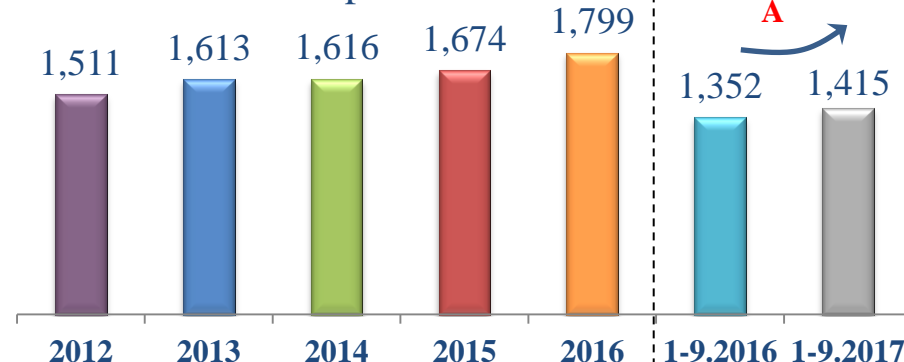
- Compulsory motor** - The decrease in income during the period was primarily due to the fact that a deterioration is apparent in average claims, which was reflected in the actuarial model, as compared with an improvement in the actuarial model and a release of reserves in the corresponding period last year.
- Motor property** - The increase in income during the period was primarily due to the improvement in underwriting results in individual business operations and the discontinuation of losing business operations, as part of the Company's strategy in recent years.
- Property and others** - The transition from loss to income was primarily due to the improvement of underwriting profitability in the fire and property branches, due to business optimization and the non-renewal of the students personal accident insurance branch, for which loss was recorded in the corresponding period last year.
- Liabilities and others** - The increase during the period was due to the improvement in underwriting results relative to the corresponding period last year.

Health Insurance -Main Results

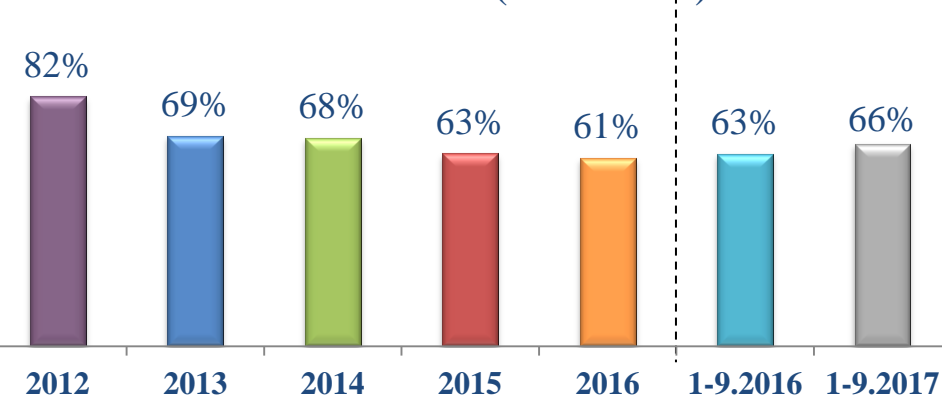
Comprehensive income before tax*



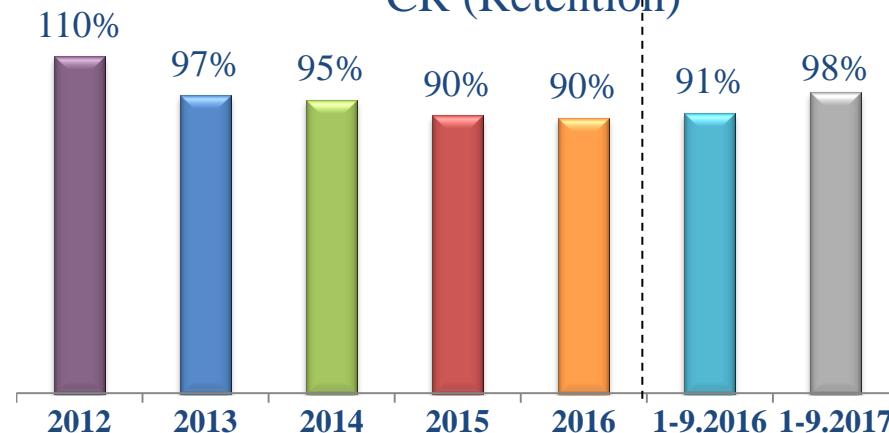
Gross premiums earned



LR (Retention)



CR (Retention)

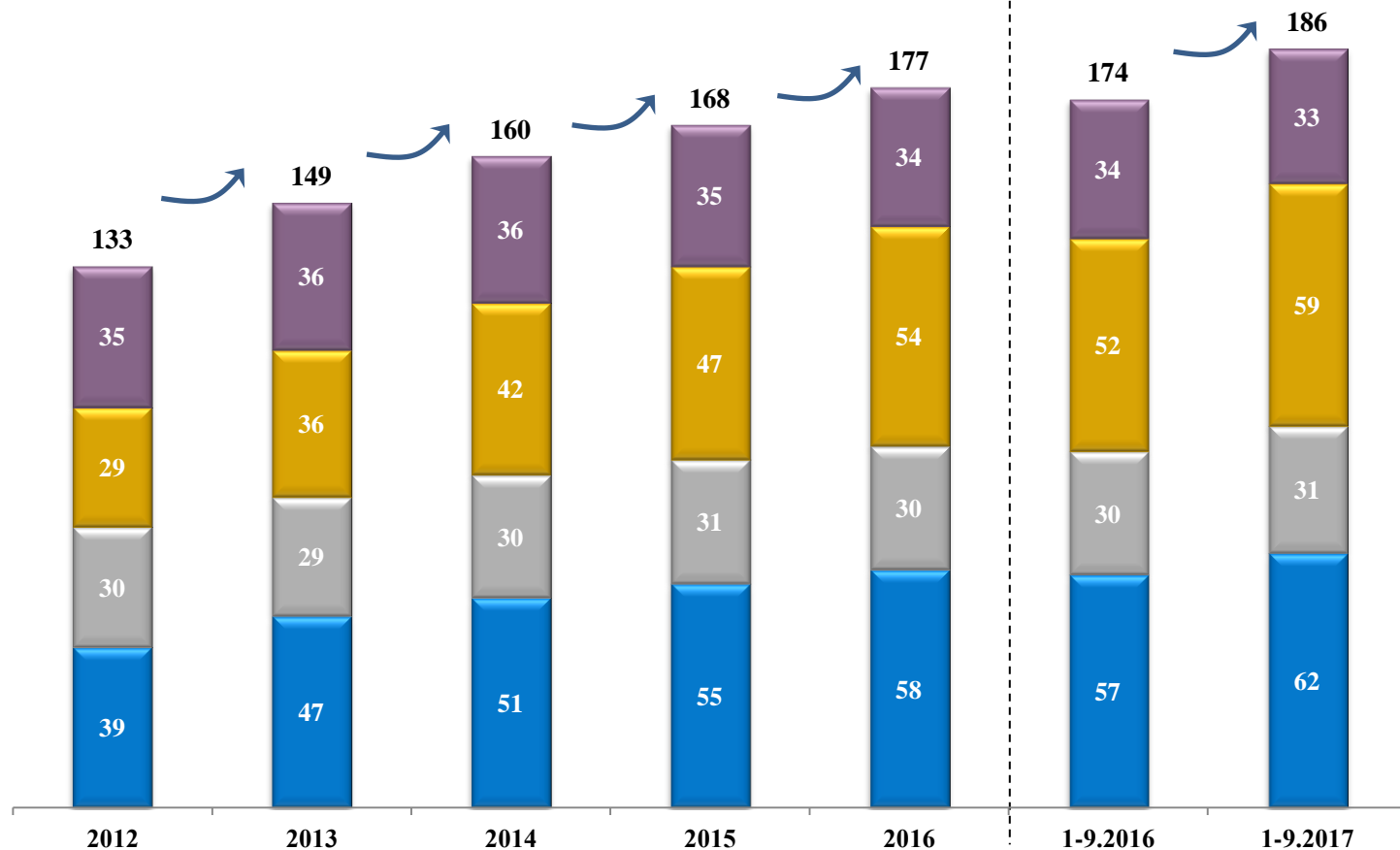


A. The increase in premiums was primarily due to the increase in individual business

* The transition to income during the period was due to the liability adequacy test, which resulted, in the corresponding period, in an increase of the reserves in the amount of approximately NIS 180 million, with no effect during the reporting period.

Managed Assets by Portfolio (NIS Billions)

- Provident
- Pension
- Nostro
- Investment-linked insurance contracts and investment contracts



Ratio of nostro to total managed assets

22%

20%

19%

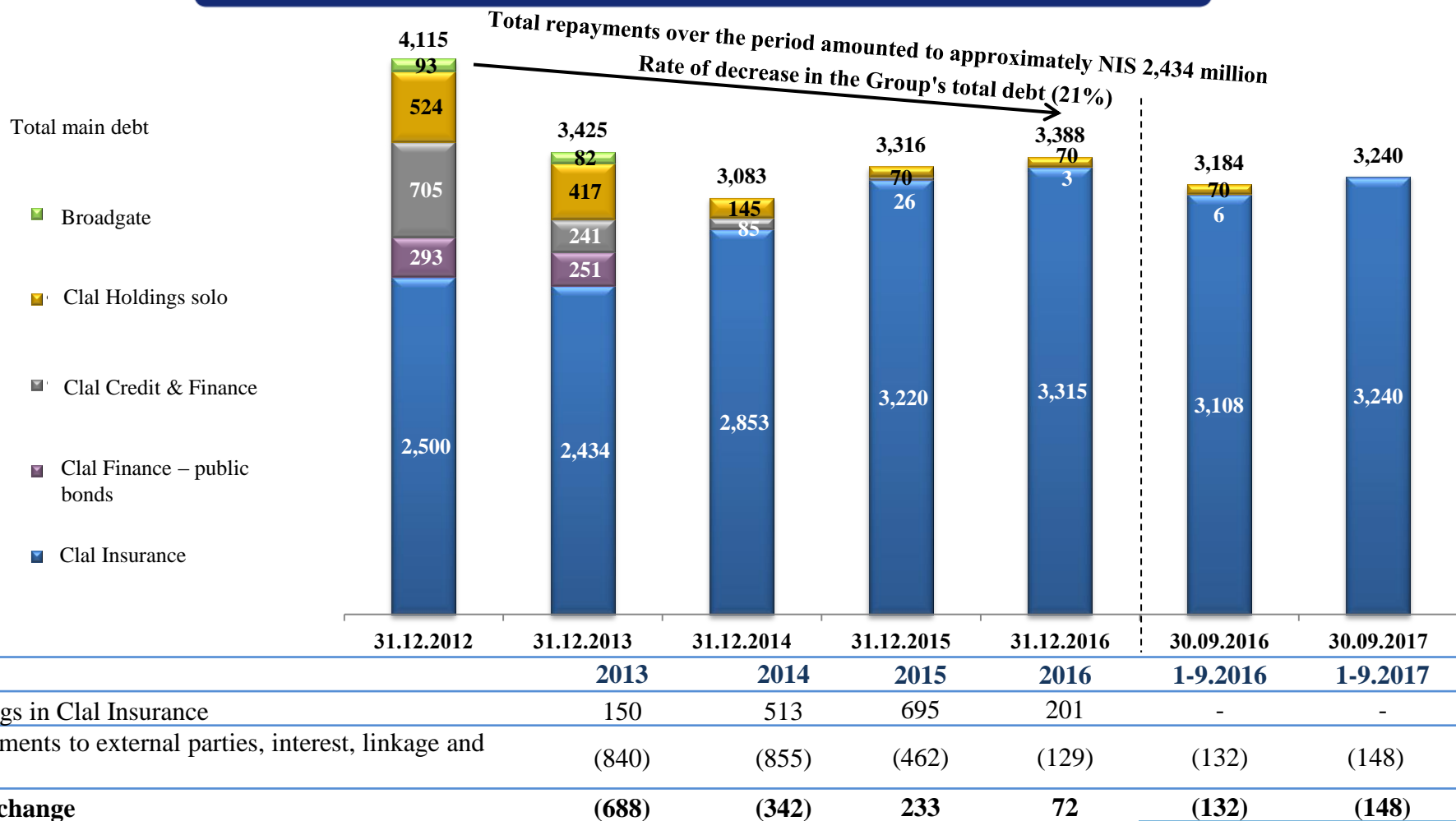
18%

17%

17%

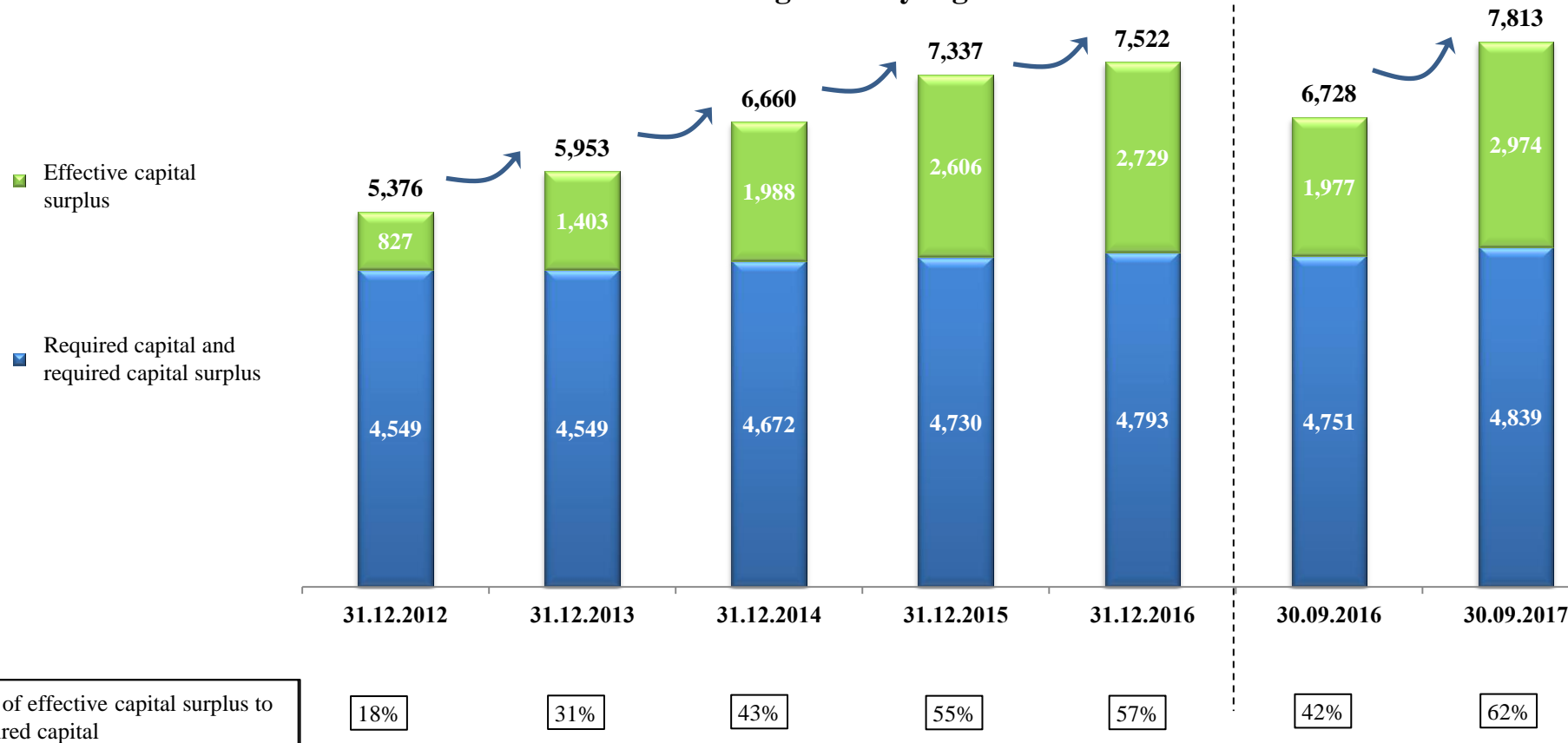
17%

Main Debt of the Group (NIS Millions)



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

Capital requirements pursuant to the Control Regulations
accounting solvency regime



Estimated Capital Status According to the Solvency Regime As of December 31, 2016

- ✓ In June 2017, a circular was published on the subject of "Provisions regarding the implementation of a Solvency II-based economic solvency regime for insurance companies" (hereinafter: the "Solvency Circular"), in which provisions were set forth regarding the calculation of equity, and regarding the economic solvency capital requirement. The solvency circular includes several changes to the provisions regarding calculation which were set forth in previous provisions regarding the performance of IQIS.
- ✓ The solvency circular specified an adoption date of June 30, 2017 and a distribution period during which the solvency capital requirement will increase gradually, from a rate of 60% of the solvency capital requirement according to the circular, up to full compliance with the calculation, which will be required based on the data for December 31, 2024. This distribution period is in addition to the transitional provisions which were determined regarding the capital requirement with respect to the stock risk sub-component, according to which the capital requirement will increase gradually, with respect to this sub-component, over a period of seven years.

Estimated Capital Status According to the Solvency Regime as of December 31, 2016 (Cont.)

- ✓ Presented below is a summary of the calculation results as of December 31, 2016, which are included in the board of directors' report:

NIS Millions	SCR (Solvency)	
	Full	Distribution
Current equity	8,866	7,887
Required capital	7,969	4,418
Surplus (deficit)	897	3,469
Solvency ratio	111%	

- ✓ The solvency ratio data were not reviewed by the auditors as part of their review of the financial statements.

CEO Summary

"Despite the significant consequences of the low interest rate environment, which affect the reported results, the Company is successfully offsetting these effects, through underwriting profits and increased variable management fees, due to the capital market activities in the last nine months. The greater the increase of the interest rate environment, the more the provisions for the aforementioned consequences are expected to decrease, and to positively affect comprehensive income."

Thank You