

Clal Insurance Enterprises Holdings Ltd.



Financial Statements For The Period January-March 2019



Review for Analysts, May 2019

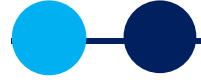
Limitation of Liability

This presentation includes partial information only with respect to the Company's results for the period January-March 2019, 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.



About Us



Clal Insurance is one of the leading insurance and long-term savings groups in Israel

Assets under management: NIS **202** billion (As of the end of March 2019)
An increase of 5% compared with the end of March 2018.

ilAA+ rating from Standard & Poor's Maalot
Aa1.il rating from Midroog

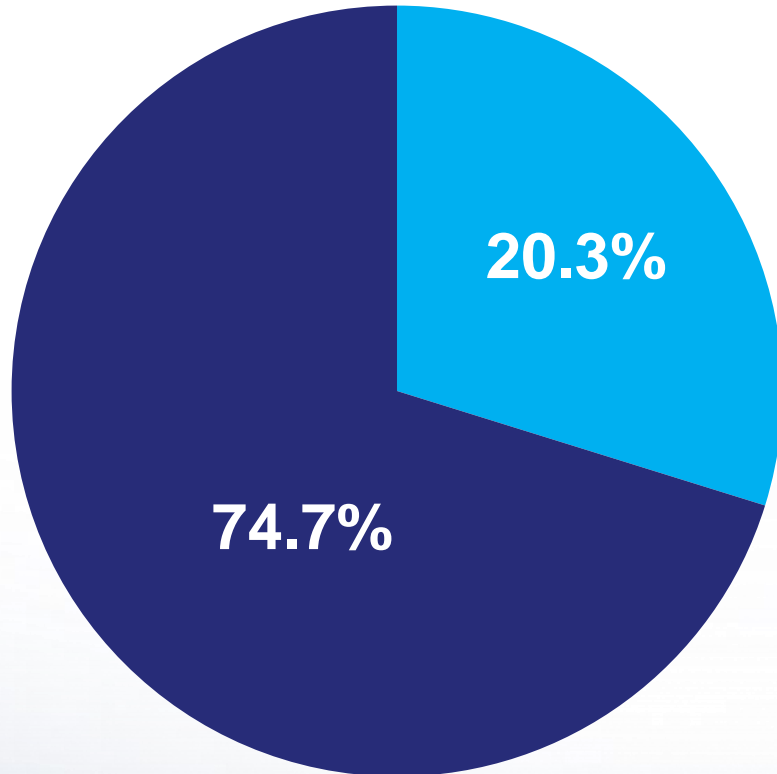
Scope of premiums and contributions in January-March 2019 : Approximately NIS **4.4** billion
An increase of 3% compared with the corresponding period last year.

Operates together with approximately 2,000 insurance agents

Employs approximately 4,400 employees



Shareholders*



IDB Development group is holding approximately 20.3%** of the shares of Clal Insurance Enterprises Holdings

Shares which are held by the public and listed for trade on the Tel Aviv Stock Exchange. It is noted that IDB Development entered into swap transactions with respect to Company shares at a rate of approximately 24%.



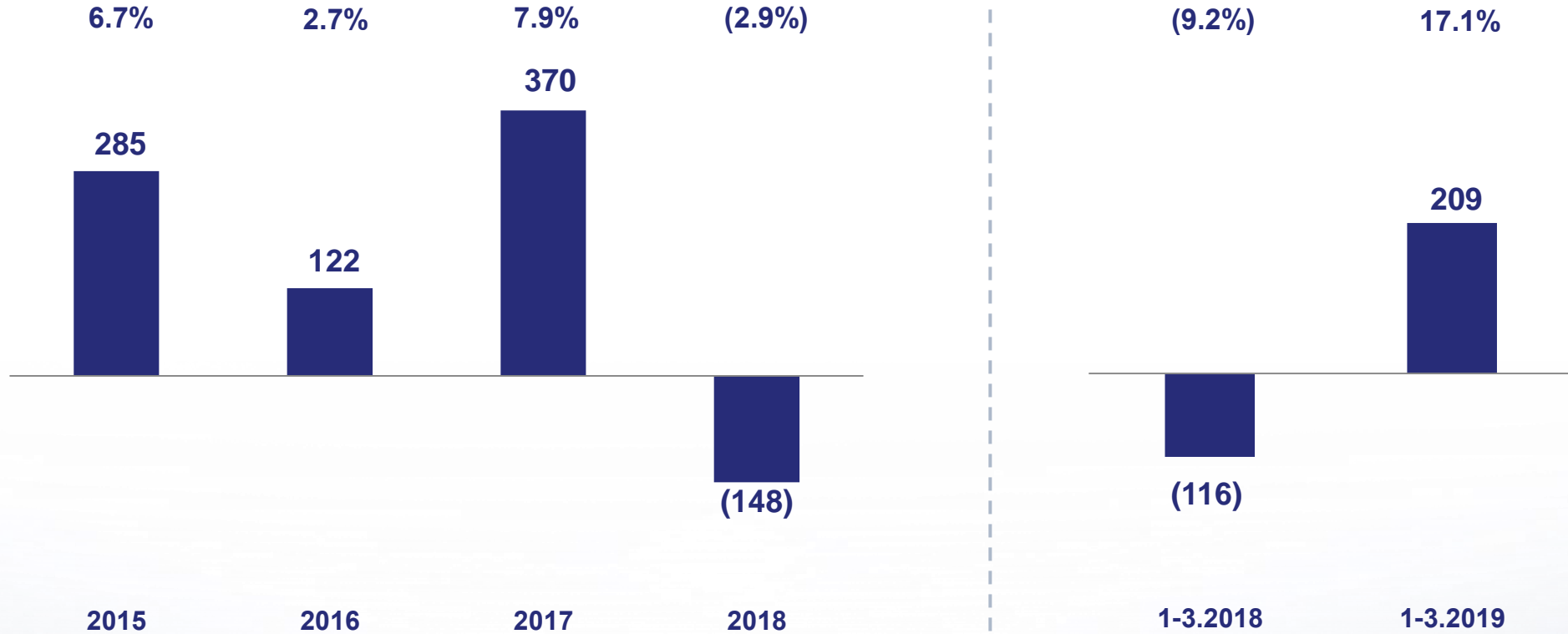
* Proximate to the publication date of the report

** Approximately 15.3% of the share capital of Clal Holdings is held for IDB Development through a trustee, Mr. Moshe Terry

*** On May 2, 2019, IDB Development and two buyers who are not relate to IDB Development entered into agreements whereby each buyer purchased Company shares constituting app. 4.99% of its share capital. Furthermore, one of the buyers was given an option to purchase app. 3% additional Company shares. Furthermore, IDB Development and a third buyer entered into option agreement for the purchase of shares constituting up to app. 4.99% of the Company's issued capital (and no less than 3%). To date, the aforesaid options have not yet been exercised.

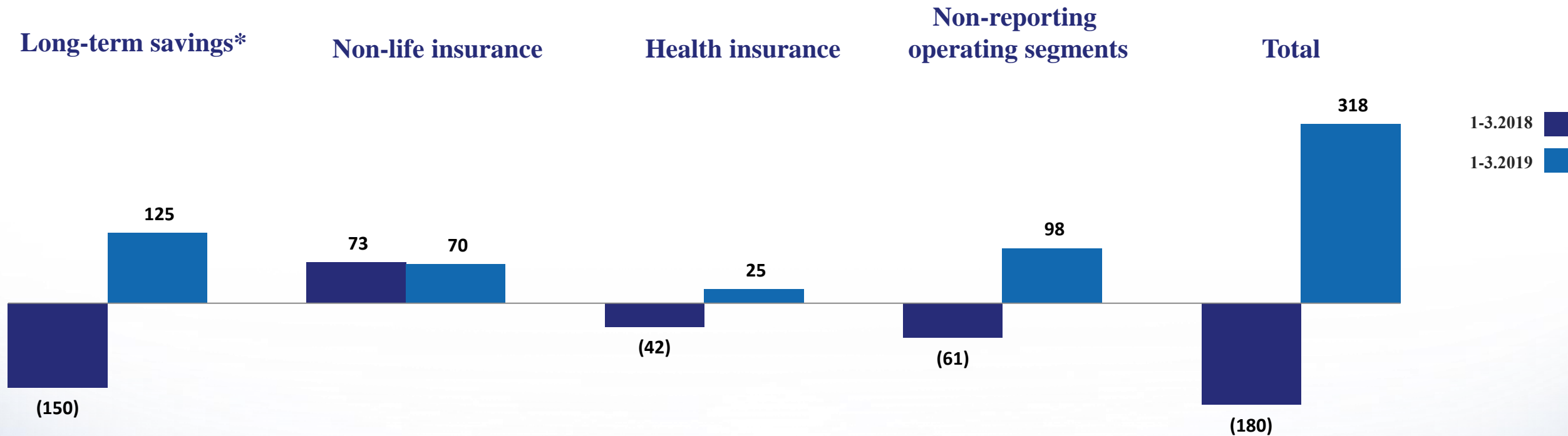
Comprehensive Income After Tax Attributable to Shareholders (NIS Millions)

Return on Equity*



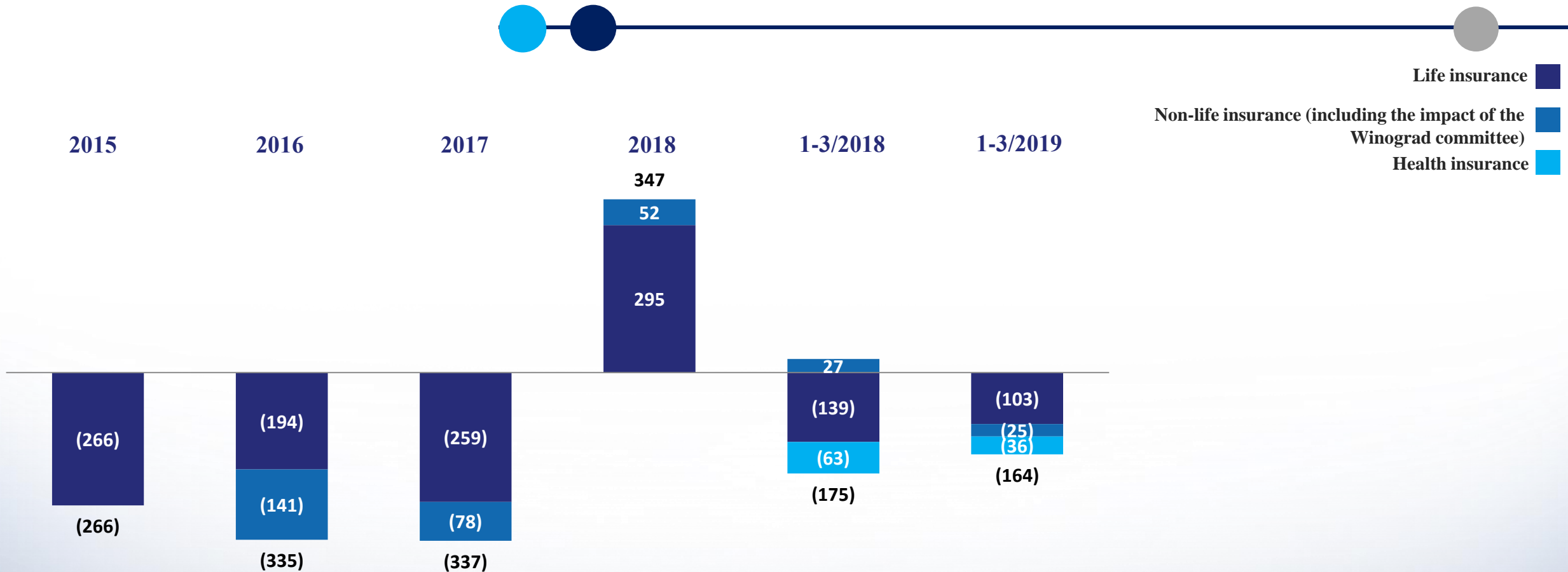
*Return on Equity In annual terms - return on equity is calculated on the basis of profit for the period attributable to the Company's shareholders, divided by equity at the beginning of the period attributable to the Company's shareholders

Comprehensive Income Before Tax by Segments* (NIS Millions)



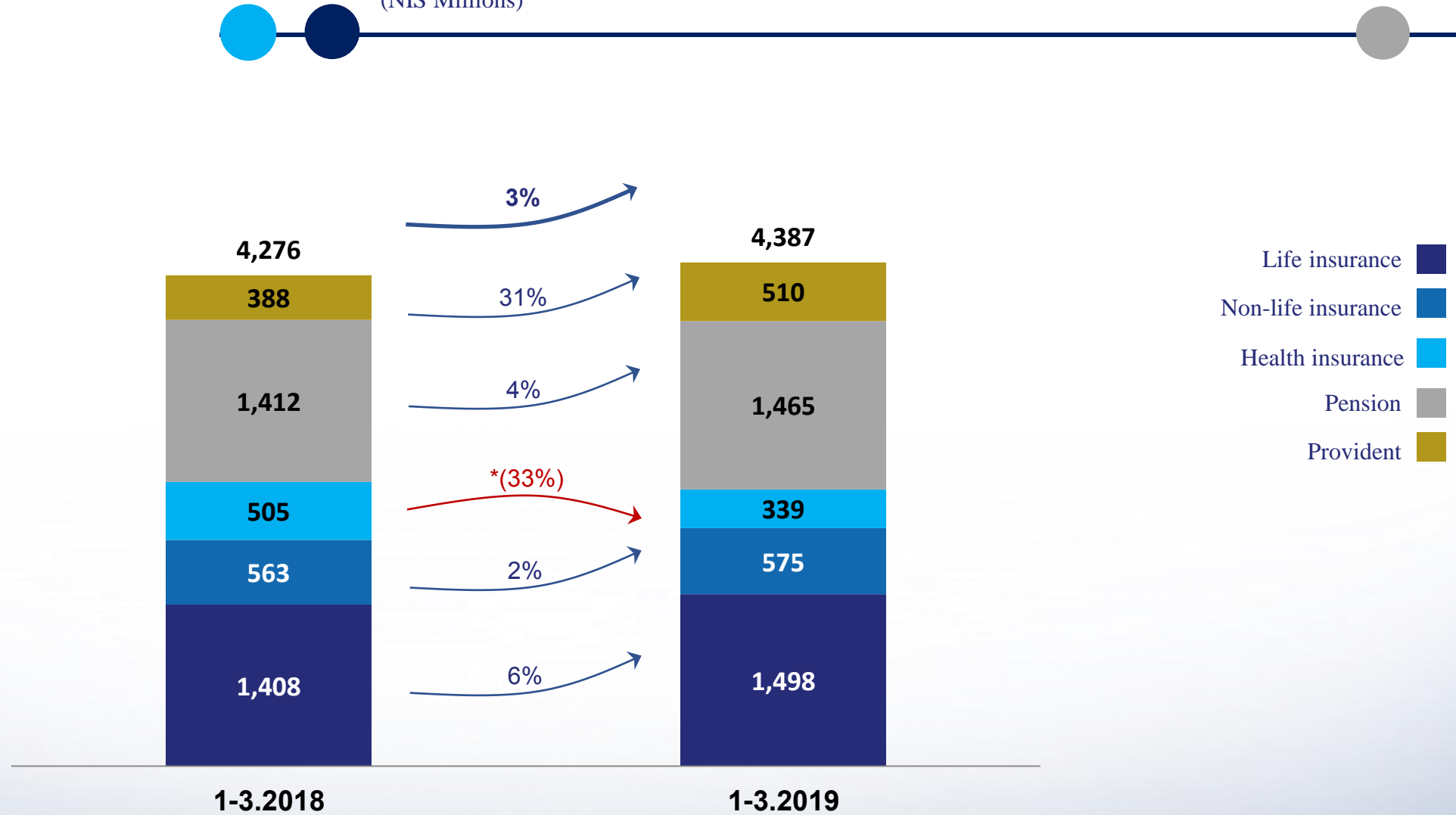
*The Comprehensive income in the reported period was mainly impacted from increase in capital market returns that were higher than returns in the corresponding period last year and were reflected in an increase in investment income which brought about, among other things, the settlement of the liability to insured persons in respect of collection of variable management fees and also caused a collection of variable management fees of app. NIS 170 million, compared with collection of variable management fees of app. NIS 13 million last year.

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



Gross Premiums Earned and Contributions

(NIS Millions)



- Life insurance
- Non-life insurance
- Health insurance
- Pension
- Provident

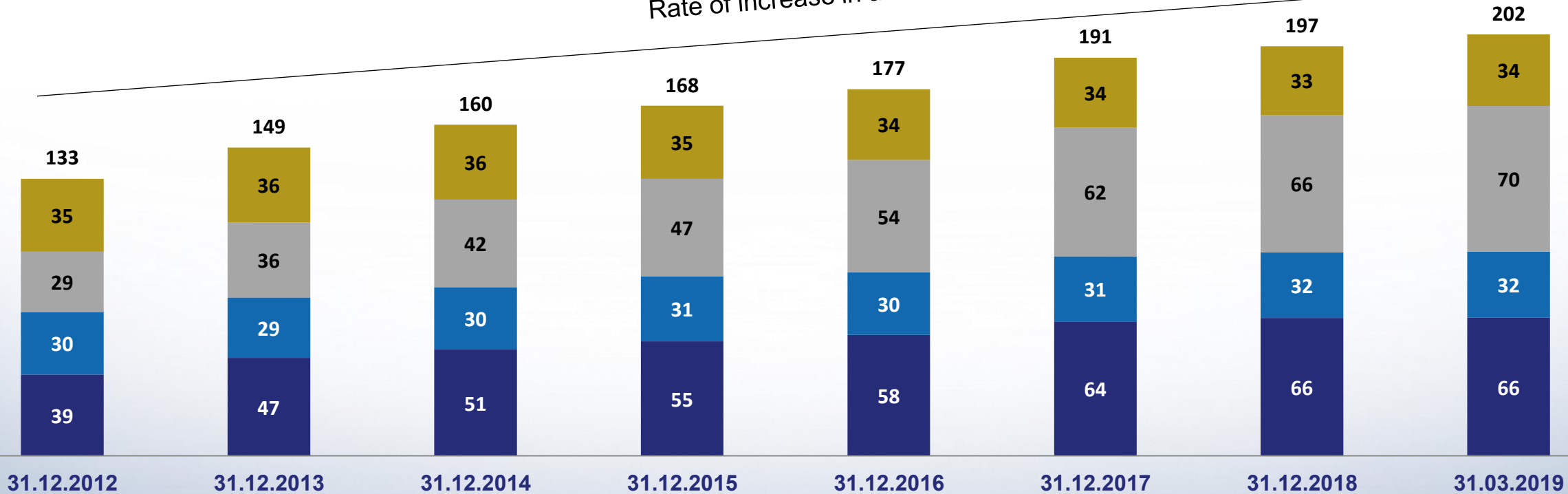
*The decrease in health insurance premiums stems mainly from the termination of engagement with Maccabi Healthcare Services under a collective long-term care insurance.

Managed Assets by Portfolio (NIS Billions)

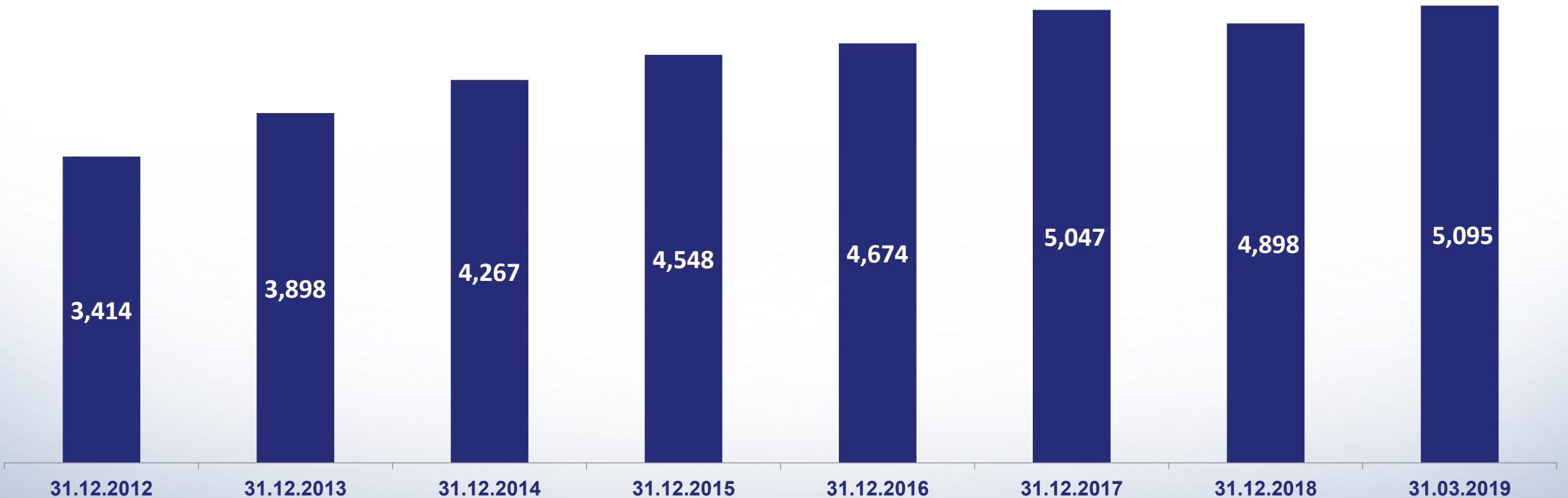


- Investment-linked insurance contracts and investment contracts ■
- Nostro ■
- Pension ■
- Provident ■

Rate of increase in assets - 52%



Capital Atributable to Company Shareholders (NIS Millions)



Results of the Economic Solvency Ratio Calculation as of December 31, 2017 [NIS Millions]

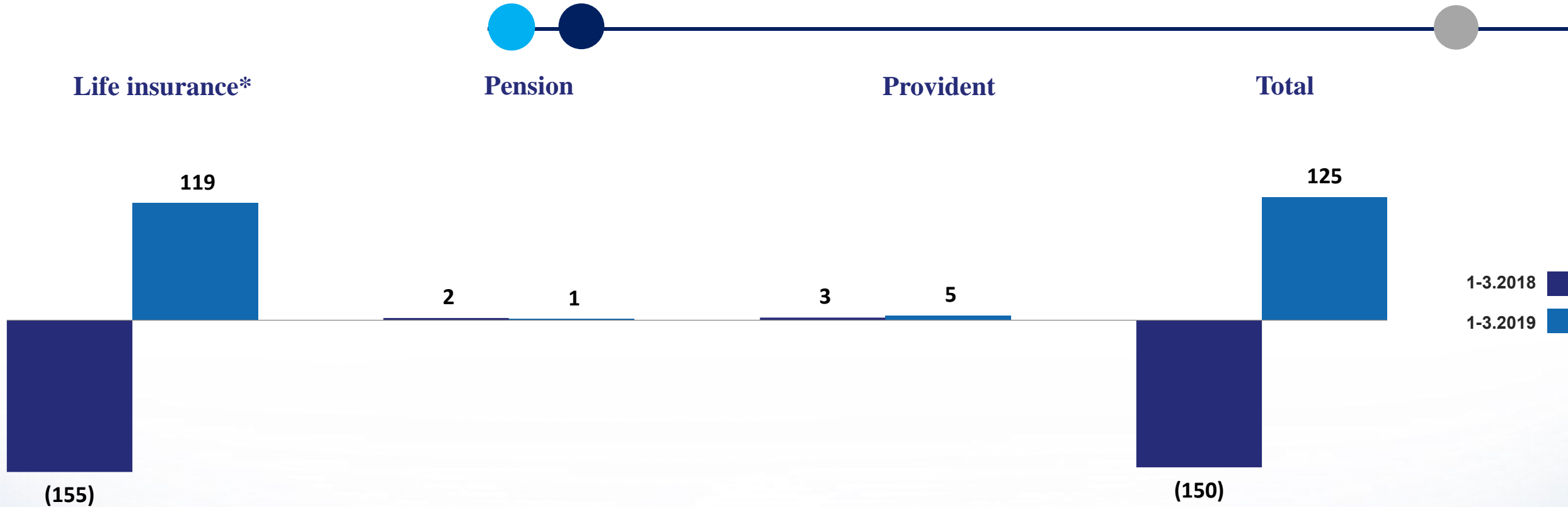
Presented below is a summary of the results of the economic solvency ratio calculation for Clal Insurance as of December 31, 2017:

Without taking into account the provisions during the distribution period and the stock scenario adjustment:	
Equity for the purpose of the solvency capital requirement	9,575
Solvency capital requirement (SCR)	8,823
Surplus	752
Solvency ratio	109%
Fulfillment of milestones while taking into account the provisions during the distribution period and the stock adjustment:	
Equity for the purpose of the solvency capital requirement	8,773
Solvency capital requirement	5,196
Surplus	3,577

- ✓ The data presented above have not been audited or been reviewed by the auditors as part of their review of the financial statements.
- ✓ In accordance with the provisions during the distribution period, the solvency capital requirement as of December 31, 2017 amounts to 65% of the solvency capital requirement calculated according to a stock scenario adjustment.
- ✓ The Board of Directors of Clal Insurance has not yet determined the target solvency ratio based on the provisions of the economic solvency regime, which is a precondition for a dividend distribution.
- ✓ Clal Insurance is expected to calculate the economic solvency ratio as of December 31, 2018 until July 15, 2019.

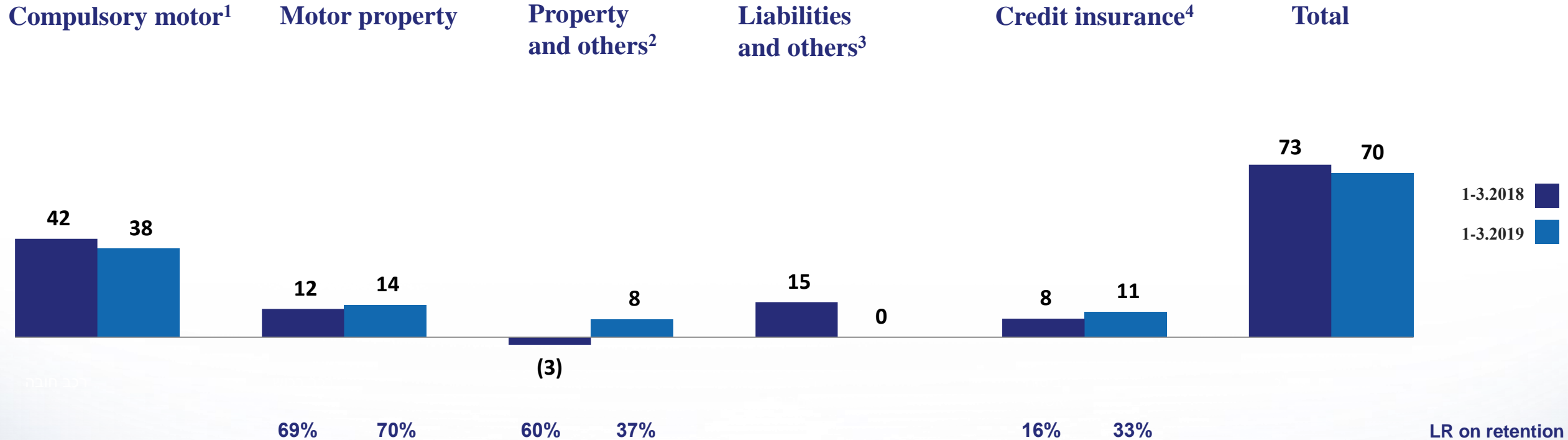


Long Term Savings | Comprehensive Income Before Tax (NIS Millions)



*The transition to income in the reported period stems mainly from the increase in investment income in the reported period compared with the corresponding period last year. During the reported period, participating policies achieved a gross real return of 5.41% compared with 0.38% last year, such that in the reporting period the liability to insured persons in respect of collection of variable management fees was settled and variable management fees of app. NIS 170 million were collected compared to app. NIS 13 million last year. The financial margin in life insurance amounted to app. NIS 405 million compared with app. NIS 162 million last year. Furthermore, in the reported period the reserves due to the low interest rate environment and LAT increased by app. NIS 103 million, compared with an increase of app. NIS 139 million in provisions during the corresponding period last year.

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



- In the reported period, the provision in respect of the Winograd Committee increased by app. NIS 12 million compared with a decrease of app. NIS 15 in the provision in the corresponding period last year. On the other hand, during the reporting period, investment income increased by an amount that exceeds the income required to cover the increase in insurance liabilities stemming from capitalization and linkage in relation to the corresponding period last year.
- The transition to profit in the reported period stems mainly from improvement in claims in the fire, property, and comprehensive house insurance lines.
- In the reported period, the provision in respect of the Winograd Committee increased by app. 13 NIS million compared with a decrease of app. NIS 12 in the provision in the corresponding period last year. Furthermore, losses were recorded in the third-party insurance line compared to the corresponding period last year. On the other hand, during the reporting period, investment income increased by an amount that exceeds the income required to cover the increase in insurance liabilities stemming from capitalization and linkage in relation to the corresponding period last year.
- The increase in profit in the reporting period arises mainly from an increase in investment income that exceeded the required income, which were partially offset due to deterioration in claims during the reporting period compared with last year.

Yoram Naveh, Chief Executive Officer, Clal Holdings

“The results of the first quarter of 2019 were very good. Clal Insurance and Finance benefited in this quarter from increases in capital markets and presents an increase in revenues from premiums. Nevertheless, we still have a lot of work to do in the current environment, facing competition and regulatory challenges, and we work to continue improving the Company’s profitability.

The Company presents significant improvement in returns from all saving channels compared with its peers, and we expect to continue growing also in the financial field. This week we launched a unique product that changes the rules of the game in the field of pension – “Pensia Mavticha” – along several innovative products in the different insurance branches. We also launched, at the beginning of the week, a new communication language for our brand.

Clal Insurance and Finance is currently in a period a renewal and action, and I have no doubt that our comprehensive investment in all fields of activity, together with the assets available to us and our excellent human capital will drive a significant improvement in all business parameters.”

Dani Naveh, Chairman of the Board of Directors of Clal Holdings

The first quarter’s results are good, mainly thanks to high investment profits despite a significant provision in respect of the decrease in the long-term risk-free interest. The Company’s assets portfolio continues to grow and it now includes assets totalling more than NIS 200 billion. The Company puts an emphasis on innovation when it comes to its products, customer services and insured and on expanding its activities in the field of financial products.”





Thank You