



Clal Insurance Enterprises Holdings Ltd.

Financial Statements For The Period January-March 2020

Review for Analysts, June 2020



Limitation of Liability

This presentation includes partial information only with respect to the Company's results for the period January-March 2020, 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.



Who we are?



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



Assets under management: **NIS 203 billion** (As of the end of March 2020), a decrease of 8% compared with the end of December 2019 due to the COVID-19 crisis. As of the end of May 2020, the amount of assets increased to app. **NIS 214 billion**.



Total premiums, contributions and receipts with respect to investment contracts in January- March 2020: approximately **NIS 5.2 billion**. An increase of 15% compared with the corresponding period last year.



Clal Insurance Company rating:
iIAA+\Negative from Standard & Poor's Maalot Aa1.il with negative outlook from Midroog



Operates together with approximately 2,000 insurance agents



Employs approximately 4,500 employees



Platinum rating of Maala in the field of corporate social responsibility

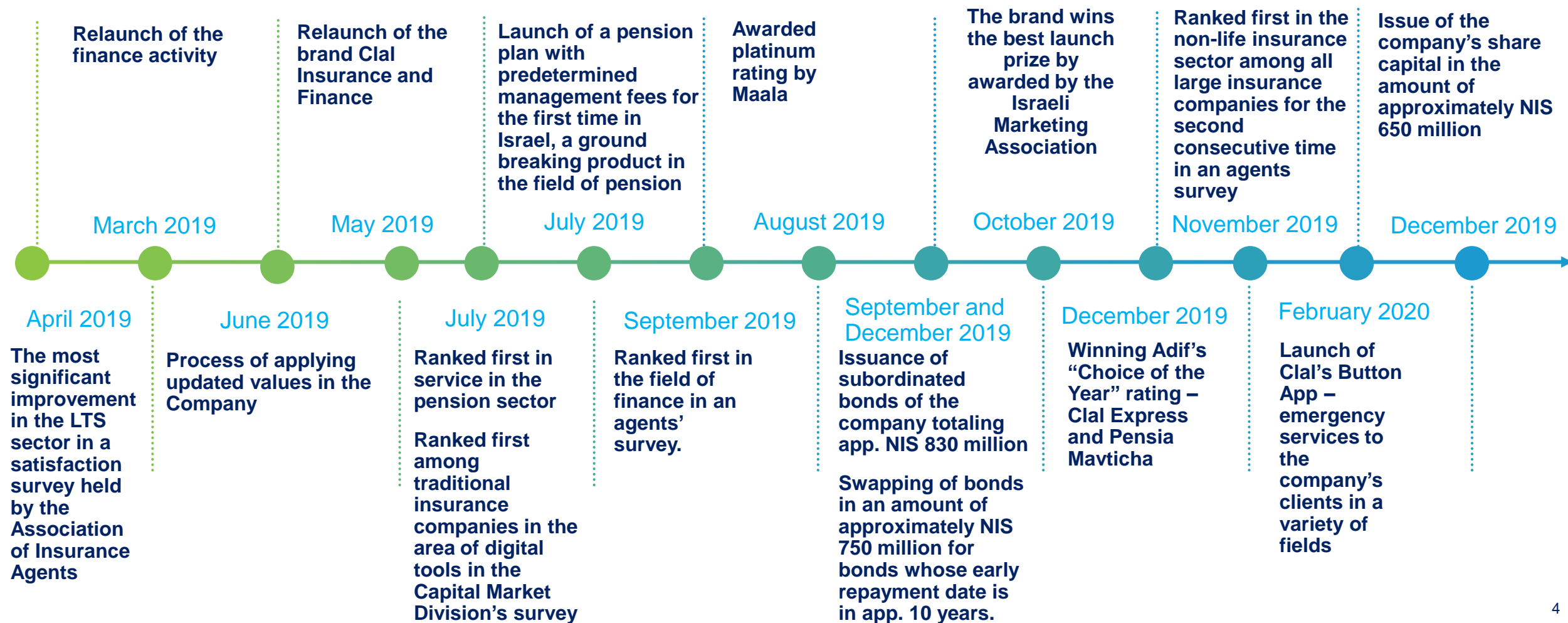


Leading in investment returns over time

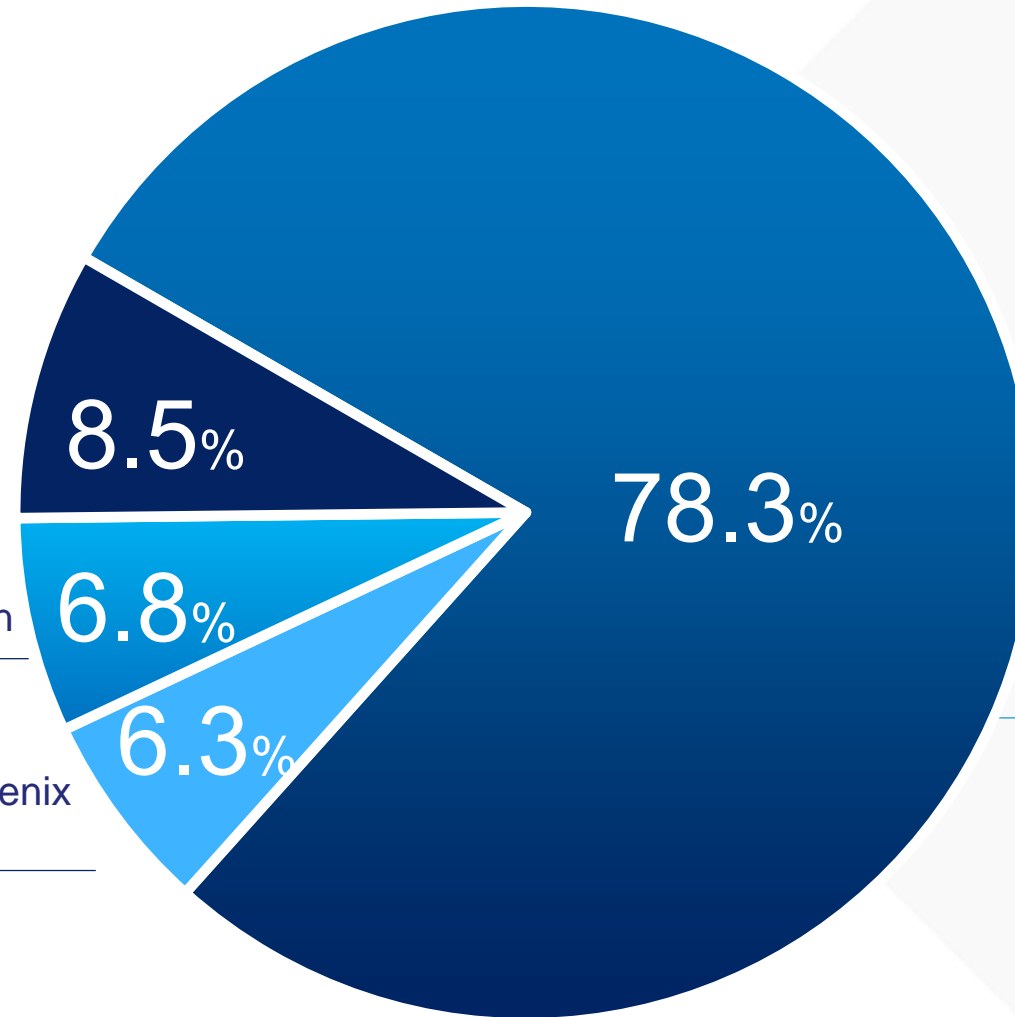


The Company has unique activity in the field of mortgages and credit insurance

Principal milestones in the last year



Shareholders*



IDB Development group is holding approximately 8.5%* of the shares of Clal Insurance Enterprises Holdings

Shares which are held by Mr. Mori Arkin

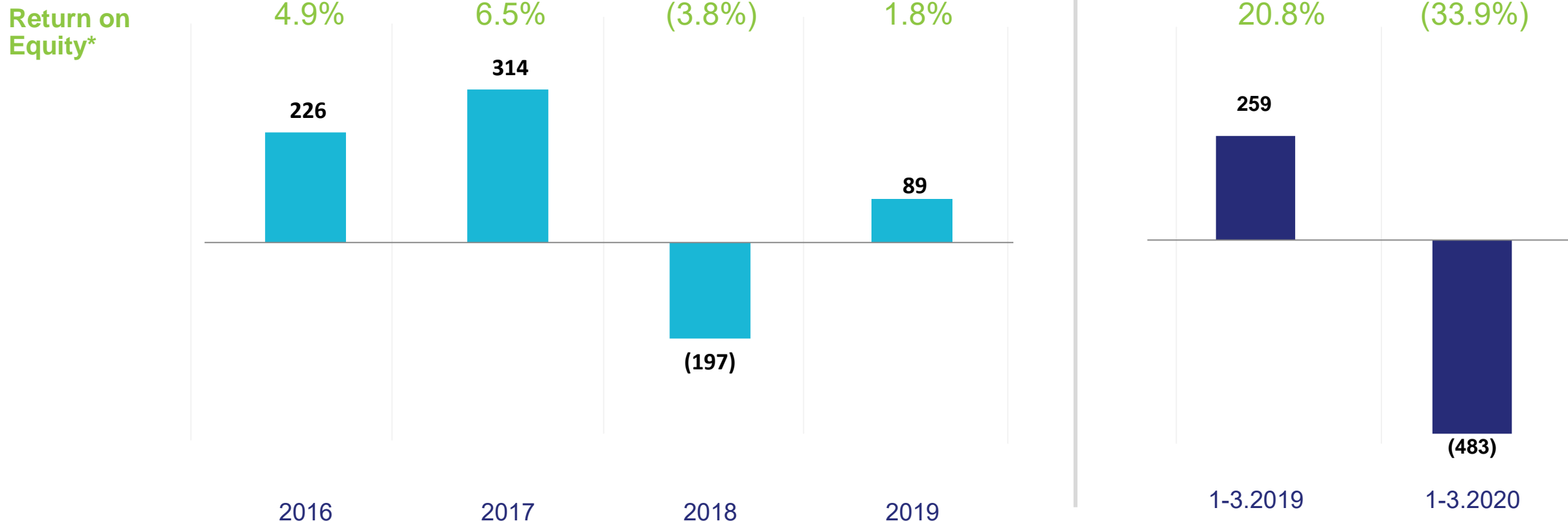
Shares which are held by Phoenix Holdings Ltd.

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 7%.

* Approximately 3.5% of the share capital of Clal Holdings is held for IDB Development through a trustee, Mr. Moshe Terry

** Further to the Company's immediate report of June 7 2020, as from May 25 2020, Harel Insurance Investments & Financial Services Ltd. holds app. 5.1% of the Company's shares.

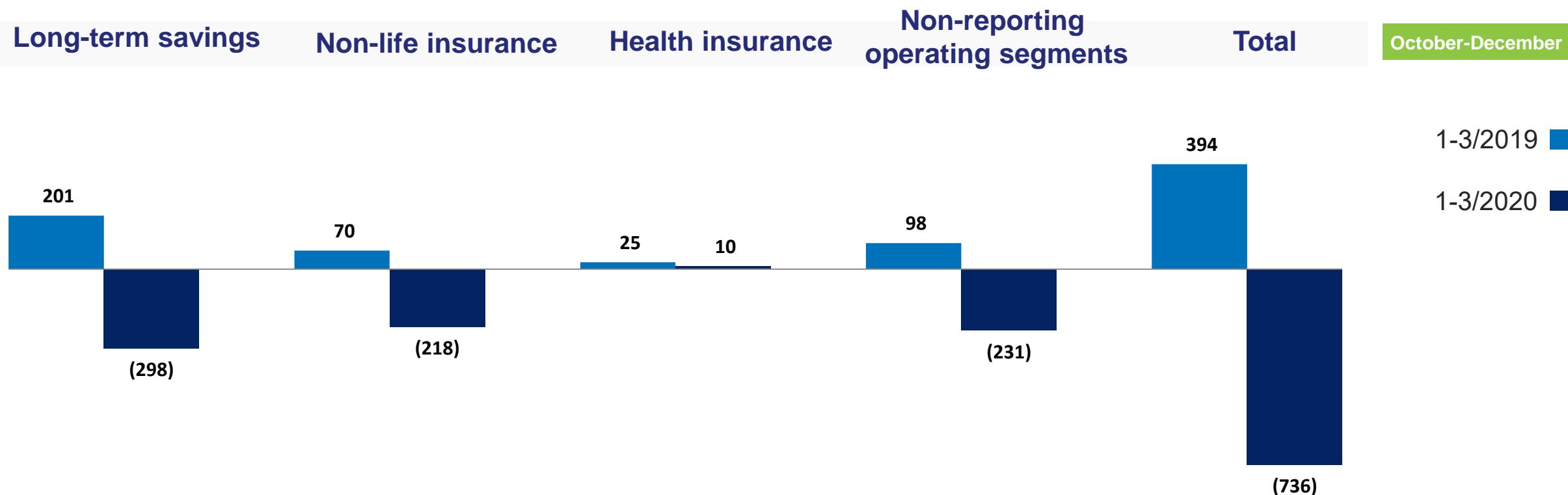
Comprehensive Income After Tax Attributable to Shareholders (NIS Millions)



* In the years 2016-2019 and in the corresponding quarter last year, the comprehensive income was restated due to retrospective application of the Capital Markets, Insurance and Savings Authority's circular regarding the "review provision with respect to the liability adequacy".

** 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. The profit used for the calculation of the quarterly return on equity is calculated by multiplying by four the quarterly profit.

Comprehensive Income Before Tax by Segments* (NIS Millions)

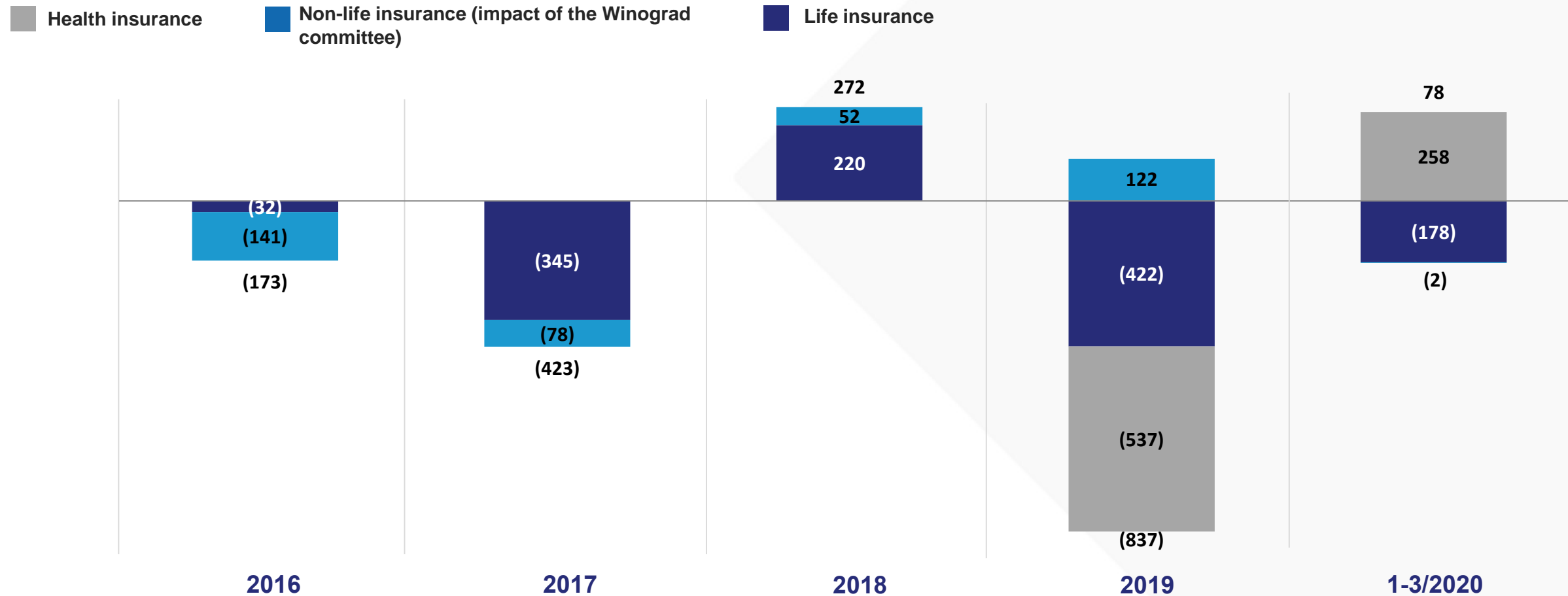


* The decrease in profit and the transition to loss in the reported period stems mainly from negative capital market returns due to the COVID-19 crisis.

** In the year 2019 and in the corresponding quarter last year, the comprehensive income was restated due to retrospective application of the Capital Markets, Insurance and Savings Authority's circular regarding the "review provision with respect to the liability adequacy".

*** For a breakdown of data regarding the long-term saving and non-life insurance segments, see pages 11-12.

Impact of Actuarial Assumptions Update including the Impact of Mortality Tables, and the Low-Interest Rate Environment including LAT on Profit before Tax With Respect to Insurance Liabilities (NIS Millions)

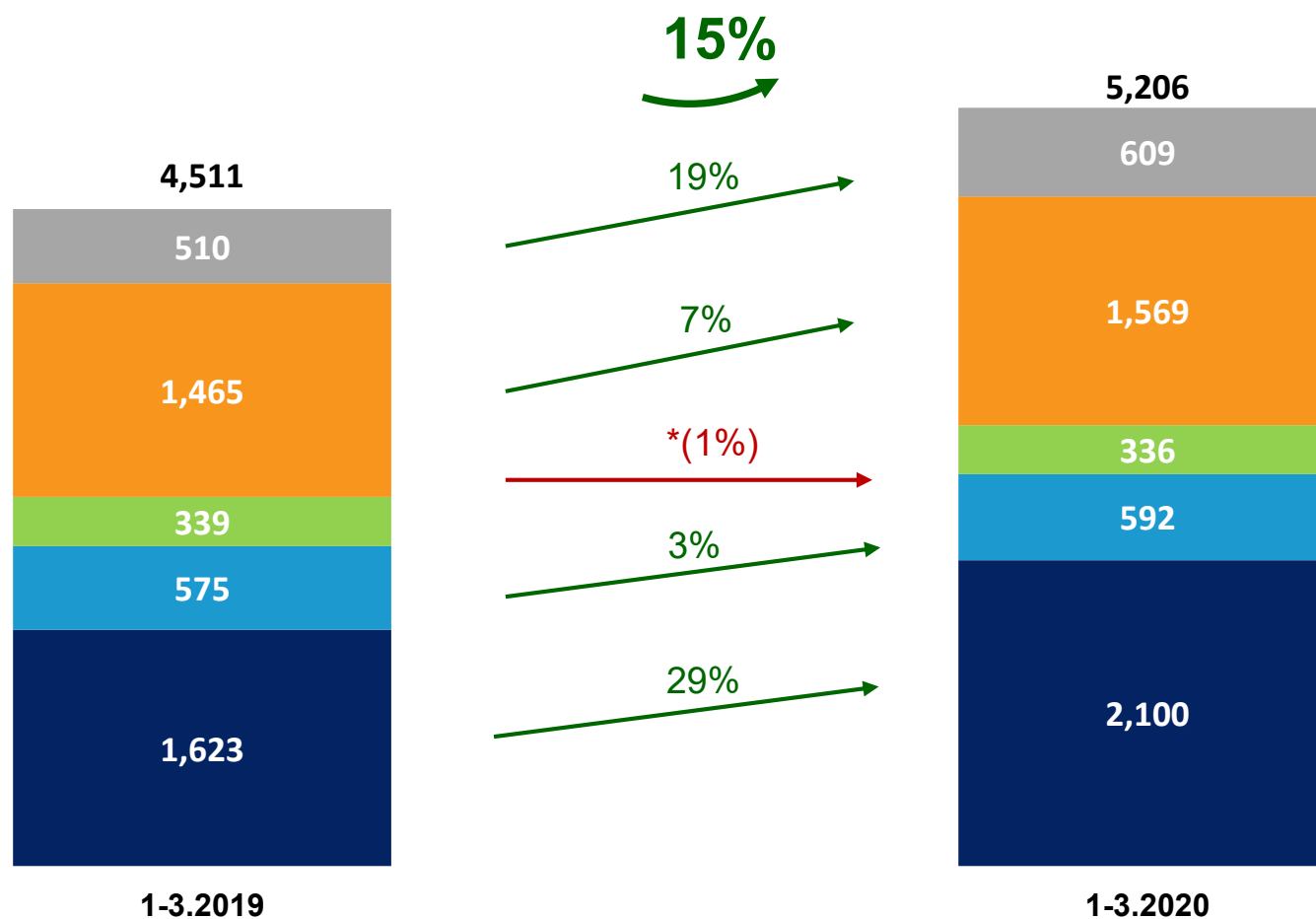


* In the years 2016-2019, the comprehensive income was restated due to retrospective application of the Capital Markets, Insurance and Savings Authority's circular regarding the "review provision with respect to the liability adequacy".

** LAT- liability adequacy test

Gross Premiums Earned, Contributions and Receipts with respect to investment contracts (NIS Millions)

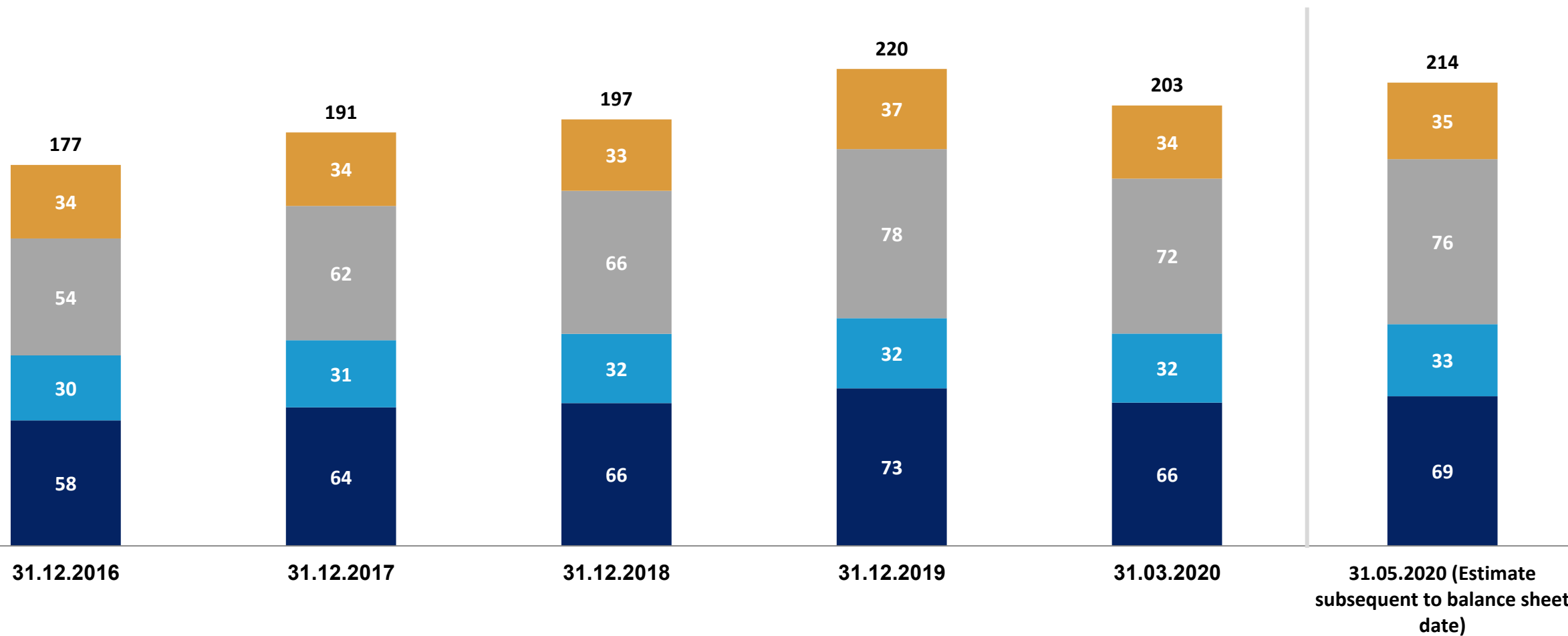
■ Provident
 ■ Pension
 ■ Health insurance
 ■ Non-life insurance
 ■ Life insurance



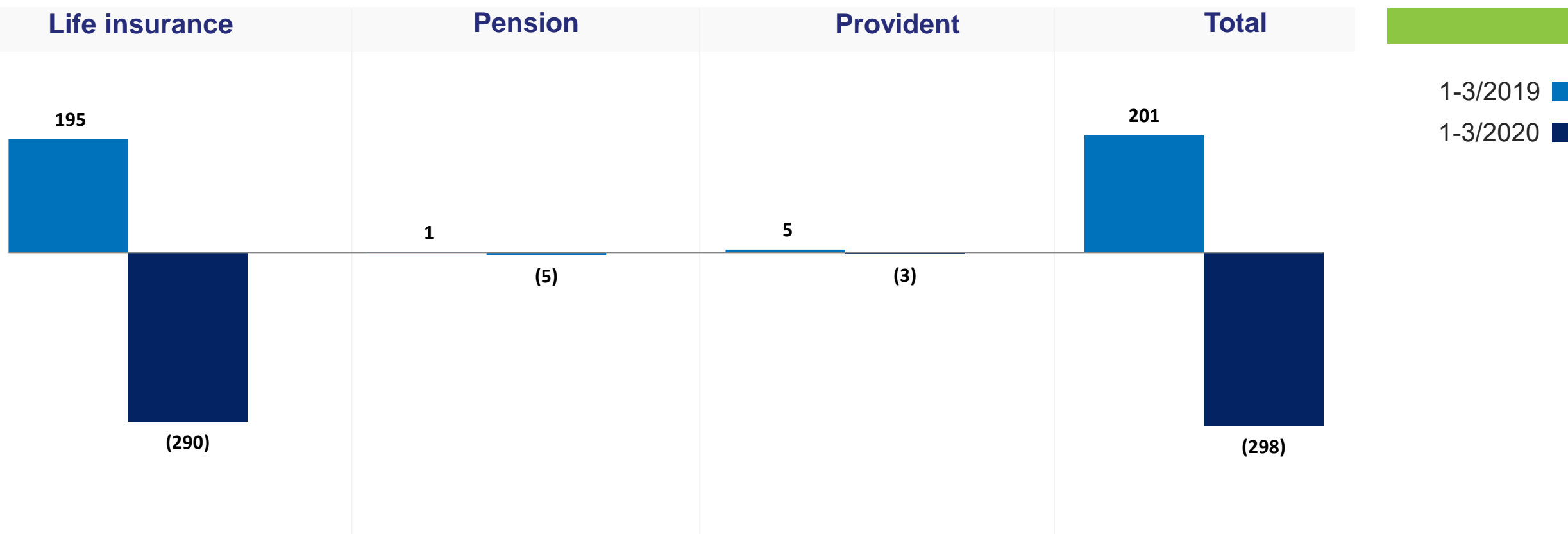
* The decrease in insurance premium in the health insurance line of business stems from termination of engagement in group long-term care insurance with Kupat Holim Leumit; premiums earned from this engagement in the corresponding quarter last year amounted to app. NIS 33 million. After deducting the premiums received last year from Kupat Holim Leumit, the health insurance premiums increased by app. 10% compared with the corresponding quarter last year.

Managed Assets by Portfolio (NIS Billions)

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



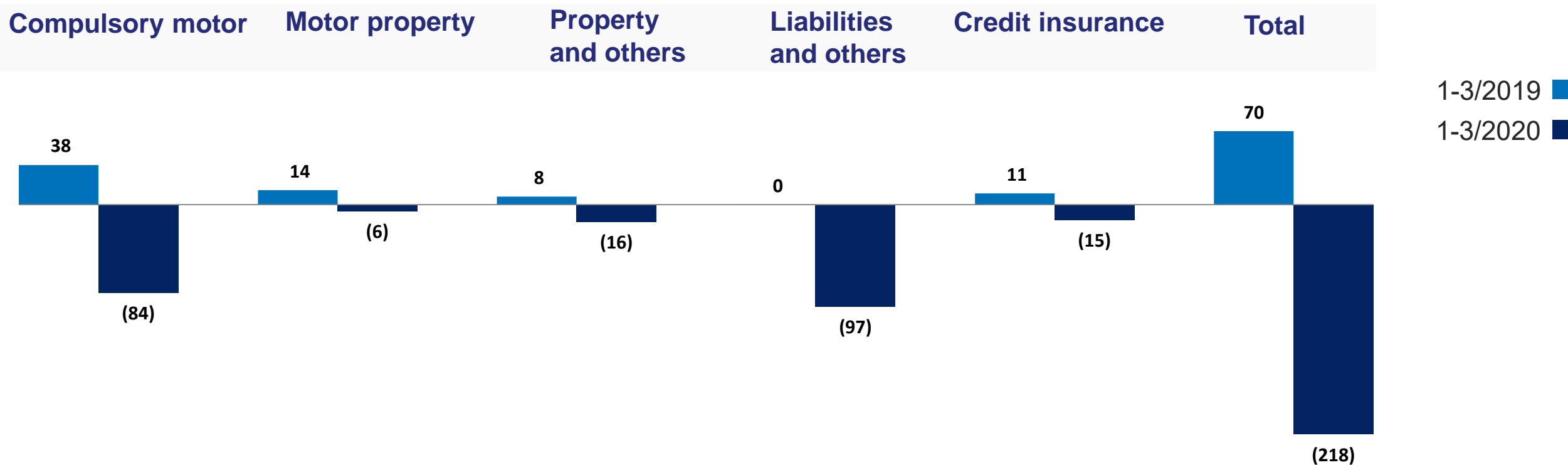
Long Term Savings | Comprehensive Income Before Tax (NIS Millions)



* The transition to loss in the reported period stems mainly from negative capital markets returns due to the COVID-19 crisis.

** In the corresponding quarter last year, the comprehensive income was restated due to retrospective application of the Capital Markets, Insurance and Savings Authority's circular regarding the "review provision with respect to the liability adequacy".

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



* The transition to loss in the reported period stems mainly from negative capital markets returns due to the COVID-19 crisis.

Events following the the balance sheet date

- In the reported period, the Company recorded an impairment of the tradable investments included in the nostro portfolio at a pre tax amount of app. NIS 0.6 billion. Subsequent to balance sheet date and until the date of approval of the financial statements, capital markets recovered and this recovery has offset the said declines. Accordingly the Company recorded pre tax revenues of app. NIS 0.6 billion from investments included in the nostro portfolio.
- As of the date of the financial statements, profit participating insurance policies yielded negative returns. Until this loss is recovered, the Company will not be able to collect variable management fees at a pre tax amount of app. NIS 0.6 billion. Subsequent to balance sheet date and as a result of the recovery in capital markets, this balance of app. NIS 0.4 billion was offset against the said negative returns, such that close to the date of approval of the financial statements, the loss in terms of variable management fees was reduced to a pre tax amount of app. NIS 0.2 billion.



19.3.20



5.4.20



6.4.20

Best service during the COVID-19 crisis

- ✓ A TV campaign that launches the new app. open to all company customers. The app enables a **free** online consultation with a physician and the receipt of a prescription or a referral to accidents and emergencies for further treatment
- ✓ A letter to agents describing the measures and reliefs introduced by the Company for dealing with the COVID-19 crisis.
- ✓ Canaf, Clal Insurance's investments arm issued a video about investing during the COVID-19 crisis.
- ✓ 33 minutes of live broadcast on Facebook by Clal in collaboration with Prof. Pini Haleprin who answered COVID-19 related questions.

כולנו אוהבים את כלל ביטוח ופיננסים

עובדות ועובדים יקרים,

אני מתרגש לספר לכם כי בדירוג 100 החברות שהכי טוב לעבוד בהן בישראל, **כלל רשמה בשנה האחרונה עלייה מדחימה של 31 מקומות!**

בזכות ההצבעות שלכם, עשתה כלל את הקפיצה המשמעותית ביותר בתחום הפיננסים, וטיפסה מהמקום ה-85 למקום ה-54 בדירוג ואנו ממוקמים במקום ה-3 מבין חברות הביטוח.

הדירוג בוצע ע"י CofaceBDI ומגזין TheMarker.

אני מבקש בשם הנהלת כלל

כלל ביטוח ופיננסים

11 במאי בשעה 18:17 •



גאים על השינוי שעברנו בשנה האחרונה!
בדירוג 100 החברות שהכי טוב לעבוד בהן בישראל, כלל ביטוח ופיננסים רשמה את הקפיצה המשמעותית ביותר בתחום הפיננסים – 31... הצג עוד



**The top 100
companies to work for
in Israel**
**The Marker and
CofaceBDI's 2019 list**

הלחצן של כלל

אפליקציית שירותי חירום בלחיצה אחת



תכירו את "הלחצן של כלל":

אפליקציית שירותי חירום שעוזרת
לכם ברגע האמת, במקרה של:

תאונה ברכב  אירוע רפואי או איחור כבודה בחו"ל  הצפה בדירה 

Service Leaders Clal's App

- ✓ 60K downloads of the app since it was launched on 26.2
- ✓ App. 40% of users have used the app more than once
- ✓ 99% of clicks on app's buttons were clicks on the "my account" button

Yoram Naveh, CEO of Clal Holdings

“First quarter results, and mainly the high growth rates in the Company’s core products and the execution of steps to cut costs constitute a positive turn around in Clal’s business profile, both in relation to the corresponding period last year and in relation to the results of the entire sector. These results reflect the implementation of a three-year strategic plan that was introduced at the end of 2019. The plan is based on growth on the one hand and on cost cutting on the other hand. The Company’s new business lines achieve consistent growth, including in the field of finance – which was focused upon in the Company’s strategic plan. The Company doubled its growth rates in terms of premiums and contributions. Moreover, Clal Insurance and Finance presents one of the highest growth rates in the entire sector – app. 15%.

The application of the Capital Markets, Insurance and Saving Authority’s circular regarding the provision with respect to the liability adequacy test has impacted the 2019 results of operations. A significant post tax NIS 427 million increase was recorded in comprehensive income. This increase was partially offset the impact of the unusual cut of interest rates in 2019. Accordingly, post tax comprehensive income in 2019 amounts to app. NIS 89 million, compared with a comprehensive loss of app. NIS 338 million that was reported at the time. Furthermore, this application had a positive impact on the Company’s equity, which amounted to app. NIS 5.2 billion at the end of the first quarter of 2020 and reflects the Company’s financial stability.

Clal Insurance and Finance has made preparations to stress scenarios in the economy and was therefore well prepared to react immediately to the COVID-19 crisis. This enabled the continuity of ongoing work processes and comprehensive application of working from home plan. During the COVID-19 crisis, the Company provided its customers with uninterrupted and high-quality service to its customers and business partners. It offered a variety of reliefs and benefits that will make things easier for its customers. During the COVID-19 crisis, the Company implemented streamlining measures, including cutting executives’ pay and adjusting the workforce to the reduced activity. The Company takes measures to reduce further costs. In the opinion of Company’s management, total estimated savings in respect of general and administrative expenses as a result of these changes amounted to app. NIS 60 million in 2020. This decrease will mainly be reflected starting with the second quarter.

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Thank You