Clal Insurance Enterprises Holdings Ltd.

As of March 31, 2021

This report is an unofficial translation from the Hebrew language and is intended for convenience purposes only.

The binding version of the report is in the Hebrew language only.

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The Board of Directors' Report regarding the state of the corporation's affairs for the period ended March 31, 2021 (hereinafter: the "**Board of Directors' Report**") reviews the principal changes which occurred in the operations of Clal Insurance Enterprises Holdings Ltd. (hereinafter: the "**Company**") in the first three months of 2021 (hereinafter: the "**Reporting Period**").

The Board of Directors' Report was prepared in accordance with the Securities Regulations (Periodic and Immediate Reports), 1970. The Board of Directors' Report with respect to insurance business operations was prepared in accordance with the Insurance Business Control Regulations (Particulars of Report), 1998, and in accordance with circulars issued by the Commissioner of the Capital Markets, Insurance and Savings (hereinafter: the "**Commissioner**"), and based on the assumption that the reader also has available the full periodic report for the year ended December 31, 2020 (hereinafter: the "**Periodic Report**" and/or the "**Annual Financial Statements**").

1. Description of the Company's Controlling Shareholders

In the Commissioner's letter dated December 8, 2019, it was determined that there is no entity which holds the Company's means of control, either directly or indirectly.

For additional details regarding the holdings in the Company during the reporting period, see Note 1 to the financial statements.

2. Board of Directors' Remarks Regarding the Corporation's Business Position

2.1 Financial information by operating segments (for details regarding operating segments, see Note 4 to the financial statements).

A. The Company's results during the reporting period

Comprehensive income after tax attributable to company shareholders during the reporting period amounted to a total of approximately NIS 402 million, as compared with comprehensive loss of approximately NIS 483 million in the corresponding period last year.

The increase in income during the reporting period was mostly due to the Company's high returns in the capital markets, such that the financial margin in life insurance amounted to a total of approximately NIS 520 million, and investment income which was unallocated to segments amounted to a total of approximately NIS 209 million, as compared with the financial margin in the amount of approximately NIS 68 million, and investment loss which was unallocated to segments in the amount of approximately NIS 189 million in the corresponding period last year, which was affected last year by the coronavirus crisis.

Additionally, during the reporting period the Company continued improving the business results in accordance with the strategic plan, such that, during the reporting period, the underwriting results improved in the insurance segments, as specified below in sections 2.1.1-2.1.3.

Gross premiums earned, contributions and receipts with respect to investment contracts during the reporting period amounted to a total of approximately NIS 5,544 million, as compared with a total of approximately NIS 5,205 million in the corresponding period last year, an increase of approximately 6.5%. The increase was mostly due to premiums in non-life insurance and receipts with respect to pure savings in the life insurance segment, while maintaining a similar level of expenses as in the corresponding period last year.

On the other hand, during the reporting period the Company increased the insurance reserves such that, in the long-term care branch, the reserves increased as part of the liability adequacy test (LAT) in the amount of approximately NIS 76 million, as compared with the decrease of the reserves in the amount of approximately NIS 258 million in the corresponding period last year. In non-life insurance, insurance reserves increased due to the interest rate environment in the amount of approximately NIS 27 million, with no effect in the corresponding period last year. These effects were partly offset by the decrease of the reserves in life insurance in the amount of approximately NIS 12 million, due to financial effects, as compared with an increase of the reserves in the amount of approximately NIS 178 million in the corresponding period last year.

2. Board of Directors' Remarks Regarding the Corporation's Business Position (Cont.)

2.1 Financial information by operating segments (Cont.)

A. The Company's results during the reporting period (Cont.)

Assets managed by the Company as of March 31, 2021 amounted to a total of approximately NIS 246 billion, as compared with a total of approximately NIS 237 billion as of December 31, 2020, an increase of approximately 4%.

Return on equity in annual terms during the reporting period amounted to a rate of 25.5%, as compared with a negative rate of 33.9% in the corresponding period last year, which was affected by the capital market, due to the coronavirus crisis.

The results during the reporting period and during the quarter, and in the corresponding periods last year, respectively, as specified below, include (inter alia) the following effects (for details regarding additional effects on the operating segments' results, see section C below).

	1-3		Year
	2021	2020	2020
NIS in millions	**Unaudited**		**Audited**
Life insurance -			
Loss with respect to change in the discount interest rate used in the calculation of the liability to supplement the annuity and paid pension reserves	**47**	(44)	144
Loss with respect to change in pension reserves following the decreased forecast of future income (K factor)	**(35)**	(134)	(32)
Total effect of interest rate changes on the liability to supplement the annuity and paid pension reserves [1)]	**12**	(178)	112
Change in other assumptions used in the calculation of liabilities to supplement annuity reserves	**-**	-	(9)
Total special effects - life insurance [1)]	**12**	(178)	103
Impact due to the implications of the Winograd and Kaminetz Committees and in consideration of the ruling which was given for the National Security Council [2)]	**-**	(2)	45
Effect of the interest rate decrease on reserves in non-life insurance [1)]	**(27)**	-	(30)
Total special effects - non-life insurance	**(27)**	(2)	15
Long-term care insurance in the health segment - Liability adequacy test (LAT)	**(76)**	258	292

Notes:

1. Changes in main estimates and assumptions which were used to calculate liabilities due to financial effects
   For additional details, see Note 38(e)(e1)(d) and Note 38(e)(e2)(4)a to the annual financial statements.
2. In September 2020 the Supreme Court gave a ruling in a case involving the National Insurance Institute, in which the Court determined that the National Insurance Institute is required to set the subrogation claim which it filed based on a discount rate of 3% (instead of a discount rate of 2%, which had been demanded by the National Insurance Institute). In accordance with the conclusions of the Kaminetz committee (hereinafter: the "**Implications of the Winograd and Kaminetz Committees**").

B. Events after the balance sheet date

Further to that stated in section 9.2 of the report regarding the description of the corporation's business in the financial statements for 2020, Michlol Ltd. is in the process of executing a public offering, the completion of which is uncertain.

2. Board of Directors' Remarks Regarding the Corporation's Business Position (Cont.)

2.1 Financial information by operating segments (Cont.)

C. Additional primary details and additional primary effects, by segments

Presented below are details regarding the main components included in comprehensive income:

		1-3		Year
		2021	2020	2020
NIS in millions	Item	Unaudited		Audited
Life insurance	2.1.1.1	**424**	(290)	366
Pension	2.1.1.4	**5**	(5)	6
Provident	2.1.1.3	**1**	(3)	(2)
Total long term savings division		**430**	(298)	370
Non-life insurance	2.1.2	**10**	(218)	49
Health	2.1.3	**-**	10	175
Financing expenses	2.1.6	**38**	32	143
Other and items not included in the insurance branches	2.1.4	**202**	(199)	381
Total comprehensive income (loss) before tax		**605**	(736)	832
Taxes (tax benefit) on comprehensive income		**202**	(251)	226
Total comprehensive income (loss) for the period, net of tax		**403**	(485)	606
Attributable to Company shareholders		**402**	(483)	602
Attributable to non-controlling interests		**1**	(2)	4
Return on equity in annual terms (in percent) *)		**25.5**	(33.9)	10.6

***)** Return on equity is calculated by dividing the profit for the period attributable to the company's shareholders, by the equity as of the beginning of the period attributable to shareholders in the company.

2.1.1. Long-term savings

2.1.1.1. Life insurance operations

Life insurance	Q1		Note
	2021	2020	
Gross premiums earned	**1,467**	1,492	
Comprehensive income (loss)	**424**	(290)	The transition to income during the reporting period was mostly due to the increase in gross real returns in profit sharing policies at a rate of 4.70%, as compared with a negative rate of 10.75% last year, due to the coronavirus crisis, such that the financial margin in life insurance amounted to a total of approximately NIS 520 million, as compared with a financial margin of approximately NIS 68 million last year. Out of this amount, during the reporting period variable management fees were collected in the amount of approximately NIS 248 million, as compared with no collection last year. Additionally, during the reporting period, due to the low interest rate environment, the reserves decreased due to financial effects in the amount of approximately NIS 12 million, as compared with an increase of the reserves in the amount of approximately NIS 178 million in the corresponding period last year.
Redemption rates of life insurance policies from the average reserve, in annual terms	**1.4%**	1.9%	

2. Board of Directors' Remarks Regarding the Corporation's Business Position (Cont.)

2.1 Financial information by operating segments (Cont.)

2.1.1. Long-term savings (Cont.)

Investment income (loss) applied to policyholders in profit sharing policies - Presented below are details regarding the estimated total of investment income (loss) which was applied to policyholders in life insurance and profit sharing investment contracts, calculated based on the returns and balances of the insurance reserves in the Company's business reports (NIS in millions):

Investment income (loss) applied to policyholders after management fees	**2,543**	(7,049)

2.1.1.2 Data regarding premiums earned, management fees and financial margin in life insurance:

	Q1		Year
NIS in millions	2021	2020	2020
Variable management fees	**248**	-	305
Fixed management fees	**135**	119	485
Total management fees	**383**	119	790
Total financial margin and management fees	**520**	68	981
Current premiums	**1,261**	1,327	5,094
Non-recurring premiums	**206**	165	634
Total gross premiums earned	**1,467**	1,492	5,729
Current premiums	**10**	23	44
Non-recurring premiums	**896**	586	1,540
Total receipts with respect to pure savings	**906**	608	1,584

Details regarding the rates of return in profit-sharing policies

	Policies issued during the years 1992 to 2003 (Fund J)			Policies issued beginning in 2004 (New Fund J)		
	Q1		Year	Q1		Year
NIS in millions	2021	2020*)	2020	2021	2020*)	2020
Real return before payment of management fees	**4.70**	(10.75)	6.38	**4.41**	(10.84)	6.37
Real return after payment of management fees	**3.88**	(10.88)	4.92	**4.16**	(11.07)	5.29
Nominal return before payment of management fees	**4.81**	(11.20)	5.74	**4.51**	(11.28)	5.74
Nominal return after payment of management fees	**3.99**	(11.32)	4.29	**4.27**	(11.51)	4.66

*) The negative return last year was mostly due to the coronavirus crisis.

2.1.1.3 Provident fund operations

	Q1		
	2021	2020	Note
Comprehensive income (loss)	**1**	(3)	The decrease in loss and the transition to income during the reporting period were due to the increase in income from management fees, as a result of the increase of the managed portfolio and investment income in the nostro portfolio during the reporting period, as compared with investment loss in the corresponding period last year.
Contributions	**621**	609	

2. Board of Directors' Remarks Regarding the Corporation's Business Position (Cont.)

2.1 Financial information by operating segments (Cont.)

2.1.1.4 Pension operations

	Q1		
	2021	**2020**	**Note**
Comprehensive income (loss)	**5**	(5)	The decrease in loss and the transition to income during the reporting period were due to the increase in income from management fees, as a result of the increase of the managed portfolio and investment income in the nostro portfolio during the reporting period, as compared with investment loss in the corresponding period last year.
Contributions	**1,559**	1,569	

2.1.2 Non-life insurance - Presented below is the distribution of premiums and comprehensive income:

	1-3		
	2021	**2020**	**Note**
Non-life insurance			
Gross premiums	**796**	685	The increase in premiums was mostly due to individual business operations in compulsory motor and motor property, and the increase in large business insurance.
Comprehensive income	**10**	(218)	The increase in income during the reporting period was mostly due to the increase in surplus investment income over the income required to cover the increase in insurance liabilities. There was also an improvement in underwriting, mostly in the property branches. On the other hand, an increase of the reserves was performed due to the impact of the interest rate environment in the amount of approximately NIS 27 million.
Motor property			
Gross premiums	**234**	206	The increase in premiums was mostly due to individual business operations.
Comprehensive income before tax	**15**	(6)	The transition to income in the period was mostly due to the increase in investment income.
Gross LR	**66%**	69%	
LR on retention	**59%**	61%	
Gross CR	**92%**	95%	
CR on retention	**91%**	92%	
Compulsory motor			
Gross premiums	**164**	145	
Comprehensive income (loss)	**(17)**	(84)	The decrease in loss was mostly due to the increase in surplus investment income over the income required to cover the increase in insurance liabilities relative to last year. On the other hand, an increase of the reserves was performed due to the impact of the interest rate environment in the amount of approximately NIS 14 million.
Property and others			
Gross premiums	**239**	215	The increase in premiums was mostly due to the growth of large businesses.
Comprehensive income (loss)	**16**	(16)	The transition to income during the reporting period was mostly due to the increase in surplus investment income over the income required to cover the increase in insurance liabilities. There was underwriting improvement in the property
Gross LR	**16%**	22%	
LR on retention	**25%**	45%	
Gross CR	**40%**	49%	
CR on retention	**72%**	99%	
Credit insurance			
Gross premiums	**29**	27	
Comprehensive income	**8**	(15)	The transition to income in the period was due to the fact that the insurance reserves increased in the corresponding period last year due to the coronavirus crisis.
LR on retention	**27%**	124%	
CR on retention	**54%**	154%	
Liability branches			
Gross premiums	**130**	92	The increase in premiums was mostly due to the growth of large businesses.
Comprehensive income	**(12)**	(97)	The decrease in loss was mostly due to the increase in surplus investment income over the income required to cover the increase in insurance liabilities. On the other hand, an increase of the reserves was performed due to the impact of the interest rate environment in the amount of approximately NIS 12 million.

2. Board of Directors' Remarks Regarding the Corporation's Business Position (Cont.)

2.1 Financial information by operating segments (Cont.)

2.1.3. Health insurance

	Q1		
	2021	2020	Note
Premiums Earned Gross	**332**	336	
Comprehensive income (loss)	-	10	The decrease to income during the reporting period was mostly due to the increase of the provision with respect to the liability adequacy test (LAT) in the amount of approximately NIS 76 million, as compared with a decrease of the provision in the amount of approximately NIS 258 million last year. This decrease was partly offset by the increase in surplus investment income over the income required to cover the increase in insurance liabilities, as compared with the investment loss in the corresponding period last year, due to the coronavirus crisis.

	Q1		
	2021	2020	Note
Long-term care branch - comprehensive income			
Individual	**(44)**	111	The transition to loss during the reporting period was mostly due to the increase of the provision with respect to the liability adequacy test (LAT) in the amount of approximately NIS 79 million, as compared with the decrease in the amount of approximately NIS 255 million in the corresponding period last year. This effect was partly offset by profit from investment income, as compared with the loss in the corresponding period last year.
Collectives, including health funds	**24**	(67)	The transition to income during the reporting period, as compared with the loss in corresponding period last year, was mostly due to the increase in surplus investment income over the income required to cover the increase in insurance liabilities, as compared with the loss in the corresponding period last year.
Illness and hospitalization branch - comprehensive income			
Long term	**24**	(32)	The transition to income was mostly due to the increase in investment income during the reporting period, as compared with loss in the corresponding period last year.
Short term	**(4)**	(2)	

Details regarding investment gains which were applied to policyholders in health insurance policies of the profit sharing nursing type:

	Profit sharing long-term care policies of the individual and collective types		
	Q1		Year
NIS in millions	2021	2020	2020
Investment income credited to policyholders	**47**	(121)	63

2. Board of Directors' Remarks Regarding the Corporation's Business Position (Cont.)

2.1 Financial information by operating segments (Cont.)

2.1.4. Other and items not included in the insurance branches

	1-3	
NIS in millions	2021	2020
Total comprehensive income (loss) before tax	**202**	(199)
	Reporting period - The decrease in loss and the transition to income during the reporting period was mostly due to investment income in the amount of approximately NIS 209 million during the reporting period, as compared with investment loss in the amount of approximately NIS 189 million in the corresponding period last year.	

2.1.5 General and administrative expenses

General and administrative expenses amounted to a total of approximately NIS 225 million, as compared with a total of approximately NIS 222 million last year.

2.1.6 Financing expenses in operations which are not allocated to segments

Financing expenses are mostly due to deferred liability notes. During the reporting period, financing expenses amounted to a total of approximately NIS 38 million, as compared with approximately NIS 32 million in the corresponding period last year. The increase was due, inter alia, to the increase of the known consumer price index at a rate of approximately 0.1%, as compared with the decrease of approximately 0.5% last year.

2.2 Principal data from the consolidated statements of financial position

2.2.1. Assets

	As of March 31		As of December 31	Rate of change since December
NIS in millions	2021	2020	2020	%
Other financial investments	**33,635**	31,872	33,183	1
Assets managed for others (non-nostro) in the Group (NIS in millions):				
For investment-linked insurance contracts and investment contracts	**82,639**	66,187	79,565	4
For provident fund members [1)]	**38,666**	33,765	37,348	4
For pension fund members *)	**91,294**	71,650	86,859	5
Total assets managed for others	**212,599**	171,602	203,772	4
Total managed assets	**246,234**	203,474	236,955	4
*) Out of this amount, total assets managed by Atudot Havatika	**12,304**	10,707	12,014	2

1. The consolidated financial statements do not include the assets managed in provident funds (except for a provident fund regarding which Clal Insurance accepted upon itself an undertaking to deliver minimum guaranteed annual returns) and pension funds. For additional details, see Note 3(a)(2) to the annual financial statements.

2.2.2. Financial liabilities

As of the balance sheet date, the Group has deferred liability notes which were issued for capital purposes and balances which are used for operating activities. The Company has no balance of debt other than balances for operating activities.

2. Board of Directors' Remarks Regarding the Corporation's Business Position (Cont.)

2.2 Principal data from the consolidated statements of financial position (Cont.)

2.2.3. Capital and capital requirements

A. Capital requirements in accordance with the provisions for implementation of an economic solvency regime [1)]

The insurance companies in the Group are subject to the provisions of the Solvency II-based economic solvency regime. In accordance with the Commissioner's directives, the insurance companies in the Group calculated the economic solvency ratio as of December 31, 2019 and December 31, 2018. In accordance with a letter which was published by the Commissioner in March 2020, it was determined that insurance companies will be exempt from the requirement to calculate and report the economic solvency ratio as of June 30, 2020. Additionally, in accordance with the Commissioner's letter to the managers of insurance companies from March 2021, it was determined that the economic solvency ratio report as of December 31, 2020 will be published by June 30, 2021. The letter also permits not publishing a economic solvency ratio report as of June 30, 2021.

It is noted that the calculation of the economic solvency ratio is based on data and models which may differ from those used by the Company in the financial reports, and which are based, inter alia, on forecasts and assumptions which rely, for the most part, on past experience. In particular, and as specified in the economic solvency regime circular, the calculation of the economic solvency ratio is significantly based on the embedded value calculation model. For additional details regarding the capital requirements which apply to the Group's member companies, see Note 16(e) to the financial statements.
On October 29, 2020, Clal Insurance approved and published the economic solvency ratio report as of December 31, 2019, which is published on the Group's website at https://www.clalbit.co.il/aboutclalinsurance/financialstatementsandpressrelease.

For additional information, including a general description of the economic solvency regime, the general underlying principles of the regime, the methodology for calculation of the economic balance sheet and of the solvency capital requirement, provisions with respect to the distribution period, a general overview of directives issued by the Commissioner of Capital Markets in connection with the economic solvency ratio report, definitions of key concepts, remarks and clarifications, see also sections 1, 3.2, 4.1 and 5.1 of the economic solvency ratio report of Clal Insurance as of December 31, 2019.
The calculation which Clal Insurance conducted as of December 31, 2019 was audited[2] by the auditors.
Presented below are data regarding the solvency ratio and minimum capital requirement of Clal Insurance in accordance with the Solvency II regime.

1. Economic solvency ratio

As of December 31 NIS in millions	2019	2018
	Audited	
Equity for the purpose of the solvency capital requirement	**12,082**	9,119
Solvency capital requirement	**7,673**	5,999
Surplus	**4,409**	3,120
Economic solvency ratio report (in percent)	**157%**	152%
Impact of significant equity transactions which took place during the period between the calculation date and the publication date of the Company's economic solvency ratio report		
Raising of equity instruments	**450**	-
Equity for the purpose of the solvency capital requirement	**12,532**	9,119
Surplus	**4,859**	3,120
Economic solvency ratio report (in percent)	**163%**	152%

For details regarding the solvency ratio without implementation of the transitional provisions in the distribution period, and without adjustment of the stock scenario, and regarding the target solvency ratio and restrictions which apply to the Company regarding dividend distributions, see section 3 below.
For events during the reporting period and after the reporting date, and for their potential effects on the solvency ratio, see section 2.1(a)-(c) above.

2. Board of Directors' Remarks Regarding the Corporation's Business Position (Cont.)

2.2 Principal data from the consolidated statements of financial position (Cont.)

2.2.3. Capital and capital requirements (Cont.)

A. Capital requirements in accordance with the provisions for implementation of an economic solvency regime [1] (Cont.)

2. Minimum capital requirement (MCR)

As of December 31	2019	2018
NIS in millions	Audited	
MCR	**1,918**	1,620
Equity for the purpose of MCR	**8,629**	6,444

3. Solvency ratio without implementation of the transitional provisions in the distribution period, and without adjustment of the stock scenario

In accordance with the letter which was published by the Authority in October 2017 (hereinafter: the "**Letter**"), an insurance company will be entitled to distribute dividends only if, after the performance of the distribution, the company has a minimum solvency ratio of 100% according to the solvency circular, calculated without the transitional provisions, and subject to the solvency ratio target which was determined by the company's Board of Directors. This ratio will be calculated without the expedient which was given with respect to the original difference attributed to the acquisition of the activities of provident funds and managing companies. The letter also included provisions regarding reporting to the Commissioner.

Presented below are data regarding the Company's economic solvency ratio, calculated without the transitional provisions, and subject to the solvency ratio target which was determined by the company's Board of Directors. This ratio is lower than the solvency ratio which is required according to the letter.

Solvency ratio without implementation of the transitional provisions in the distribution period, and without adjustment of the stock scenario

As of December 31	2019	2018
NIS in millions	Audited [2]	
Equity for the purpose of the solvency capital requirement	**9,267**	9,413
Solvency capital requirement	**9,588**	9,327
Surplus (deficit)	**(321)**	86
Economic solvency ratio report (in percent)	**97%**	101%
Impact of significant equity transactions which took place during the period between the calculation date and the publication date of the Company's economic solvency ratio report		
Raising of equity instruments	**450**	-
Equity for the purpose of the solvency capital requirement	**9,717**	9,413
Surplus (deficit)	**129**	87
Economic solvency ratio report (in percent)	**101%**	101%
The capital surplus with respect to equity transactions which were executed during the period between the calculation date and the publication date of the economic solvency ratio report, relative to the Board of Directors' target (see section B below):		
Target economic solvency ratio of the Board of Directors (in percent)	**108%**	-
Capital deficit relative to target	**(638)**	-

1. The capital requirement applies to Clal Insurance, including the consolidation of Clal Credit Insurance.
2. The audit of the solvency ratio calculations was conducted in accordance with International Standard for Assurance Engagements (ISAE) 3400, The Examination of Prospective Financial Information.

2. Board of Directors' Remarks Regarding the Corporation's Business Position (Cont.)

2.2 Principal data from the consolidated statements of financial position (Cont.)

2.2.3. Capital and capital requirements (Cont.)

B. The Company's capital target

In March 2020, the Board of Directors of Clal Insurance established a preliminary capital target for the solvency ratio, in accordance with the economic solvency regime, at a rate of 108%, which will be developed gradually to a rate of 118% in 2024. The Board of Directors of Clal Insurance also determined that the capital target will be evaluated from time to time, inter alia, in accordance with business and regulatory developments. It is hereby clarified that the determination of the aforementioned target does not guarantee that Clal Insurance will fulfill it at all times, and does not constitute an undertaking of Clal Insurance to distribute dividends.

It is further noted that in light of the entry into effect of the amendment referenced in Note 16(e)(3) to the financial statements, which is expected to result in a re-evaluation of the capital target.

2.3. Financing sources

The Company considers it highly important to maintain and hold sufficient cash balances, in a manner that will allow it to repay its current liabilities, guarantees and letters of indemnity which it provided for the liabilities of wholly owned investee companies (see Note 38(d)(1) to the annual financial statements), and also to support, insofar as required, the capital needs of Clal Insurance and the liquidity needs with respect to the operations of other investee companies in the Group. Additional financing sources include, inter alia, dividend distributions from investee companies and the option to dispose investments in investee companies, debt raisings from the banking system and/or from the public, and capital raisings.

2.3.1. Liquid resources and credit facilities *)

The following are data regarding the principal liquid resources of the Company:

NIS in millions	Balance as of March 31 2021	Proximate to the publication date of the report
Liquid resources of the Company (solo)	190	132**)

*) As of the reporting period, the Company has no credit facilities.

**) For details regarding the acquisition of all shares of Davidoff Pension Arrangements Life Insurance Agency (2006) Ltd. by a subsidiary of the Company, Clal Agencies Ltd., after the balance sheet date, see Note 8(b) to the financial statements.

2.3.2. Financing characteristics

A. The Company, due to its status as a holding company, evaluates, within the context of financing and liquidity, the value of its assets against its liabilities, as well as the existence of liquid resources available to it, and also evaluates the reasonable accessibility of those resources, as required to continue its operations.

B. The Company's operations (investments, general and administrative expenses and dividend distributions) are generally financed by dividends received and capital raised from investee companies, by loans from banking corporations, and by considerations received from the sale of assets.

C. For details regarding the main financial movements in the Company (solo), see the interim cash flow data attributed to the Company itself (solo), which are included in the interim report.

D. For details regarding the Company's distributable earnings, which are adjusted to the Company's capital requirements, and regarding capital and capital requirements in the consolidated institutional entities and other companies in the Group, see Note 16 to the annual financial statements.

3. Material developments and changes in the macroeconomic environment during the reporting period

Parameter	Data for the period
Developments in the Israeli economy and employment rate	According to the data of the Central Bureau of Statistics (third estimate for the fourth quarter of 2020), GDP increased by 6.5% in the fourth quarter (in annual terms), at fixed prices and after deducting the effects of seasonality, following the significant increase in GDP in the third quarter, after the deconfinement from first and second lockdowns. In annual terms, GDP declined by approximately 2.6% in 2020. According to the macro-economic forecast of the Bank of Israel from April 2021, upon the expected recovery due to the end of the coronavirus crisis, and in light of the scope of vaccination of the population, GDP is expected to increase at a rate of approximately 6.3% in 2021. Continued recovery is expected in 2022, and the economy is expected to grow by approximately 5%. According to the workforce survey of the Central Bureau of Statistics for March 2021 (deducted seasonally, relative to February 2021): • Unemployment rate from the labor force among persons aged 15 or older: 5.4% (5.1% in February). • The extended unemployment rate is 12.1% (as compared with 17.2%). • Participation rate in the labor force among persons aged 15 or older: 60.7% (as compared with 60.3%). • Employment rate among persons aged 15 or older: 57.4% (as compared with 57.2%). • Unemployment rate in the labor force among persons aged 25-64: 4.9% (as compared with 4.6%). • Participation rate in the labor force among persons aged 25-64: 78.5% (as compared with 77.7%). • Employment rate among persons aged 25-64: 74.7% (as compared with 74.1%). According to the bi-weekly data of the Central Bureau of Statistics: • The unemployment rate in the first half of April was 4.7%, unchanged relative to the second half of March 2021. • The expanded unemployment rate is 10.6%, as compared with 11.6% in the second half of March 2021.
Inflation data	Due to the significant improvement in coronavirus infection rates, the process of deconfinement, and the resulting recovery in economic activity and the increase in consumption and demand in various market sectors, the known consumer price index increased at a rate of approximately 0.1% in the first quarter. The known CPI fell by approximately 0.4% during the last twelve months.
Exchange rates	During the first quarter of 2021, the NIS gained vs. the USD by approximately 1.15%, and weakened vs. the EUR by approximately 1%. Foreign currency balances in the Bank of Israel at the end of March 2021 amounted to approximately USD 185.7 billion, as compared with approximately USD 173 billion at the end of 2020. The Bank of Israel made purchases in the amount of approximately USD 12 billion, which constitute approximately 40% of the declared purchases plan for 2021.
Development of the interest rate and yields	For details the impact of the low interest rate environment, see Note 8(a) to the financial statements. The Bank of Israel interest rate is currently 0.1%, During the crisis, the Bank of Israel implemented, and is continuing to implement, various programs (negative interest loans to banks in favor of businesses loans) and various tools (such as purchases of foreign currency, and purchases of government and corporate bonds) to encourage economic activity. According to the Bank's declarations in recent months, the interest rate is expected to remain low over time, and insofar as may be required, the Bank will use all of the tools which are at its disposal.

3. Material developments and changes in the macroeconomic environment during the reporting period (Cont.)

Developments in the capital market in Israel and around the world (in terms of local currency)

In percent	Q1		Year
Stock indices in Israel	**2021**	**2020**	**2020**
Tel Aviv 35	**7.0**	(21.0)	(10.9)
Tel Aviv 90	**6.1**	(21.6)	18.1
Tel Aviv 125	**6.1**	(21.0)	(3.0)
Tel Aviv Growth	**5.2**	(23.3)	29.4
Bond indices in Israel			
General	**0.3**	(4.9)	0.8
Telbond CPI-linked	**1.9**	(7.7)	(0.6)
Telbond NIS-linked	**0.2**	(8.1)	(0.1)
Government CPI-linked	**0.4**	(2.9)	1.2
Government NIS-linked	**(1.5)**	(1.1)	1.3
Global stock indices			
Dow Jones	**8.8**	(21.2)	7.0
NASDAQ	**3.3**	(12.4)	43.5
Nikkei Tokyo	**6.3**	(20.0)	16.0
CAC - Paris	**9.3**	(27.1)	(7.1)
FTSE - London	**4.1**	(25.6)	(14.3)
DAX - Frankfurt	**9.4**	(25.5)	3.5
MSCI WORLD	**4.4**	(20.5)	14.1

For details regarding the effects on the financial results, see section 2 above and Note 5 to the financial statements.

Global economic developments

The first quarter of 2021 was greatly affected by the trends of the coronavirus pandemic and the delivery of vaccinations, which mean the beginning of lessening lockdown restrictions in parts of the world, while on the other hand, lockdowns continued in some countries around the world has not yet begun vaccinating, or have not yet vaccinated significant parts of the population. The governments and central banks continued implementing unprecedented fiscal and monetary incentivization programs to support their economies.

United States - The USA began its vaccination campaign in the first quarter of 2021. The vaccination campaign helped reduce infection rates in the United States, and contributed to the lessening of social restrictions which had been imposed during the pandemic. The lessening of restrictions contributed to the recovery of the American economy, which grew in the first quarter by approximately 6.4% (relative to the previous quarter, in annual terms), and the Fed kept the interest rate at 0%-0.25%. The Fed is maintaining its unprecedented bond purchase program, at a rate of USD 120 billion per month. In parallel, the government presented a fiscal support program including bonuses and support for citizens and companies, in order to support businesses which were harmed by the crisis, citizens, and the unemployed. The labor market continued improving, and the unemployment rate fell to 6%, along with an improvement in the number of new workplaces opening each month.

Europe - During the first quarter of 2021, the countries of the European Union continued suffering from the coronavirus pandemic, due to the delays in the vaccination program, which led to another increase in infections. The EU countries announced lockdowns and additional social restrictions, which resulted in the contraction of the European economy by 1.8% in the first quarter of 2021 (as compared with the corresponding quarter, in annual terms). The European Central Bank is continuing its asset purchase plans. In the months April - May 2021, the pace of the vaccination campaign and the vaccination of the adult population increased, and European countries appear to be on the way towards vaccinating most of their population in the coming months. Essentially, if this estimate materializes in practice, the social restrictions will be lifted, and more significant economic recovery will be seen in Europe. In terms of the labor market, the unemployment rate is 8.3% as of the end of the first quarter.

China - The coronavirus is under control, and there are essentially no restrictions imposed in the country. The economy of China grew at a rate of 18.3% in the first quarter of 2021 (relative to the corresponding quarter, in annual terms). During the first quarter of 2021, and thanks to the country's economic recovery and the end of the health crisis, the central bank began implementing contractionary monetary measures both in terms of monetary supply, and in terms of reducing the loan provision rate. In terms of the international relationship with the United States, despite the new government in the United States, no changes occurred in foreign relations.

4. Restrictions and supervision of the corporation's business

This chapter includes a review of highly significant laws, regulations, circulars, and position papers, or drafts of highly significant laws, regulations, circulars, and position papers, which apply to the activities of the Group's member companies and which are material to their activities, which were published by the Knesset, the Government, or the Commissioner of Capital Markets, Insurance and Savings, as applicable, after the date of publication of the annual financial statements.

4.1 Long-term savings

4.1.1 Collective loss of working capacity insurance

In May 2021, the Draft Control of Financial Services Regulations (Insurance) (Collective Loss of Working Capacity Insurance), 2021 (hereinafter: the "**Draft Regulations Regarding Collective Loss of Working Capacity Insurance**") were published, which includes a proposal to establish additional provisions regarding collective loss of working capacity insurance policies, which are intended to increase transparency towards the policyholder regarding their rights within the framework of the policy or changes thereto.

The provisions which were added in the draft regulations regarding collective loss of working capacity insurance address, inter alia, the requirement to obtain the policyholder's advance consent as a condition for adding them to a collective loss of working capacity policy, for raising the premiums, and for changing the scope of insurance coverage; The insurer's obligation to send notices when making changes to the policy terms, and when ending the insurance coverage thereunder; and regarding the required scope of insurance coverage in individual loss of working capacity insurance policies which are offered at the end of the collective policy, and restrictions on the amount of premiums which may be collected with respect thereto.

The Draft Regulations, insofar as they are accepted, will enter into effect on the date of their publication. The provisions will apply to collective loss of working capacity insurance policies which are formalized beginning from the commencement date, and to the renewal of collective policies from that same date, even if they were formalized before then.

Clal Insurance is studying the draft regulations regarding collective loss of working capacity insurance.

4.1.2 Investment Regulations

Further to that stated in section 10.5.4.1 of the chapter "description of the corporation's business" in the Company's periodic reports for 2020, regarding the Investment Regulations, the consolidated circular and the investment rules, in May 2021 the Knesset Finance Committee approved the addition of amendments to the Investment Regulations, including, inter alia: (A) the restriction stipulating that an institutional investor may not hold over 20% of an ETF's units will only apply to ETF's which are related parties of the institutional entity; (B) Providing the possibility for an institutional investor to purchase in an issuance, through members' funds only, means of control at a scope of over 20% and up to 15% or 29% (depending on the corporation's equity) of the means of control of certain corporations in the infrastructure segment in Israel, whereby the cumulative scope of investments of this kind will be limited to up to 4% of the revalued value of the institutional investor's assets; (C) Providing the possibility for institutional investors to invest in hybrid bonds in Israel, subject to the fulfillment of several conditions.

The amendments also include expedients regarding the types of investments which are permitted for old funds. In this regard, it is noted that Atudot Havatika is an old pension fund.

According to the assessment of the Group's institutional entities, at this stage, these amendments will not have a significant effect on the institutional entities, or on the rules regarding the investment of members' funds.

The assessments of the Group's institutional entities in connection with the amendment to the Investment Regulations constitutes forward looking information, which is based on the assumptions and estimates of the Group's institutional entities as of the publication date of the report, and actual results may differ significantly from the forecast, depending, inter alia, on the method of its actual implementation.

4. Restrictions and supervision of the corporation's business (Cont.)

4.2 Non-life insurance

4.2.1 Liability regarding the provision of medical services

Further to that stated in section 7.1.1.1(b)(3) of the chapter "description of the corporation's business" in the Company's periodic reports for 2020, regarding the special arrangement in compulsory insurance regarding responsibility for the provision of medical services, in May 2021, the Ministry of Finance published, for public comments, a draft announcement regarding the cost of the provision of the services pursuant to the Road Accident Victims Compensation Law, 1975 and the Draft Ordinance Regarding Damages for Road Accident Victims (Financing Cost of Service Provision), 2021, in which it is proposed to update the rate which is collected by insurance companies from policyholders (which is intended to finance the cost of providing the services to road accident victims by the health funds), to a rate of 12.66% of the premiums, beginning on January 1, 2022, instead of the rate of 9.4%, as currently collected.

5. Exposure to and management of market risks

Effect of market risks on business results

According to the Securities Regulations (Immediate And Periodic Reports), 1970, reports regarding the exposure to and management of market risks refer to the exposures of the Company and its consolidated companies, excluding insurers in Israel.

No material changes took place in the Company's exposure to market risks or in the methods for the management of those risks during the reporting period, as compared with the annual financial statements.

Linkage bases report - as of March 31, 2021

	Israeli currency		Foreign currency				Other non-monetary items	Insurance company in Israel	Total
NIS in thousands	Unlinked	CPI-linked	USD	EUR	GBP	Other			
Intangible assets	-	-	-	-	-	-	59,022	1,176,771	1,235,793
Deferred tax assets	-	-	-	-	-	-	9,788	3,213	13,001
Deferred acquisition costs	-	-	-	-	-	-	-	2,034,845	2,034,845
Property, plant and equipment	-	-	-	-	-	-	10,300	190,029	200,329
Right-of-use asset	-	-	-	-	-	-	94,827	402,443	497,270
Investments in associates	-	-	-	-	-	-	36,536	101,983	138,519
Investment property for investment-linked contracts	-	-	-	-	-	-	-	3,128,698	3,128,698
Other investment property	-	-	-	-	-	-	2,942	1,243,362	1,246,304
Reinsurance assets	-	-	-	-	-	-	-	4,175,006	4,175,006
Current tax assets	-	383	-	-	-	-	-	3,186	3,569
Other accounts receivable	10,012	8,618	250	-	-	-	922	657,008	676,810
Outstanding premiums	3,060	-	-	-	-	-	-	748,519	751,579
Financial investments for investment-linked contracts	-	-	-	-	-	-	-	73,064,156	73,064,156
Other financial investments									
Marketable debt assets	64,590	58,526	6,853	-	-	-	-	5,714,134	5,844,103
Non-marketable debt assets	-	253	-	-	-	-	-	22,142,066	22,142,319
Stocks	-	-	-	-	-	-	81	1,886,693	1,886,774
Other	-	6,215	-	-	-	-	289	3,755,044	3,761,548
Cash and cash equivalents for investment-linked contracts	-	-	-	-	-	-	-	5,910,555	5,910,555
Other cash and cash equivalents	225,724	-	197	254	-	-	-	2,578,659	2,804,834
Total assets	303,386	73,995	7,300	254	-	-	214,707	128,916,370	129,516,012

5. Exposure to and management of market risks (Cont.)

Effect of market risks on business results (Cont.)

Linkage bases report - as of March 31, 2021 (Cont.)

	Israeli currency		Foreign currency						
NIS in thousands	Unlinked	CPI-linked	USD	EUR	GBP	Other	Other non-monetary items	Insurance company in Israel	Total
Liabilities									
Liabilities with respect to non-investment-linked insurance contracts and investment contracts	-	-	-	-	-	-	-	31,820,924	31,820,924
Liabilities with respect to investment-linked insurance contracts and investment contracts	-	-	-	-	-	-	-	81,096,462	81,096,462
Deferred tax liabilities	-	-	-	-	-	-	-	624,418	624,418
Liabilities with respect to employee benefits, net	20,730	-	-	-	-	-	-	63,206	83,936
Lease liabilities	-	111,150	-	-	-	-	-	472,352	583,502
Other accounts payable	103,611	-	-	-	-	-	-	3,585,935	3,689,546
Current tax liabilities	-	843	-	-	-	-	-	62,830	63,673
Financial liabilities	-	-	-	-	-	-	-	4,794,327	4,794,327
Total liabilities	124,341	111,993	-	-	-	-	-	122,520,454	122,756,788
Total exposure	179,045	(37,998)	7,300	254	-	-	214,707	6,395,916	6,759,224

6. Aspects of corporate governance

Policy regarding meetings between officers and shareholders

In accordance with legal position number 101-24, regarding engagement between a reporting corporation and the investors in its securities, which was published by the Israel Securities Authority in March 2021 (hereinafter: the "**Staff Accounting Bulletin**"), according to which it is recommended that corporations publish the main policies regarding investor relations, in order to make available to investors the methods by which interfaces can be initiated and maintained with it, to encourage their involvement in the corporation's affairs, and to create certainty for all investors regarding the existence of such interfaces, and further to that stated in section 11.3.1.2 of the report regarding the description of the corporation's business as of December 31, 2020, regarding the Company's policy on holding meetings between officers and shareholders, which the Board of Directors adopted on November 3, 2020 (hereinafter: the "**Policy**"), the main provisions of the policy are available on the Company's website at https://www.clalbit.co.il/aboutclalinsurance.

7. Disclosure Regarding the Corporation's Financial Reporting

7.1. Report concerning critical accounting estimates

For details regarding the use of estimates and judgment in the preparation of the financial statements, see Note 2(b) to the financial statements.

7.2. Contingent liabilities

The auditors' report to the Company's shareholders includes reference to that stated in Note 7 to the financial statements, regarding the exposure to contingent liabilities.

7.3 Effectiveness of internal control over financial reporting and disclosure

7.3.1. Securities Regulations

In December 2009, **The Securities Regulations (Periodic and Immediate Reports) (Amendment No. 3), 2009**, were published, which deal with the system of internal controls over financial reporting and disclosure in a corporation, which are intended to improve the quality of financial reporting and disclosure in reporting corporations.

In an amendment dated July 7, 2011, it was stipulated that a corporation which consolidates, or proportionately consolidates, a banking corporation or institutional entity, may choose to apply, with respect to the internal control over that banking corporation or institutional entity only, the framework for the evaluation of the effectiveness of internal control as set forth in the other legal provisions which apply to them in this regard, insofar as a framework of this kind exists for the quarterly report.

Accordingly, in addition to the executive certifications and the report regarding the effectiveness of internal control, which are provided as part of this quarterly report, executive disclosures and certifications are attached, which refer to the internal control in the consolidated institutional entities, which are subject to the Commissioner's directives.

7.3.2 The Commissioner's directives regarding internal control over financial reporting and disclosure

The Commissioner published, in recent years, several circulars (hereinafter: the "**Commissioner's Circulars**") which are intended to implement the provisions of Section 302 and Section 404 of the SOX Act in insurance companies, in managing companies of pension funds and provident funds, in pension funds, and in provident funds (hereinafter: the "**Institutional Entities**").

Accordingly, Clal Insurance and the consolidated institutional entities included the information subject to the provisions of the law, in reports filed by the dates set forth in the aforementioned provisions.

7. Disclosure Regarding the Corporation's Financial Reporting

7.3 Effectiveness of internal control over financial reporting and disclosure (Cont.)

7.3.3. Section 302 and section 404 of the SOX Act - Management's responsibility for internal control over financial reporting and disclosure

In accordance with the circulars published by the Commissioner, which are based on section 302 and section 404 of the **SOX Act**, and as described in the previous Board of Directors' reports of Clal Insurance, Clal Insurance acted and routinely acts to implement the process required in accordance with the foregoing provisions, including an evaluation of the work processes and internal controls which are implemented, in accordance with the stages and dates set forth in the circulars. In accordance with foregoing, Clal Insurance adopted the internal control model of the **Committee of Sponsoring Organizations of the Treadway Commission (COSO)**, which constitutes a defined and recognized framework for the evaluation of internal control.

The management of Clal Insurance (the institutional entity), in collaboration with the CEO, the Executive VP of Clal Insurance, the Financial Division Manager and the Senior VP Comptrollership Division Manager of Clal Insurance have evaluated, as of the end of the period covered in this report, the effectiveness of the controls and procedures regarding disclosure of Clal Insurance. Based on this evaluation, the CEO, the Executive VP of Clal Insurance and Financial Division Manager and the Senior VP Comptrollership Division Manager of Clal Insurance have concluded that, as of the end of the aforementioned period, the controls and procedures involving the disclosures made by Clal Insurance are effective for the purpose of recording, processing, summarizing and reporting the information which Clal Insurance is required to disclose in the quarterly report, in accordance with the provisions of the law, and the reporting directives which were issued by the Commissioner, and by the date specified in those directives.

During the quarter ended March 31, 2021, no change took place in the institutional entity's internal control over financial reporting which could have materially influenced, or which could have been reasonably expected to materially influence, the institutional entity's internal control over financial reporting.

Executive certifications regarding the effectiveness of internal control over financial reporting and disclosure, with reference to the relevant processes, in accordance with the Commissioner's circulars, are attached to the report.

The Board of Directors would like to express its appreciation to the employees, managers and agents of the Group's member companies for their contribution to the Group's achievements.

Haim Samet **Chairman of the Board**	**Yoram Naveh** **Chief Executive Officer**

Tel Aviv, May 30, 2021

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Auditors' Review Report to the Shareholders of Clal Insurance Enterprises Holdings Ltd.

Introduction

We have reviewed the enclosed financial information of Clal Insurance Enterprises Holdings Ltd. and its subsidiaries (hereinafter: the "**Group**"), which includes the condensed interim consolidated statement of financial position as of March 31, 2021, as well as the condensed interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the periods of three months then ended. The Board of Directors and Management are responsible for preparing and presenting the financial information for this interim period, in accordance with IAS 34, "Interim Financial Reporting", and in accordance with the disclosure requirements set by the Commissioner of Capital Markets, Insurance and Savings, pursuant to the Control of Financial Services Law (Insurance), 1981, and are also responsible for compiling financial information for this interim period in accordance with Chapter IV of the Securities Regulations (Periodic and Immediate Reports), 1970, to the extent that these regulations apply to a corporation which consolidates insurance companies. Our responsibility is to express a conclusion with respect to this interim financial information, based on our review.

Scope of the Review

We have conducted our review in accordance with Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel, "Review of Financial Information for Interim Periods Prepared by the Entity's Auditor." A review of financial information for interim periods consists of inquiries, mainly with the people responsible for financial and accounting matters, and of the application of analytical and other review procedures. This review is significantly limited in scope compared to an audit prepared according to generally accepted auditing standards in Israel, and therefore does not allow us to achieve certainty that we have become aware of all material issues that may have be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, we have not become aware of anything which would have caused us to believe that the aforementioned financial information has not been not prepared, in all material aspects, in accordance with IAS 34, and in accordance with the disclosure requirements set forth by the Commissioner of Capital Markets, Insurance and Savings, pursuant to the Control of Financial Services (Insurance) Law, 1981.

In addition to that stated in the previous paragraph, based on our review, we have not become aware of any information which would cause us to believe that the aforementioned financial information is not compliant, in all material respects, with the disclosure provisions of Chapter IV of the Securities Law Regulations (Periodic and Immediate Statements), 1970, to the extent to which these regulations apply to a corporation which consolidates insurance companies.

Bold paragraph regarding (reference)

Without qualifying our aforementioned conclusion, we would like to draw attention to that stated in Note 7 to the interim consolidated financial statements, concerning the exposure to contingent liabilities.

Tel Aviv,
May 30, 2021

Somekh Chaikin
Certified Public Accountants

Kost Forer Gabbay and Kasierer
Certified Public Accountants

Joint Auditors

Interim Consolidated Statements of Financial Position

		As of March 31		As of December 31
		2021	2020	2020
NIS in thousands	Note	Unaudited		Audited
Assets				
Intangible assets		**1,235,793**	1,280,550	1,255,264
Deferred tax assets		**13,001**	11,906	12,236
Deferred acquisition costs		**2,034,845**	2,041,317	1,996,644
Property, plant and equipment		**200,329**	214,029	208,036
Right-of-use asset		**497,270**	533,833	502,043
Investments in investee companies accounted by the equity method		**138,519**	228,332	136,104
Investment property for investment-linked contracts		**3,128,698**	3,170,566	3,043,442
Other investment property		**1,246,304**	1,272,553	1,209,486
Reinsurance assets		**4,175,006**	3,541,829	3,629,329
Current tax assets		**3,569**	192,451	9,689
Other accounts receivable		**676,810**	2,353,532	627,677
Outstanding premiums		**751,579**	764,413	650,952
Financial investments for investment-linked contracts	5	**73,064,156**	56,180,062	70,798,761
Other financial investments:	5			
Marketable debt assets		**5,844,103**	4,757,145	5,823,747
Non-marketable debt assets		**22,142,319**	22,852,829	22,092,629
Stocks		**1,886,774**	1,216,908	1,692,465
Others		**3,761,548**	3,045,524	3,574,299
Total other financial investments		**33,634,744**	31,872,406	33,183,140
Cash and cash equivalents for investment-linked contracts		**5,910,555**	4,783,897	5,273,150
Other cash and cash equivalents		**2,804,834**	2,103,470	1,948,922
Total assets		**129,516,012**	110,545,146	124,484,875
Total assets for investment-linked contracts	5	**82,638,642**	66,186,691	79,564,525

The notes attached to the interim consolidated financial statements constitute an integral part thereof.

Interim Consolidated Statements of Financial Position

NIS in thousands	Note	As of March 31 2021	As of March 31 2020	As of December 31 2020
		Unaudited		Audited
Capital				
Share capital		**155,448**	155,448	155,448
Premium on shares		**1,640,140**	1,638,205	1,638,770
Capital reserves		**1,132,407**	482,510	969,936
Retained earnings		**3,773,398**	2,938,082	3,535,095
Total capital attributable to Company shareholders		**6,701,393**	5,214,245	6,299,249
Non-controlling interests		**57,831**	50,847	56,685
Total capital		**6,759,224**	5,265,092	6,355,934
Liabilities				
Liabilities with respect to non-investment-linked insurance contracts and investment contracts		**31,820,924**	31,151,927	31,078,895
Liabilities with respect to investment-linked insurance contracts and investment contracts		**81,096,462**	65,211,492	77,291,364
Deferred tax liabilities		**624,418**	367,081	540,825
Liabilities with respect to employee benefits, net		**83,936**	80,351	83,486
Lease liabilities		**583,502**	585,183	580,567
Other accounts payable		**3,689,546**	3,010,865	3,965,383
Current tax liabilities		**63,673**	801	64,647
Financial liabilities	5	**4,794,327**	4,872,354	4,523,774
Total liabilities		**122,756,788**	105,280,054	118,128,941
Total capital and liabilities		**129,516,012**	110,545,146	124,484,875

The notes attached to the interim consolidated financial statements constitute an integral part thereof.

May 30, 2021				
Approval date of the financial statements	**Haim Samet Chairman of the Board**	**Yoram Naveh Chief Executive Officer**	**Eran Cherninsky Executive VP Finance Division Manager**	**Tal Cohen Senior VP Comptroller**

Interim Consolidated Statements of Income

NIS in thousands	For the period of three months ended March 31		For the year ended December 31
	2021	2020	2020
	Unaudited		Audited
Gross premiums earned	**2,457,726**	2,419,485	9,494,300
Premiums earned by reinsurers	**392,590**	347,568	1,466,514
Premiums earned on retention	**2,065,136**	2,071,917	8,027,786
Income from investments, net, and financing income	**3,711,898**	(7,587,806)	5,050,742
Income from management fees	**498,724**	232,275	1,246,681
Income from commissions	**80,494**	77,206	311,268
Other income	**10**	125	645
Total income	**6,356,262**	(5,206,283)	14,637,122
Payments and changes in liabilities with respect to insurance contracts and investment contracts, gross	**5,972,617**	(5,518,862)	11,989,849
Share of reinsurers in payments and change in liabilities with respect to insurance contracts	**(736,788)**	(183,817)	(974,301)
Payments and changes in liabilities with respect to insurance contracts and investment contracts on retention	**5,235,829**	(5,702,679)	11,015,548
Commissions, marketing expenses and other acquisition costs	**481,820**	487,794	1,931,289
General and administrative expenses	**225,189**	221,750	933,903
Impairment of intangible assets	**-**	-	2,492
Other expenses	**1,470**	2,364	9,062
Financing expenses	**53,803**	20,267	154,699
Total expenses	**5,998,111**	(4,970,504)	14,046,993
Share in the results of investee companies accounted by the equity method, net	**1,060**	(2,438)	(4,192)
Income (loss) before taxes on income	**359,211**	(238,217)	585,937
Taxes on income (tax benefit)	**118,594**	(79,500)	143,274
Income (loss) for the period	**240,617**	(158,717)	442,663
Attributable to:			
Company shareholders	**239,673**	(157,720)	438,676
Non-controlling interests	**944**	(997)	3,987
Income (loss) for the period	**240,617**	(158,717)	442,663
Earnings (loss) per share attributable to Company shareholders:			
Basic earnings (loss) per share (in NIS)	**3.54**	(2.33)	6.48
Diluted earnings (loss) per share (in NIS)	**3.54**	(2.33)	6.48
Number of shares used to calculate earnings per share:			
Basic	**67,645**	67,645	67,645
Diluted	**67,645**	67,645	67,645

The notes attached to the interim consolidated financial statements constitute an integral part thereof.

Interim Consolidated Statements of Comprehensive income

NIS in thousands	For the period of three months ended March 31 2021	2020	For the year ended December 31 2020
	Unaudited		Audited
Income (loss) for the period	**240,617**	(158,717)	442,663
Other comprehensive income:			
Components of other comprehensive income which, following initial recognition in comprehensive income, have been or will be transferred to the statement of income:			
Foreign currency translation differences for foreign operations applied to capital reserves	**8,047**	7,465	(20,761)
Foreign currency translation differences applied to the statement of income	**-**	(650)	9,568
Change, net, in the fair value of available for sale financial assets applied to capital reserves	**466,872**	(554,255)	474,417
Change, net, in the fair value of available for sale financial assets transferred to the statement of income	**(236,008)**	(39,828)	(344,942)
Impairment loss with respect to available for sale financial assets transferred to the statement of income	**6,696**	75,787	112,395
Other comprehensive income (loss) for the period which has been or will be transferred to the statement of income, before tax	**245,607**	(511,481)	230,677
Tax (tax benefit) with respect to available-for-sale financial assets	**81,083**	(177,191)	80,817
Tax (tax benefit) with respect to other components	**1,851**	1,717	(2,425)
Tax (tax benefit) with respect to components of other comprehensive income for the period which have been or will be transferred to the statement of income	**82,934**	(175,474)	78,392
Other comprehensive income (loss) which, following initial recognition under comprehensive income, have been or will be transferred to the statement of income, net of tax	**162,673**	(336,007)	152,285
Components of other comprehensive income which will not be transferred to the statement of income:			
Actuarial gains (loss) from defined benefit plan	**-**	13,425	15,723
Tax (tax benefit) with respect to components of other comprehensive income which will not be transferred to the statement of income	**-**	3,984	5,112
Other comprehensive income (loss) which will not be transferred to the statement of income, net of tax	**-**	9,441	10,611
Other comprehensive income (loss) for the period	**162,673**	(326,566)	162,896
Total comprehensive income (loss) for the period	**403,290**	(485,283)	605,559
Attributable to:			
Company shareholders	**402,144**	(483,261)	601,743
Non-controlling interests	**1,146**	(2,022)	3,816
Total comprehensive income (loss) for the period	**403,290**	(485,283)	605,559

The notes attached to the interim consolidated financial statements constitute an integral part thereof.

Interim Consolidated Statements of Changes in Equity

NIS in thousands	Attributable to Company shareholders: Share capital	Premium on shares	Translation reserve	Capital reserve with respect to available for sale assets	Other capital reserves	Capital reserve from transactions with non-controlling interests	Retained earnings	Total	Non-controlling interests	Total capital
For the period of three months ended March 31, 2021 (unaudited)										
Balance as of January 1, 2021	**155,448**	**1,638,770**	**(23,460)**	**852,376**	**180,329**	**(39,309)**	**3,535,095**	**6,299,249**	**56,685**	**6,355,934**
Income (loss) for the period	**-**	**-**	**-**	**-**	**-**	**-**	**239,673**	**239,673**	**944**	**240,617**
Components of other comprehensive income (loss):										
Foreign currency translation differences for foreign operations applied to capital reserves	**-**	**-**	**8,047**	**-**	**-**	**-**	**-**	**8,047**	**-**	**8,047**
Change, net, in the fair value of available for sale financial assets applied to capital reserves	**-**	**-**	**-**	**466,449**	**-**	**-**	**-**	**466,449**	**423**	**466,872**
Change, net, in the fair value of available for sale financial assets transferred to the statement of income	**-**	**-**	**-**	**(235,889)**	**-**	**-**	**-**	**(235,889)**	**(119)**	**(236,008)**
Impairment loss with respect to available for sale financial assets transferred to the statement of income	**-**	**-**	**-**	**6,694**	**-**	**-**	**-**	**6,694**	**2**	**6,696**
Tax benefit with respect to components of comprehensive income	**-**	**-**	**(1,851)**	**(80,979)**	**-**	**-**	**-**	**(82,830)**	**(104)**	**(82,934)**
Other comprehensive income (loss) for the period, net of tax	**-**	**-**	**6,196**	**156,275**	**-**	**-**	**-**	**162,471**	**202**	**162,673**
Total comprehensive income for the period	**-**	**-**	**6,196**	**156,275**	**-**	**-**	**239,673**	**402,144**	**1,146**	**403,290**
Transactions with shareholders which were applied directly to equity:										
Expiration of warrants for senior employees	**-**	**1,370**	**-**	**-**	**-**	**-**	**(1,370)**	**-**	**-**	**-**
Balance as of March 31, 2021	**155,448**	**1,640,140**	**(17,264)**	**1,008,651**	**180,329**	**(39,309)**	**3,773,398**	**6,701,393**	**57,831**	**6,759,224**

Interim Consolidated Statements of Changes in Equity (Cont.)

NIS in thousands	Attributable to Company shareholders								Non-controlling interests	Total capital
	Share capital	Premium on shares	Translation reserve	Capital reserve with respect to available for sale assets	Other capital reserves	Capital reserve from transactions with non-controlling interests	Retained earnings	Total		
For the period of three months ended March 31 (unaudited)										
Balance as of January 1, 2020 (Audited)	155,448	1,636,478	(14,692)	691,091	180,329	(39,309)	3,088,161	5,697,506	52,869	5,750,375
Loss for the period	-	-	-	-	-	-	(157,720)	(157,720)	(997)	(158,717)
Components of other comprehensive income (loss):										
Foreign currency translation differences for foreign operations applied to capital reserves	-	-	7,465	-	-	-	-	7,465	-	7,465
Foreign currency translation differences applied to the statement of income	-	-	(650)	-	-	-	-	(650)	-	(650)
Change, net, in the fair value of available for sale financial assets applied to capital reserves	-	-	-	(552,547)	-	-	-	(552,547)	(1,708)	(554,255)
Change, net, in the fair value of available for sale financial assets transferred to the statement of income	-	-	-	(39,850)	-	-	-	(39,850)	22	(39,828)
Impairment loss with respect to available for sale financial assets transferred to the statement of income	-	-	-	75,768	-	-	-	75,768	19	75,787
Actuarial losses from defined benefit plan	-	-	-	-	-	-	13,315	13,315	110	13,425
Tax benefit (tax) with respect to components of comprehensive (loss) income	-	-	(1,717)	176,622	-	-	(3,947)	170,958	532	171,490
Other comprehensive income (loss) for the period, net of tax	-	-	5,098	(340,007)	-	-	9,368	(325,541)	(1,025)	(326,566)
Total comprehensive income (loss) for the period	-	-	5,098	(340,007)	-	-	(148,352)	(483,261)	(2,022)	(485,283)
Transactions with shareholders which were applied directly to equity:										
Expiration of warrants for senior employees	-	1,727	-	-	-	-	(1,727)	-	-	-
Balance as of March 31, 2020	155,448	1,638,205	(9,594)	351,084	180,329	(39,309)	2,938,082	5,214,245	50,847	5,265,092

The notes attached to the interim consolidated financial statements constitute an integral part thereof.

Interim Consolidated Statements of Changes in Equity (Cont.)

NIS in thousands	Attributable to Company shareholders: Share capital	Premium on shares	Translation reserve	Capital reserve with respect to available for sale assets	Other capital reserves	Capital reserve from transactions with non-controlling interests	Retained earnings	Total	Non-controlling interests	Total capital
For the year ended December 31, 2020 (Audited)										
Balance as of January 1, 2020	155,448	1,636,478	(14,692)	691,091	180,329	(39,309)	3,088,161	5,697,506	52,869	5,750,375
Income for the period	-	-	-	-	-	-	438,676	438,676	3,987	442,663
Components of other comprehensive income (loss):										
Foreign currency translation differences for foreign operations applied to capital reserves	-	-	(20,761)	-	-	-	-	(20,761)	-	(20,761)
Foreign currency translation differences for foreign operations applied to profit and loss	-	-	9,568	-	-	-	-	9,568	-	9,568
Change, net, in the fair value of available for sale financial assets applied to capital reserves	-	-	-	474,679	-	-	-	474,679	(262)	474,417
Change, net, in the fair value of available for sale financial assets transferred to the statement of income	-	-	-	(344,823)	-	-	-	(344,823)	(119)	(344,942)
Impairment loss with respect to available for sale financial assets transferred to the statement of income	-	-	-	112,366	-	-	-	112,366	29	112,395
Actuarial gains from defined benefit plan	-	-	-	-	-	-	15,631	15,631	92	15,723
Tax benefit (tax) with respect to components of comprehensive (loss) income	-	-	2,425	(80,937)	-	-	(5,081)	(83,593)	89	(83,504)
Other comprehensive income (loss) for the period, net of tax	-	-	(8,768)	161,285	-	-	10,550	163,067	(171)	162,896
Total comprehensive income (loss) for the period	-	-	(8,768)	161,285	-	-	449,226	601,743	3,816	605,559
Transactions with shareholders which were applied directly to equity:										
Exercise and expiration of warrants for senior employees	-	2,292	-	-	-	-	(2,292)	-	-	-
Balance as of December 31, 2020	155,448	1,638,770	(23,460)	852,376	180,329	(39,309)	3,535,095	6,299,249	56,685	6,355,934

The notes attached to the interim consolidated financial statements constitute an integral part thereof.

Interim Consolidated Statements of Cash Flows

NIS in thousands	Annex	For the period of three months ended March 31 2021	2020	For the year ended December 31 2020
		Unaudited		Audited
Cash flows from operating activities				
Before taxes on income	(A)	**1,815,126**	(2,139,425)	(1,295,034)
Income tax received (paid)		**(113,554)**	99,275	41,905
Net cash from (used in) operating activities		**1,701,572**	(2,040,150)	(1,253,129)
Cash flows from investing activities				
Consideration from disposal of property, plant and equipment		**-**	-	15
Consideration from disposal of investments in other investee companies		**-**	-	15,154
Consideration from disposal of investment in available for sale financial assets by companies which are not insurance and finance companies		**40,364**	-	19,298
Investment in available for sale financial assets by companies that are not insurance and finance companies		**(35,079)**	-	(152,163)
Investment in shares and loans in investee companies		**-**	(47,321)	(47,415)
Investment in property, plant and equipment		**(707)**	(3,494)	(22,970)
Investment in intangible assets		**(36,642)**	(39,698)	(191,541)
Net cash used in investing activities		**(32,064)**	(90,513)	(379,622)
Cash flows from financing activities				
Repayment of deferred liability notes		**(111,938)**	-	(22,168)
Repayment of lease liability		**(10,063)**	(16,223)	(44,049)
Interest paid on bonds and deferred liability notes		**(48,543)**	(49,451)	(128,091)
Net cash used in financing activities		**(170,544)**	(65,674)	(194,308)
Impact of exchange rate fluctuations on cash and cash equivalent balances		(5,647)	(29,658)	(64,231)
Net increase (decrease) in cash and cash equivalents		**1,493,317**	(2,225,995)	(1,891,290)
Cash and cash equivalents at beginning of period	(B)	**7,222,072**	9,113,362	9,113,362
Cash and cash equivalents at end of period	(C)	**8,715,389**	6,887,367	7,222,072

The notes attached to the interim consolidated financial statements constitute an integral part thereof

Interim Consolidated Statements of Cash Flows (Cont.)

NIS in thousands	For the period of three months ended March 31 2021	2020	For the year ended December 31 2020
	Unaudited		Audited
(A) Cash flows from operating activities before taxes on income [1) 2)]			
Income (loss) for the period	**240,617**	(158,717)	442,663
Items not involving cash flows:			
The Company's share in the loss (income) of investee companies accounted by the equity method	**(1,060)**	2,438	4,192
Dividends received from investee companies accounted by the equity method	**-**	221	766
Changes in liabilities with respect to non-investment-linked insurance contracts and investment contracts	**742,029**	(292,983)	(366,015)
Change in liabilities with respect to investment-linked insurance contracts and investment contracts	**3,805,098**	(6,621,512)	5,458,360
Change in deferred acquisition costs	**(38,201)**	(20,113)	24,560
Change in reinsurance assets	**(545,677)**	9,981	(77,519)
Depreciation of property, plant and equipment and right-of-use asset	**21,461**	22,471	88,447
Amortization of intangible assets	**56,113**	56,775	231,412
Impairment of intangible assets	**-**	-	2,492
Loss from disposal of property, plant and equipment	**-**	-	1
Loss (profit) from right-of-use asset	**(16)**	(1)	(19)
Interest and linkage differences accrued with respect to deferred liability notes	**37,763**	32,693	143,345
Interest accrued and revaluation of liabilities to banking corporations and others	**386,497**	671,104	379,270
Change in fair value of investment property for investment-linked contracts	**(21,670)**	(45)	90,453
Change in fair value of other investment property	**(3,299)**	11,653	25,229
Net loss (profit) from financial investments for insurance contracts and investment contracts, from and investment-linked contracts	**(3,260,760)**	7,444,253	(2,274,816)
Taxes on income (tax benefit)	**118,594**	(79,500)	143,274
Net loss (profit) from other financial investments:			
Marketable debt assets	**(40,315)**	(32,582)	(22,223)
Non-marketable debt assets	**(174,661)**	(71,963)	102,122
Stocks	**(95,214)**	83,798	17,373
Others	**(134,856)**	53,419	(57,954)
Financial investments and investment property for investment-linked contracts:			
Acquisition of investment property	**(63,586)**	(73,151)	(120,998)
Consideration from the sale of investment property	**-**	-	84,473
Acquisitions net of financial investments	**995,365**	(1,226,854)	(6,126,484)
Receipts (investments) from the sale of (investment in) available for sale financial assets and investment property in insurance business operations:			
Marketable debt assets	**(14,871)**	925,367	213,935
Non-marketable debt assets	**124,974**	(311,009)	275,355
Stocks	**3,959**	(87,858)	(256,063)
Others	**113,294**	(585,677)	(717,840)
Acquisition of other investment property	**(26,604)**	(29,623)	(44,228)
Consideration from the sale of other investment property	**-**	-	50,684

1) Cash flows from operating activities include cash flows with respect to acquisitions and net sales of financial investments and investment property derived from activities with respect to insurance contracts and investment contracts.
2) Cash flows from operating activities include cash flows with respect to received dividends and interest, as specified in Annex E.

The notes attached to the interim consolidated financial statements constitute an integral part thereof.

Interim Consolidated Statements of Cash Flows (Cont.)

	For the period of three months ended March 31		For the year ended December 31
	2021	2020	2020
NIS in thousands	Unaudited		Audited
(A) Cash flows from operating activities before taxes on income (Cont.)			
Changes in other items in the statement of financial position, net			
Securities held for trading by consolidated companies which are not insurance companies	**(1,846)**	22	(1,580)
Other accounts receivable	**392,938**	(1,554,746)	171,109
Outstanding premiums	**(100,627)**	(64,265)	49,196
Other accounts payable	**(700,763)**	(240,528)	769,054
Liabilities with respect to employee benefits, net	**450**	(2,493)	2,940
Total cash flows from operating activities before taxes on income	**1,815,126**	(2,139,425)	(1,295,034)
(B) Cash and cash equivalents at beginning of period:			
Cash and cash equivalents for investment-linked contracts	**5,273,150**	6,554,645	6,554,645
Other cash and cash equivalents	**1,948,922**	2,558,717	2,558,717
Balance of cash and cash equivalents at beginning of period	**7,222,072**	9,113,362	9,113,362
(C) Cash and cash equivalents at end of period:			
Cash and cash equivalents for investment-linked contracts	**5,910,555**	4,783,897	5,273,150
Other cash and cash equivalents	**2,804,834**	2,103,470	1,948,922
Balance of cash and cash equivalents at end of period	**8,715,389**	6,887,367	7,222,072
(D) Cash flows with respect to interest and dividends received, included under operating activities:			
Interest received	**318,796**	357,894	2,015,450
Dividend received	**333,138**	109,988	322,670

The notes attached to the interim consolidated financial statements constitute an integral part thereof.

Note 1: General

A. Reporting entity

Clal Insurance Enterprises Holdings Ltd. (hereinafter: the "**Company**") is a company registered in Israel, and incorporated in Israel, whose official address is 36 Raul Wallenberg Rd., Tel Aviv. The Company's securities are listed for trading on the Tel Aviv Stock Exchange.

The consolidated financial statements as of March 31, 2021 (hereinafter: the "**Financial Statements**") include the statements of the Company and its subsidiaries (hereinafter, jointly: the "**Group**"), as well as the Group's interests in joint ventures and associates.

As of the publication date of the report, the Company is a company without a control core.

On December 8, 2019, the Company received a letter from the Commissioner (the "**Commissioner's Letter**"), in which the Commissioner announced, inter alia, that in light of the changes which occurred in the stake of IDB Development Corporation Ltd. ("**IDB Development**")[1] in the Company, the Commissioner evaluated the issue of the control of the Company. In accordance with the Commissioner's letter, as part of the aforementioned evaluation, the positions of the Ministry of Justice, the Israel Securities Authority and the Competition Authority were received as well. The findings of the aforementioned evaluation, which, according to the Commissioner's position, are based on the Company's representations, indicated that, as of the date of the letter, there is no entity which holds, directly or indirectly, the Company's means of control, in a manner which would create an obligation to obtain a permit for the control of the Company in accordance with section 32(b) of the Control of Financial Services (Insurance) Law, 1981 (the "**Insurance Law**"), and therefore, the Company is required to receive a permit from the Commissioner for the control of Clal Insurance Company ("**Clal Insurance**"). Further to the foregoing, on October 19, 2020 the Company received a letter from the Commissioner entitled "update regarding the outline for exercising the means of control of Clal Insurance" (which replaced the Commissioner's letter on the subject dated July 21, 2020), specifying, inter alia, the Commissioner's reference to the arrangements which will apply to exercising the Company's means of control in Clal Insurance, the appointment of directors in Clal Insurance and in the Company, and participation in the general meeting of Clal Insurance (the "**Outline for Exercising the Means of Control**"). On November 30, 2020, a clarification letter was received from the Commissioner, in connection with the outline for exercising the means of control For additional details regarding the control outline, including regarding the appointment of directors in the Company and in Clal Insurance, see section c(2) below.

The discussions being held between the Company and the Commissioner regarding the aforementioned letters have not yet been exhausted.

B. Developments during the reporting period with respect to the control and holding of the Company

In accordance with the provisions of the Control Law, the holding of more than five of a certain type of means of control of an institutional entity is conditional upon the receipt of a permit for the holding of means of control from the Commissioner, and the control of an institutional entity or insurance agency also requires a permit from the Commissioner.

As of the publication date of the report, to the best of the Company's knowledge, several entities have received a permit for holding means of control, including two institutional entities.

On May 11 and 12, 2020, Clal Insurance received a copy of the Commissioner's letters to Mr. Moshe (Mori) Arkin and to Mr. Alfred Akirov (to each of them separately), in which he clarified, further to the reports dated May 6 and 10, 2020 (see section c(1) below), that the holding permit which was given to Mr. Arkin, with respect to the holding of up to 8% of the Company's shares, and the holding permit which was given to Mr. Akirov, for the holding of up to 10% of the Company's shares, dated April 5, 2020, does not allow them, or any other party on their behalf, to take action, either independently or together with others, in a manner which would result in their ability to direct the activity of Clal Insurance, inter alia, through involvement in decision making processes regarding the appointment of its directors and officers.

It is hereby clarified that, as of the publication date of the report, the obligation to report to the Company regarding the stakes of shareholders in the Company applies only to interested parties, as defined in the Securities Law, 1968, and that the Company has no information regarding the status of the holding permits, or any changes which have made thereto, beyond the above.

[1] In accordance with the Commissioner's directives, during the period from 2017 to January 2021, all of the Company's shares which were held by IDB Development were sold, directly and through the trustee for the Company's control shares, including some through swap transactions, which, as of the reporting date, have all concluded.

Note 1: General (Cont.)

C. Developments during the reporting period regarding the appointment of directors in the Company and in Clal Insurance

1. Appointment of Chairman of the Board

On August 20, 2020, Mr. Danny Naveh ceased serving as the Chairman of the Board and as a director in the Company and in Clal Insurance.

From that date onwards, Ms. Mali Margaliot served as the Company's Temporary Chairwoman of the Board until February 4, 2021.

It is noted that on February 4, 2021, Mr. Haim Samet was appointed as the Company's Chairman of the Board. A temporary or permanent chairman has not been appointed in Clal Insurance in accordance with the Commissioner's instructions.

2. The Commissioner's directives regarding the appointment of directors in the Company and in Clal Insurance

During the period of service of the trustee for the Company's control shares, various directives of the Commissioner were received, pertaining to the appointment of directors in the Group, including through the committee for the appointment of directors in Clal Insurance and in the Company, led by the Honorable Judge (Emeritus) Sarah Gadot, who was appointed by the Commissioner in 2015 to recommend to the trustee suitable candidates for tenure as directors (the "**Gadot Committee**"). In accordance with the recommendations of the Gadot committee, directors and outside directors of the Company and of Clal Insurance were appointed, from time to time, in accordance with the appointed committee's recommendations.

In the Commissioner's letter dated December 8, 2019, in which it was determined that there is no entity which holds, directly or indirectly, the Company's means of control, the Commissioner determined, in consideration of the presumption which is prescribed in the definition of an "insurer", in accordance with section 31(A) of the Control Law, that the provisions of the Control Law regarding arrangements for the appointment of directors in an insurer with no controlling shareholder, apply both to the Company and to Clal Insurance[2]. In these circumstances, he considered it appropriate to determine, in the conditions of the permit for control of Clal Insurance, that without derogating from the provisions of any applicable law, the method for appointing directors in the Company and in Clal Insurance will be similar to the mechanisms currently prescribed in the Control Law regarding the appointment of directors in an insurer with no controlling shareholder, without prejudice to the right of another shareholder to propose candidates by law, insofar as any such right is available.

On July 2, 2020, and further to the notice of the Chairman of the Board in connection with the conclusion of his tenure (see section c(1) above), the Company's Board of Directors sent a preliminary inquiry to the Commissioner, in order to receive his position in connection with the resolution of the Company's Board of Directors to take action to strengthen the Board of Directors of Clal Insurance, by appointing additional directors among the directors holding office in the Company (who are not outside directors), to the Board of Directors of Clal Insurance. On July 2, 2020 the Company received the Commissioner's response, stating that a director search and appointment committee (the "**Search Committee**") had not yet been appointed in Clal Insurance, and that exercising the means of control with respect to the composition of the Board of Directors of Clal Insurance, and particularly, the appointment of directors in Clal Insurance by the Company's Board of Directors, in its role as the Company's representative as the shareholder in Clal Insurance, before a control permit has been given, will be considered as action which is not in compliance with the Commissioner's instructions. The Commissioner also announced that reasonable grounds exist to object, by virtue of section 41 of the Control Law, to the appointment of directors holding office in the Company as directors in Clal Insurance, due to the real concern, in light of the current state of affairs, regarding the existence of a conflict of interest in accordance with section 41(i)(a) of the Control Law.

On July 21, 2020, October 19, 2020 and November 30, 2020, the Company received from the Commissioner letters in connection with an outline for exercising the means of control of Clal Insurance, which included, inter alia, reference to the method for appointing directors in Clal Insurance and in the Company, as specified below.

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2 In accordance with the Commissioner's letter, according to the definitions presented in section 31A of the Control Law, both the Company and Clal Insurance are considered "insurers" for the purpose of evaluating the control of Clal Insurance.

Note 1: General (Cont.)

C. Developments during the reporting period regarding the appointment of directors in the Company and in Clal Insurance (Cont.)

2. The Commissioner's directives regarding the appointment of directors in the Company and in Clal Insurance (Cont.)

The Commissioner's position, as reflected in his aforementioned last letter, regarding which clarifications were sent by the Commissioner on November 30, 2020, is that in light of the Group's corporate structure, according to which Clal Insurance is a private company controlled by the Company, which is a public company, and which has no ultimate controlling shareholder, and with the aim of realizing the intent of the Control Law regarding an insurer with no controlling shareholder, and to establish a comprehensive and appropriate arrangement regarding the holding structure of Clal Insurance at this time, it is necessary to create an outline to ensure the realization of the relevant purposes, in accordance with certain principles, of which the main ones are specified below. In accordance with the outline for exercising the means of control, these principles will be set forth, inter alia, in the control permit which will be given to the Company, by virtue of the Commissioner's authority pursuant to section 32(b) of the Control Law, as follows: Clal Insurance will be subject to the provisions regarding an "insurer with no controlling shareholder", including the provisions of sections 41(K) and L of the Control Law, and the provisions of the Board of Directors Circular regarding an insurer with no controlling shareholder, subject to the adjustments specified below. An external committee will be formed, which will recommend the appointment of directors in Clal Insurance in accordance with the provisions of the Supervision Law regarding a insurer without a control core (the "Committee")[3].

In light of the above, the Commissioner established an outline for the selection of directors, as specified in his letter, which primarily stated the following:

A. All of the directors in Clal Insurance (excluding outside directors and independent directors) will be presented to the general meeting for appointment once per year.
B. The Company's Board of Directors will be entitled to propose candidates for the Board of Directors of Clal Insurance (notwithstanding the provisions of the law regarding an insurer with no controlling shareholder - the Board of Directors may propose more than one candidate);
C. The Board of Directors of Clal Insurance will be entitled to propose candidates on its behalf. However, it will not be entitled to appoint directors in Clal Insurance;
D. The Search Committee will also propose candidates to the Board of Directors of Clal Insurance. The Search Committee will propose candidate for tenure, according to the maximum number of directors whose appointment will be discussed in the meeting. In case of the appointment of directors in any framework other than the annual general meeting, the Search Committee will recommend at least twice as many candidates as the number of available positions.

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[3] On January 12, 2021, the Commissioner announced that the Minister of Finance had appointed the committee, in accordance with the provisions of section 41M of the Control Law, regarding the appointment of directors in Clal Insurance. The committee's work arrangements will be determined in accordance with section 41Q of the Control Law. The members of the committee regarding Clal Insurance include: Committee chairman - the Honorable Judge (Emeritus) Yosef (Sefi) Eilon; Prof. Efraim Tzedaka; Mr. Avraham Rinot; Dr. Rachel Adatto (independent director in Clal Insurance); Prof. Orli Sade Ben Ami (independent director in Clal Insurance). In accordance with information which was given to the Company, the committee announced its work procedures on January 26, 2021. Further to the committee's work policy, which set a deadline of 180 days for its work, the Board of Directors of Clal Insurance contacted the committee in accordance with section 14 of the work policy, and notified it that it had decided to convene a shareholders' meeting, whose agenda will include, inter alia, the appointment of directors. The meeting will be convened on or around September 12, 2021. On April 12, 2021, the Search Committee published a call for proposals to submit to the committee candidacies for tenure as directors in Clal Insurance, until April 29, 2021. In the call for proposals, it was noted that in light of Clal Insurance's needs, the required number of directors is up to seven ordinary directors, and one independent director.

Note 1: General (Cont.)

C. Developments during the reporting period regarding the appointment of directors in the Company and in Clal Insurance (Cont.)

2. The Commissioner's directives regarding the appointment of directors in the Company and in Clal Insurance (Cont.)

E. For the sake of guaranteeing the independence of the Board of Directors of Clal Insurance, as part of the Commissioner's authority to appoint officers, the Commissioner will take into account, inter alia, the verification that most of the board members who were appointed to the Board of Directors of Clal Insurance were recommended by the Search Committee, and the verification of an "absence of ties", as defined in section 240(b) of the Companies Law, 1999, *mutatis mutandis*, between candidates for tenure as directors, and Clal Holdings. It was further clarified, with respect to directors whose appointment will be recommended by the Search Committee to the general meeting of Clal Insurance, that tenure as a director in the Company will not constitute, *per se*, from the Commissioner's perspective, grounds for refusing tenure as a director[4], and that the foregoing will not derogate from the possibility of appointing a person who serves as a director in the Company, as a director in Clal Insurance, subject to the Commissioner's discretion. It was further clarified, as part of the Commissioner's considerations, that the Commissioner may also approve a composition of the Board of Directors in which the number of directors who were appointed from among the candidates recommended by the Search Committee will be less than a majority of directors, but a reasonable number, in light of the circumstances.

F. It was clarified that the number of directors serving on the Board of Directors of Clal Insurance may be determined by the general meeting of Clal Insurance, without derogating from the provisions of the Board of Directors circular regarding institutional entities, or from the Commissioner's authorities in general.

G. The chairman of the board will be among the candidates recommended by the committee; however, the Board of Directors may elect a chairman who is not among the candidates recommended by the committee, though in the foregoing case, it will be required to justify its decision, and will be required to attach it in case of a tie vote, in which the chairman will have a casting vote.

In accordance with the outline, no instructions of the Commissioner were established regarding the appointment of directors in the Company; however, it was determined that anyone who was proposed the appointment of one third of the directors holding office in the Company, and whose proposal has been accepted, will be considered as its controlling shareholder, and accordingly, may be required to obtain a control permit from the Commissioner.

The between the Company and the Commissioner in connection with his letters regarding exercising the means of control, as stated above, have not yet been completed.

In February and May 2020, the general meeting of Clal Insurance approved an extension of the tenure of independent directors in Clal Insurance, in accordance with the recommendation of an internal Search Committee which is comprised of directors (mostly outside directors) that was created in accordance with the Board of Directors Circular[5].

On December 16, 2020, before the convention of the annual general meeting of Clal Insurance, the Commissioner notified the Company that, in consideration of the fact that the Search Committee's appointment processes had not yet concluded, and in light of the provisions of section 3 of the control outline, in light of the outline, and in light of the Search Committee's responsibilities regarding the appointment of directors in an insurer without a controlling shareholder, it is necessary to wait for the appointment of the Search Committee, before making changes to the Board of Directors of Clal Insurance. Accordingly, no changes were made in the composition of Clal Insurance's Board of Directors in the annual general meeting, and the directors currently holding office remained in their positions, in accordance with the meeting's decision on April 25, 2021, until the date of the annual meeting which is expected to take place in September 2021.

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4 Directors who have been proposed by the Gadot committee for tenure on the Board of Directors of Clal Insurance will be considered by the Commissioner as directors who have been proposed by the Search Committee.

5 In accordance with the Commissioner's clarification, and in accordance with the provisions of section 5(3) of the circular, and notwithstanding the requirement in section 52 of the circular, which determines that the Search Committee is required, inter alia, to identify suitable candidates for appointment as independent directors, when renewing the tenure of a person who is serving as an outside director in the institutional entity, the Search Committee is entitled not to conduct a process of identifying additional candidates, in accordance with the provisions of section 52 of the circular, provided that the committee has evaluated the qualifications of the aforementioned director, and their suitability for the position, in accordance with section 52(b) of the circular.

Note 1: General (Cont.)

C. Developments during the reporting period regarding the appointment of directors in the Company and in Clal Insurance (Cont.)

2. The Commissioner's directives regarding the appointment of directors in the Company and in Clal Insurance (Cont.)

Additionally, in light of the conclusion of Mr. Yossi Yagil's third term as an outside director in Clal Insurance and in the Company, and in accordance with the Commissioner's approval, on May 23, 2021 the general meeting of Clal Insurance resolved to appoint Ms. Iris Loewenstein, who serves as an independent director in Clal Pension and Provident Funds, as an outside director in Clal Insurance.

In consideration of the fact that the Company is a company without a control core, and of the Commissioner's directives which are published from time to time, and as part of the Company's Board of Directors preparation for the annual general meeting, in September 2020 the Board of Directors appointed a special board committee, which will serve, inter alia, as a committee passing recommendations to the Board of Directors in connection with the formulation of a list of recommended criteria for the appointment of directors in the Company, and will recommend additional suitable candidates for tenure on the Company's Board of Directors (the "**Company's Search Committee**").

The members of the Company's Search Committee included Mr. Sami Moualem and Prof. Yossi Yagil, outside directors in the Company, and Ms. Hana Mazal (Mali) Margaliot, the Temporary Chairwoman of the Board at the time, who also served as the committee chair. On November 3, 2020, the Company's Board of Directors appointed Mr. Zvi Ziv, former CEO of Bank Hapoalim, and who will serve as a member of the Gadot Committee, as stated above, as an observer on the committee.

The Company's Search Committee held 13 meetings, and its activity included receiving assistance from external legal advisors and an external executive headhunter company. As part of the activity of the Company's Search Committee, the Company published a call for suitable candidates to present their candidacy to the Company's Search Committee, and to the principal shareholders other than institutional entities, which hold at least 1% of the voting rights in the Company, to propose candidates on their behalf for tenure on the Company's Board of Directors, subject to restrictions in accordance with the law and regulations (including Antitrust Laws)[6], by the dates which it specified and announced (the "**Call For Proposals**").

The Company's Search Committee initiated meetings with certain shareholders which hold at least 1% of the voting rights (according to information in its possession), and which are not institutional entities, and held meetings with several such shareholders who had requesting them, in order to hear their positions regarding the process of appointing directors in the Company, and regarding the proposal of candidates they consider suitable for tenure on the Company's Board of Directors.

Further to the call for proposals which was published by the Company, over 70 candidate applications were submitted to the Company, and in parallel, discussions were held in the Company's Search Committee, and later in the Board of Directors, in connection with the size, composition, and profile of the appropriate Board of Directors, the ratio of outside / independent directors, gender diversity, and more. Recommended profiles of desirable candidates on the Company's Board of Directors were also evaluated and defined in accordance with the Company's needs. Additional conditions were also determined regarding tenure on the Company's Board of Directors, beyond the conditions for qualification prescribed in law, including that the following people may not serve as a director in the Company: any person who controls a significant real corporation, any person with ties to a controller as stated above, or any officer of a significant real corporation, or any person who is not entitled to serve as a director in an insurer in accordance with the Commissioner's directives.

On January 3, 2021, 3 directors who were recommended by the shareholders, 2 currently serving director, and one outside director who was recommended by the Board of Directors, were appointed in the meeting.

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[6]. For details regarding the Commissioner's position in connection with the involvement of institutional entities in the process of proposing directors in the Company, see the Company's immediate report dated October 4, 2020, referenced below.

Note 1: General (Cont.)

C. Developments during the reporting period regarding the appointment of directors in the Company and in Clal Insurance (Cont.)

2. The Commissioner's directives regarding the appointment of directors in the Company and in Clal Insurance

On May 6, 2021, Prof. Yossi Yagil concluded his third (and last, in accordance with the law) term an outside director of the Company. In order to maintain the current composition of the Board of Directors, which includes three outside directors, on April 21, 2021 Clal Holdings published an immediate report regarding the convention of a special general meeting, the agenda of which will include the selection and appointment of one outside directors from among the two candidates for tenure as an outside director. In light of the complex process which was performed in 2020 before the annual meeting, as stated above, and the short period of time which has passed since its performance, the Company's Board of Directors found that it was not necessary to again perform a full process of identifying suitable candidates for selection as an outside director, and therefore chose the method of identifying candidates from among the list of candidates which were identified by Clal Holdings' Search Committee in January 2021, who are qualified to serve as outside directors, and who have accounting and financial expertise.

On May 4, 2021, the Company contacted Alrov Properties and Lodgings Ltd. ("Alrov"), which is a material shareholder of the Company, with a request to present the candidacy of another candidate as an outside director in the Company ("Hiak"), in addition to the candidates which were proposed by the Board of Directors. The Company's Board of Directors discussed the aforementioned request, and found it to be among the types of issues which are suited for discussion in the Company's general meeting, without an evaluation of their candidacy by the Board of Directors. Accordingly, the Board of Directors postponed the date of the meeting to June 17, 2021.

3. Implications

As of the reporting date, the Company is unable to assess the full impact of the results of the aforementioned events on the Company, inter alia, due to the fact that it is holding discussions with the Commissioner regarding the outline of the control permit, whose provisions, as currently phrased, significantly restrict the Company's influence over the actions of Clal Insurance, and over the appointment of officers therein, and in light of the uncertainty regarding the composition of the Board of Directors of Clal Insurance, which will change once the Search Committee's work has concluded. The aforementioned uncertainty also applies in light of additional changes which may occur in the future, due to its holding structure, due to the fact that it is a company without a control core, and due to the fact that the provisions of the Control Law with respect to an insurer with no controlling shareholder do not apply to it, due to the different corporate structure of the large insurance companies in Israel, relative to the standard structure in banks, according to which the insurance companies, including Clal Insurance, are private companies which are controlled by a holding company, including the Company, which is a public company without a control core.

Additionally, the entire set of changes and events specified above may affect, inter alia, the reputation of the Company and the Group's member companies. It is noted that a future transfer of the control of the Company to a third party may affect clauses in certain agreements of member companies in the Group with third parties (including reinsurers), which may require, upon the fulfillment of circumstances involving the above change in control, negotiations with these third parties in order to keep the agreements in force.

Note 2: Basis for Preparation of the Interim Reports

A. Statement of compliance with international financial reporting standards

The consolidated interim financial statements were prepared in accordance with IAS 34, "Interim Financial Reporting", and in accordance with the disclosure requirements established by the Commissioner of Capital Markets, Insurance and Savings, pursuant to the Control of Financial Services (Insurance) Law, 1981, and do not include all of the information which is required in complete annual financial statements. These should be read in conjunction with the consolidated financial statements as of and for the year ended December 31, 2020 (hereinafter: the "**Annual Financial Statements**"). Furthermore, these financial statements were compiled in accordance with the provisions of Chapter IV of the Securities Regulations (Periodic and Immediate Reports), 1970, to the extent to which these regulations apply to a corporation that consolidates insurance companies.

B. Use of estimates and judgment

In preparing the condensed interim financial statements in accordance with IFRS and in accordance with the Control Law and regulations enacted by virtue thereof, the directives of the Commissioner and the provisions of Chapter IV of the Securities Regulations (Periodic and Immediate Reports), 1970, insofar as they are relevant, company management is required to exercise judgment in making estimates, approximations and assumptions which affect the implementation of the accounting policy and the amounts of assets and liabilities, revenues and expenses. It is hereby clarified that actual results may differ from these estimates.

The discretion exercised by management in applying the Group's accounting policy and the main assumptions used for estimates involving uncertainty, are consistent with those used in the annual financial statements.

In this context, see Note 8(a) below for details regarding the updates to actuarial estimates, inter alia, due to the low interest environment and its impact on the discount rate used in the calculation of reserves in life and long term care life insurance.

C. Details of changes in the Consumer Price Index and in the representative EUR, USD and GBP exchange rates:

In percent	Index in lieu	Known index	Representative EUR exchange rate	Representative USD exchange rate	Representative GBP exchange rate
For the period of three months ended					
March 31, 2021	**0.8**	**0.1**	**(0.8)**	**3.7**	**4.4**
March 31, 2020	(0.1)	(0.5)	0.6	3.2	(3.5)
For the year ended December 31, 2020	(0.7)	(0.6)	1.7	(7.0)	(3.7)

	Representative EUR exchange rate	Representative USD exchange rate	Representative GBP exchange rate
As of March 31, 2021	**3.913**	**3.334**	**4.587**
As of March 31, 2020	3.900	3.565	4.399
As of December 31, 2020	3.944	3.215	4.392

Note 3: Significant Accounting Policies

The Group's accounting policy, as applied in the interim financial statements, was unchanged relative to the accounting policy which was implemented in the annual reports.

A. Initial adoption of amendments to existing accounting standards:

Standard / Interpretation / Amendment	Topic	Application and Transitional Provisions	Main effects
Amendments to IAS 39: Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts, and IFRS 16, Leases, Benchmark interest rate reform Stage 2 (the "Amendments")	The amendments include practical expedients regarding the accounting treatment with respect to changes in contract terms which are due to the benchmark interest rate reform (a reform which will lead to the cancellation of interest rates such as the LIBOR and EURIBOR). For example: When changing certain conditions which are due to the reform, of financial assets or financial liabilities, the entity will update the financial instrument's effective interest rate, instead of recognizing profit or loss. Changes to certain lease terms which are due to the reform will be accounted for as updates to lease fees which are linked to an index or an exchange rate. Certain changes to the conditions of the hedging instrument or hedged item which are due to the reform will not lead to the discontinuation of the use of hedge accounting.	The amendments were adopted retrospectively beginning on January 1, 2021, by amending the opening balance of capital of the annual reporting period in which the amendment was adopted, without restatement of comparative figures.	The adoption of the amendments had no significant effect on the Group's financial statements. However, insofar as the Group chooses in the future to apply hedge accounting which will be affected by the uncertainty due to the reform, the amendment may have a significant impact.

Note 3: Significant Accounting Policies (Cont.)

B. Disclosure for new IFRS in the period prior to their adoption:

Standard / Interpretation / Amendment	Topic	Application and Transitional Provisions	Main Expected Effects
Amendment to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors	In February 2021, the IASB published an amendment to International Accounting Standard 8: Accounting Policies, Changes in Accounting Estimates and Errors (hereinafter: the "**Amendment**"). The purpose of the amendment is to provide a new definition of the term "accounting estimates". Accounting estimates are defined as "monetary amounts in the financial statements which are subject to measurement uncertainty". The amendment clarifies what constitutes changes to accounting estimates, and how they differ from changes in the accounting policy and from corrections of errors.	The amendment will be adopted prospectively with respect to annual periods beginning on January 1, 2023, and applies to changes in the accounting policy and in accounting estimates which take place on or after the commencement of that period. Early adoption is permitted.	The adoption of the amendment is not expected to significantly affect the Group's financial statements.

Note 4: Segmental Reporting

A. **General**

The Group is engaged in the following operating segments:

1. **Long-term savings**

The long-term savings segment includes life insurance, accompanying coverages (riders) and management of pension funds and provident funds. The segment includes long-term savings (within the framework of the various types of insurance policies, pension funds and provident funds, including study funds), as well as insurance coverage for various risks, including death, disability, loss of working capacity, health insurance policies sold as riders to life insurance policies, and others. According to the Commissioner's directives, the long-term savings segment includes the following branches: provident funds, pension funds, and life insurance.

2. **Health insurance**

The health insurance segment includes the Group's operations in the health insurance branches. The segment includes long-term care insurance, medical expenses insurance, surgeries, transplants, personal accidents (long term health branch), international travel, dental insurance, foreign workers, and more.

3. **Non-life insurance**

The non-life insurance segment in Israel includes the liability and property insurance, credit insurance, personal accidents and other insurance branches.

According to the Commissioner's directives, the non-life insurance segment in Israel is divided into the following branches: compulsory motor, motor property, property and others branches, and other liability branches, as specified below:

- **Compulsory motor branch**

The compulsory motor insurance branch focuses on coverage whose acquisition by the vehicle owner or driver is compulsory by law, and provides coverage for bodily injuries (to the driver of the vehicle, to the passengers in the vehicle or to pedestrians), as a result of the use of the motor vehicle.

- **Motor property branch**

The motor property insurance branch focuses on coverage for damages caused to the policyholder's vehicle, and on property damages caused to a third party by the policyholder's vehicle.

- **Property and others branches**

The remaining property branches other than motor, liability and other insurance branches, such as guarantees and personal accident insurance (short term health branch).

- **Credit insurance through a consolidated company**

Credit insurance branches and foreign trade risks.

- **Other liability branches**

The liability branches cover the liabilities of policyholders with respect to damages caused to third parties. These branches include third party liability, employers' liability, professional liability, and product liability.

4. **Other**

Including operating segments which do not meet the quantitative thresholds for reporting, credit and financing operations, and insurance agencies.

5. **Operations which were not allocated to segments**

This operation includes the Group's headquarters, which primarily includes capital, liabilities that are not a part of insurance operations, and assets held against them in Clal Insurance, as well as the Company's separate balances and results.

Note 4: Segmental Reporting

B. **Seasonality**

1. Long-term savings segment

   In general, income from premiums in life insurance, and income from management fees in pension funds and provident funds, are not characterized by seasonality, and therefore, seasonality is not a factor with respect to claims.

   However, due to the timing of the end of the tax year, a certain degree of seasonality exists with respect to deposits from premiums/benefits contributions to pension savings products in December, since substantial amounts are deposited during that month by employees and self-employed persons who initiate deposits that are not in the framework of their wages, with the intention of making full use of the tax benefits, as well as by employers completing obligations with respect to the tax year or making one-time deposits, usually with respect to a severance pay tenure debt. There are also certain months, which vary from year to year, in which the scope of premiums/contributions could be higher, this being mainly due to one-time payments made by employers to workers, with respect to which contributions are provided.

2. Non-life insurance segment

   In general, revenue from premiums in non-life insurance in Israel is not characterized by clear seasonality. However, premiums in the first quarter of the year are higher than premiums in other quarters, mainly due to renewals of insurance contracts by business policyholders, and to renewals of large vehicle fleets at the start of the calendar year, which have a certain degree of seasonality. The effect of this seasonality on reported income is neutralized by the unearned premium reserve.

   There is no clear seasonality in the other expense components, such as claims, and in other income components, such as income from investments. However, it should be noted that in the winter seasons an increase in claims is sometimes seen in the first or fourth quarters of the year, or in both of them, mainly in the property branches, and as a result reported income for the period decreases.

Note 4: Segmental Reporting (Cont.)

C. Report on operating segments

	Long term savings											
	Provident			Pension			Life insurance [1]			Total		
	For the period of three months ended March 31		For the year ended December 31	For the period of three months ended March 31		For the year ended December 31	For the period of three months ended March 31		For the year ended December 31	For the period of three months ended March 31		For the year ended December 31
	2021	2020	2020	2021	2020	2020	2021	2020	2020	2021	2020	2020
NIS in thousands	Unaudited		Audited	Unaudited		Audited	Unaudited		Audited	Unaudited		Audited
Gross premiums earned	**-**	-	-	**-**	-	-	**1,467,240**	1,491,580	5,728,544	**1,467,240**	1,491,580	5,728,544
Premiums earned by reinsurers	**-**	-	-	**-**	-	-	**38,455**	38,132	146,775	**38,455**	38,132	146,775
Premiums earned on retention	**-**	-	-	**-**	-	-	**1,428,785**	1,453,448	5,581,769	**1,428,785**	1,453,448	5,581,769
Income from investments, net, and financing income	**33,672**	20,944	118,733	**305**	(96)	477	**3,384,076**	(7,373,717)	4,592,600	**3,418,053**	(7,352,869)	4,711,810
Income from management fees	**42,610**	43,666	175,360	**72,800**	69,764	280,185	**383,053**	118,630	790,192	**498,463**	232,060	1,245,737
Income from commissions	**-**	-	-	**-**	-	-	**9,251**	13,945	23,653	**9,251**	13,945	23,653
Other income	**(14)**	118	572	**1**	(1)	-	**-**	-	-	**(13)**	117	572
Total income	**76,268**	64,728	294,665	**73,106**	69,667	280,662	**5,205,165**	(5,787,694)	10,988,214	**5,354,539**	(5,653,299)	11,563,541
Payments and changes in liabilities with respect to insurance contracts and investment contracts, gross	**30,297**	19,202	113,061	**-**	-	-	**4,704,424**	(5,795,835)	9,759,827	**4,734,721**	(5,776,633)	9,872,888
Share of reinsurers in payments and change in liabilities with respect to insurance contracts	**-**	-	-	**-**	-	-	**(26,595)**	(14,727)	(122,352)	**(26,595)**	(14,727)	(122,352)
Payments and changes in liabilities with respect to insurance contracts and investment contracts on retention	**30,297**	19,202	113,061	**-**	-	-	**4,677,829**	(5,810,562)	9,637,475	**4,708,126**	(5,791,360)	9,750,536
Commissions, marketing expenses and other acquisition costs	**17,487**	15,930	66,304	**23,562**	25,066	96,644	**169,031**	183,310	674,861	**210,080**	224,306	837,809
General and administrative expenses	**27,166**	29,072	113,480	**45,099**	42,740	174,362	**92,862**	93,831	394,616	**165,127**	165,643	682,458
Impairment of intangible assets	**-**	-	-	**-**	-	306	**-**	-	1,999	**-**	-	2,305
Other expenses	**826**	830	4,453	**1,009**	1,228	3,635	**-**	-	-	**1,835**	2,058	8,088
Financing expenses (income)	**(1)**	(1)	3	**35**	61	186	**6,442**	(15,196)	7,488	**6,476**	(15,136)	7,677
Total expenses	**75,775**	65,033	297,301	**69,705**	69,095	275,133	**4,946,164**	(5,548,617)	10,716,439	**5,091,644**	(5,414,489)	11,288,873
Share in the results of investee companies accounted by the equity method, net	**-**	-	-	**(85)**	66	(449)	**190**	(2,321)	(2,064)	**105**	(2,255)	(2,513)
Income (loss) before taxes on income	**493**	(305)	(2,636)	**3,316**	638	5,080	**259,191**	(241,398)	269,711	**263,000**	(241,065)	272,155
Other comprehensive income (loss) before taxes on income	**606**	(2,633)	581	**1,197**	(5,420)	951	**164,870**	(48,838)	96,136	**166,673**	(56,891)	97,668
Total comprehensive income (loss) before taxes on income	**1,099**	(2,938)	(2,055)	**4,513**	(4,782)	6,031	**424,061**	(290,236)	365,847	**429,673**	(297,956)	369,823
	As of March 31		As of December 31	As of March 31		As of December 31	As of March 31		As of December 31	As of March 31		As of December 31
	2021	2020	2020	2021	2020	2020	2021	2020	2020	2021	2020	2020
	Unaudited		Audited	Unaudited		Audited	Unaudited		Audited	Unaudited		Audited
Liabilities with respect to non-investment-linked insurance contracts and investment contracts	**2,374,654**	2,392,961	2,372,148	**-**	-	-	**19,476,345**	19,510,643	19,450,556	**21,850,999**	21,903,604	21,822,704
Liabilities with respect to investment-linked insurance contracts and investment contracts	**-**	-	-	**-**	-	-	**80,076,226**	64,243,816	76,314,394	**80,076,226**	64,243,816	76,314,394
1) Total premiums (including pure savings receipts (investment contracts) which were applied directly to reserve).							**2,372,611**	2,099,827	7,312,561	**2,372,611**	2,099,827	7,312,561

Note 4: Segmental Reporting (Cont.)

C. Report on operating segments (Cont.)

NIS in thousands	Health			General			Other		
	For the period of three months ended March 31		For the year ended December 31	For the period of three months ended March 31		For the year ended December 31	For the period of three months ended March 31		For the year ended December 31
	2021	2020	2020	2021	2020	2020	2021	2020	2020
	Unaudited		Audited	Unaudited		Audited	Unaudited		Audited
Gross premiums earned	**331,949**	336,183	1,296,408	**659,030**	592,160	2,471,385	**-**	-	-
Premiums earned by reinsurers	**16,870**	14,989	65,602	**337,265**	294,447	1,254,137	**-**	-	-
Premiums earned on retention	**315,079**	321,194	1,230,806	**321,765**	297,713	1,217,248	**-**	-	-
Income from investments, net, and financing income	**107,271**	(141,633)	128,032	**46,963**	(52,540)	8,882	**201**	2,424	3,284
Income from management fees	**-**	-	-	**-**	-	-	**-**	-	-
Income (expenses) from commissions	**1,566**	1,668	5,134	**50,798**	47,459	217,740	**37,666**	35,901	145,011
Other income	**-**	-	-	**10**	6	39	**5**	6	17
Total income	**423,916**	181,229	1,363,972	**419,536**	292,638	1,443,909	**37,872**	38,331	148,312
Payments and changes in liabilities with respect to insurance contracts and investment contracts, gross	**298,590**	(100,864)	619,989	**939,829**	357,158	1,500,422	**-**	-	-
Share of reinsurers in payments and change in liabilities with respect to insurance contracts	**(13,495)**	(21,667)	(130,345)	**(696,698)**	(147,423)	(721,604)	**-**	-	-
Payments and changes in liabilities with respect to insurance contracts and investment contracts on retention	**285,095**	(122,531)	489,644	**243,131**	209,735	778,818	**-**	-	-
Commissions, marketing expenses and other acquisition costs	**128,896**	127,128	510,384	**135,387**	131,311	558,484	**26,243**	26,814	104,882
General and administrative expenses	**20,225**	17,508	77,761	**19,748**	19,389	82,049	**4,701**	4,128	15,972
Other expenses (income)	**-**	-	-	**-**	-	-	**235**	126	607
Financing expenses (income)	**1,945**	(682)	5,549	**7,025**	3,452	(2,163)	**207**	228	992
Total expenses	**436,161**	21,423	1,083,338	**405,291**	363,887	1,417,188	**31,386**	31,296	122,453
Share in the results of investee companies accounted by the equity method, net	**(4)**	(244)	(702)	**50**	(1,250)	(4,292)	**842**	-	167
Income (loss) before taxes on income	**(12,249)**	159,562	279,932	**14,295**	(72,499)	22,429	**7,328**	7,035	26,026
Other comprehensive income (loss) before taxes on income	**12,640**	(149,295)	(104,511)	**(4,099)**	(145,364)	26,163	**-**	1,973	2,678
Total comprehensive income (loss) before taxes on income	**391**	10,267	175,421	**10,196**	(217,863)	48,592	**7,328**	9,008	28,704

	As of March 31		As of December 31	As of March 31		As of December 31	As of March 31		As of December 31
	2021	2020	2020	2021	2020	2020	2021	2020	2020
	Unaudited		Audited	Unaudited		Audited	Unaudited		Audited
Liabilities with respect to non-investment-linked insurance contracts and investment contracts	**2,810,047**	2,799,912	2,783,448	**7,160,870**	6,449,624	6,473,735	**-**	-	-
Liabilities with respect to investment-linked insurance contracts and investment contracts	**1,038,601**	983,280	995,436	**-**	-	-	**-**	-	-

Note 4: Segmental Reporting (Cont.)

C. Report on operating segments (Cont.)

NIS in thousands	Not allocated to segments			Adjustments and offsets			Total		
	For the period of three months ended March 31		For the year ended December 31	For the period of three months ended March 31		For the year ended December 31	For the period of three months ended March 31		For the year ended December 31
	2021	2020	2020	2021	2020	2020	2021	2020	2020
	Unaudited		Audited	Unaudited		Audited	Unaudited		Audited
Gross premiums earned	**-**	-	-	**(493)**	(438)	(2,037)	**2,457,726**	2,419,485	9,494,300
Premiums earned by reinsurers	**-**	-	-	**-**	-	-	**392,590**	347,568	1,466,514
Premiums earned on retention	**-**	-	-	**(493)**	(438)	(2,037)	**2,065,136**	2,071,917	8,027,786
Income from investments, net, and financing income	**139,387**	(43,189)	198,993	**23**	1	(259)	**3,711,898**	(7,587,806)	5,050,742
Income from management fees	**-**	-	-	**261**	215	944	**498,724**	232,275	1,246,681
Income (expenses) from commissions	**-**	-	-	**(18,787)**	(21,767)	(80,270)	**80,494**	77,206	311,268
Other income	**7**	(3)	15	**1**	(1)	2	**10**	125	645
Total income	**139,394**	(43,192)	199,008	**(18,995)**	(21,990)	(81,620)	**6,356,262**	(5,206,283)	14,637,122
Payments and changes in liabilities with respect to insurance contracts and investment contracts, gross	**-**	-	-	**(523)**	1,477	(3,450)	**5,972,617**	(5,518,862)	11,989,849
Share of reinsurers in payments and change in liabilities with respect to insurance contracts	**-**	-	-	**-**	-	-	**(736,788)**	(183,817)	(974,301)
Payments and changes in liabilities with respect to insurance contracts and investment contracts on retention	**-**	-	-	**(523)**	1,477	(3,450)	**5,235,829**	(5,702,679)	11,015,548
Commissions, marketing expenses and other acquisition costs	**-**	-	-	**(18,786)**	(21,765)	(80,270)	**481,820**	487,794	1,931,289
General and administrative expenses	**15,804**	12,774	74,846	**(416)**	2,308	817	**225,189**	221,750	933,903
Impairment of intangible assets	**-**	-	187	**-**	-	-	**-**	-	2,492
Other expenses (income)	**(600)**	180	367	**-**	-	-	**1,470**	2,364	9,062
Financing expenses (income)	**38,141**	32,382	142,511	**9**	23	133	**53,803**	20,267	154,699
Total expenses	**53,345**	45,336	217,911	**(19,716)**	(17,957)	(82,770)	**5,998,111**	(4,970,504)	14,046,993
Share in the results of investee companies accounted by the equity method, net	**67**	1,311	3,148	**-**	-	-	**1,060**	(2,438)	(4,192)
Income (loss) before taxes on income	**86,116**	(87,217)	(15,755)	**721**	(4,033)	1,150	**359,211**	(238,217)	585,937
Other comprehensive income (loss) before taxes on income	**70,393**	(151,904)	222,291	**-**	3,425	2,111	**245,607**	(498,056)	246,400
Total comprehensive income (loss) before taxes on income	**156,509**	(239,121)	206,536	**721**	(608)	3,261	**604,818**	(736,273)	832,337

NIS in thousands	As of March 31		As of December 31	As of March 31		As of December 31	As of March 31		As of December 31
	2021	2020	2020	2021	2020	2020	2021	2020	2020
	Unaudited		Audited	Unaudited		Audited	Unaudited		Audited
Liabilities with respect to non-investment-linked insurance contracts and investment contracts	**-**	-	-	**(992)**	(1,213)	(992)	**31,820,924**	31,151,927	31,078,895
Liabilities with respect to investment-linked insurance contracts and investment contracts	**-**	-	-	**(18,365)**	(15,604)	(18,466)	**81,096,462**	65,211,492	77,291,364

Note 4: Segmental Reporting (Cont.)

D. Additional information regarding the main insurance branches included in the non-life insurance segment

	Liability branches					
	Compulsory motor			Liabilities and others branches [1]		
	For the period of three months ended March 31		For the year ended December 31	For the period of three months ended March 31		For the year ended December 31
	2021	2020	2020	2021	2020	2020
NIS in thousands	Unaudited		Audited	Unaudited		Audited
Gross premiums	**163,846**	144,934	531,941	**130,343**	92,161	422,980
Reinsurance premiums	**66,982**	60,797	235,875	**70,396**	22,258	202,609
Premiums on retention	**96,864**	84,137	296,066	**59,947**	69,903	220,371
Change in unearned premium balance, on retention	**(24,000)**	(36,439)	(58,343)	**(8,113)**	(14,966)	(5,945)
Premiums earned on retention	**72,864**	47,698	237,723	**51,834**	54,937	214,426
Income from investments, net, and financing income	**18,312**	(21,917)	11,462	**18,770**	(21,817)	(1,874)
Income from commissions	**10,986**	13,706	51,183	**5,538**	2,848	14,643
Total income	**102,162**	39,487	300,368	**76,142**	35,968	227,195
Payments and changes in liabilities with respect to insurance contracts and investment contracts, gross	**227,683**	103,387	473,195	**550,977**	50,076	310,703
Share of reinsurers in payments and change in liabilities with respect to insurance contracts	**(135,900)**	(61,978)	(292,383)	**(494,662)**	(555)	(69,017)
Payments and changes in liabilities with respect to insurance contracts and investment contracts on retention	**91,783**	41,409	180,812	**56,315**	49,521	241,686
Commissions, marketing expenses and other acquisition costs	**17,745**	18,081	79,450	**27,140**	23,450	99,735
General and administrative expenses	**3,486**	3,354	15,365	**2,147**	2,069	9,074
Financing expenses (income)	**3,810**	1,907	(104)	**37**	21	101
Total expenses	**116,824**	64,751	275,523	**85,639**	75,061	350,596
Share in the profits (losses) of associate companies, net	**24**	(600)	(2,060)	**16**	(399)	(1,373)
Income (loss) before taxes on income	**(14,638)**	(25,864)	22,785	**(9,481)**	(39,492)	(124,774)
Other comprehensive income (loss) before taxes on income	**(2,197)**	(57,932)	10,951	**(2,251)**	(57,259)	10,618
Total comprehensive income before taxes on income	**(16,835)**	(83,796)	33,736	**(11,732)**	(96,751)	(114,156)

	As of March 31		As of December 31	As of March 31		As of December 31
	2021	2020	2020	2021	2020	2020
Liabilities with respect to insurance contracts	Unaudited		Audited	Unaudited		Audited
Gross	**2,550,326**	2,307,301	2,433,094	**3,063,577**	2,529,608	2,556,333
Reinsurance	**1,121,799**	865,530	1,014,270	**1,582,058**	1,052,849	1,079,219
Retention	**1,428,527**	1,441,771	1,418,824	**1,481,519**	1,476,759	1,477,114

1) Liabilities and others branches primarily include the results of the third party, managers and employers' liability insurance branches, the activity in which, in the reporting period, constituted approximately 82%, and in the corresponding period last year and in the year ended December 31, 2020, constituted approximately 78% of total premiums in those branches.

Note 4: Segmental Reporting (Cont.)

D. Additional information concerning the main insurance branches included in the non-life insurance segment (Cont.)

	Property branches											
	Motor property			Credit insurance			Property and others branches [1]			Total		
	For the period of three months ended March 31		For the year ended December 31	For the period of three months ended March 31		For the year ended December 31	For the period of three months ended March 31		For the year ended December 31	For the period of three months ended March 31		For the year ended December 31
	2021	2020	2020	2021	2020	2020	2021	2020	2020	2021	2020	2020
NIS in thousands	Unaudited		Audited	Unaudited		Audited	Unaudited		Audited	Unaudited		Audited
Gross premiums	**233,949**	205,850	686,131	**29,440**	27,065	115,303	**238,794**	215,252	836,014	**796,372**	685,262	2,592,369
Reinsurance premiums	**27,548**	53,141	178,191	**16,242**	13,425	60,379	**174,708**	153,279	632,139	**355,876**	302,900	1,309,193
Premiums on retention	**206,401**	152,709	507,940	**13,198**	13,640	54,924	**64,086**	61,973	203,875	**440,496**	382,362	1,283,176
Change in unearned premium balance, on retention	**(72,205)**	(20,241)	(1,034)	**8**	(565)	(2,293)	**(14,421)**	(12,438)	1,687	**(118,731)**	(84,649)	(65,928)
Premiums earned on retention	**134,196**	132,468	506,906	**13,206**	13,075	52,631	**49,665**	49,535	205,562	**321,765**	297,713	1,217,248
Income from investments, net, and financing income	**4,145**	(4,732)	1,212	**2,266**	410	(310)	**3,470**	(4,484)	(1,608)	**46,963**	(52,540)	8,882
Income from commissions	**1,528**	1,269	6,104	**4,360**	3,199	16,937	**28,386**	26,437	128,873	**50,798**	47,459	217,740
Other income	**-**	-	-	**10**	6	39	**-**	-	-	**10**	6	39
Total income	**139,869**	129,005	514,222	**19,842**	16,690	69,297	**81,521**	71,488	332,827	**419,536**	292,638	1,443,909
Payments and changes in liabilities with respect to insurance contracts and investment contracts, gross	**115,071**	114,337	420,083	**12,937**	44,896	29,986	**33,161**	44,462	266,455	**939,829**	357,158	1,500,422
Share of reinsurers in payments and change in liabilities with respect to insurance contracts	**(36,102)**	(34,046)	(145,265)	**(9,373)**	(28,622)	(18,692)	**(20,661)**	(22,222)	(196,247)	**(696,698)**	(147,423)	(721,604)
Payments and changes in liabilities with respect to insurance contracts and investment contracts on retention	**78,969**	80,291	274,818	**3,564**	16,274	11,294	**12,500**	22,240	70,208	**243,131**	209,735	778,818
Commissions, marketing expenses and other acquisition costs	**40,222**	38,441	167,588	**2,910**	2,529	10,633	**47,370**	48,810	201,078	**135,387**	131,311	558,484
General and administrative expenses	**4,976**	4,765	19,819	**5,013**	4,582	18,515	**4,126**	4,619	19,276	**19,748**	19,389	82,049
Financing expenses (income)	**522**	32	(390)	**1,150**	889	(1,421)	**1,506**	603	(349)	**7,025**	3,452	(2,163)
Total expenses	**124,689**	123,529	461,835	**12,637**	24,274	39,021	**65,502**	76,272	290,213	**405,291**	363,887	1,417,188
Share in the profits (losses) of associate companies, net	**5**	(113)	(386)	**-**	-	-	**5**	(138)	(473)	**50**	(1,250)	(4,292)
Income (loss) before taxes on income	**15,185**	5,363	52,001	**7,205**	(7,584)	30,276	**16,024**	(4,922)	42,141	**14,295**	(72,499)	22,429
Other comprehensive income (loss) before taxes on income	**(497)**	(11,751)	3,185	**1,264**	(7,139)	(1,565)	**(418)**	(11,283)	2,974	**(4,099)**	(145,364)	26,163
Total comprehensive income before taxes on income	**14,688**	(6,388)	55,186	**8,469**	(14,723)	28,711	**15,606**	(16,205)	45,115	**10,196**	(217,863)	48,592
	As of March 31		As of December 31	As of March 31		As of December 31	As of March 31		As of December 31	As of March 31		As of December 31
	2021	2020	2020	2021	2020	2020	2021	2020	2020	2021	2020	2020
Liabilities with respect to insurance contracts	Unaudited		Audited	Unaudited		Audited	Unaudited		Audited	Unaudited		Audited
Gross	**534,763**	505,935	474,510	**62,735**	94,418	53,640	**949,469**	1,012,362	956,158	**7,160,870**	6,449,624	6,473,735
Reinsurance	**110,899**	115,070	124,808	**33,776**	52,754	26,528	**663,700**	691,689	677,081	**3,512,232**	2,777,892	2,921,906
Retention	**423,864**	390,865	349,702	**28,959**	41,664	27,112	**285,769**	320,673	279,077	**3,648,638**	3,671,732	3,551,829

1) Property and other branches primarily include the results of the business property, apartment and engineering insurance branches, the activity in which during the reporting period, in the corresponding period last year and in the year ended December 31, 2020, constitutes approximately 78% of the total premiums in these branches.

Note 4: Segmental Reporting (Cont.)

E. Additional information regarding the life insurance and long-term savings segment

Data for the period of three months ended March 31, 2021 (unaudited)

	Life insurance policies which include a savings component (including riders) by policy issuance date				Life insurance policy without a risk savings component which is sold as a single policy		
			From 2004				
NIS in thousands	Until 1990 1)	Until 2003	Non-investment-linked	Investment-linked	Individual	Collective	Total
Gross premiums:	**42,147**	**390,440**	**204**	**852,434**	**167,912**	**13,461**	**1,466,598**
Receipts with respect to investment contracts charged directly to insurance reserves	**-**	**-**	**-**	**905,856**	**-**	**-**	**905,856**
Financial margin including management fees 2)	**141,740**	**307,741**	**(180)**	**70,659**	**-**	**-**	**519,960**
Payments and changes in liabilities with respect to insurance contracts, gross	**215,452**	**2,519,281**	**859**	**1,712,765**	**96,645**	**19,590**	**4,564,592**
Payments and changes in liabilities with respect to investment contracts	**-**	**-**	**25**	**139,807**	**-**	**-**	**139,832**
Total comprehensive income (loss)	**172,284**	**289,422**	**(636)**	**(35,356)**	**(706)**	**(947)**	**424,061**

Data for the period of three months ended March 31, 2020 (unaudited)

	Life insurance policies which include a savings component (including riders) by policy issuance date				Life insurance policy without a risk savings component which is sold as a single policy		
			From 2004				
NIS in thousands	Until 1990 1)	Until 2003	Non-investment-linked	Investment-linked	Individual	Collective	Total
Gross premiums:	47,236	413,865	119	852,206	158,231	20,379	1,492,036
Receipts with respect to investment contracts charged directly to insurance reserves	-	-	-	608,247	-	-	608,247
Financial margin including management fees 2)	(49,587)	56,038	(279)	62,230	-	-	68,402
Payments and changes in liabilities with respect to insurance contracts, gross	61,864	(4,151,316)	122	(1,496,784)	78,223	12,169	(5,495,722)
Payments and changes in liabilities with respect to investment contracts	-	-	(9)	(300,104)	-	-	(300,113)
Total comprehensive loss	(25,780)	(191,496)	(3,124)	(21,869)	(42,981)	(4,986)	(290,236)

Data for the year ended December 31, 2020 (Audited)

	Life insurance policies which include a savings component (including riders) by policy issuance date				Life insurance policy without a risk savings component which is sold as a single policy		
			From 2004				
NIS in thousands	Until 1990 1)	Until 2003	Non-investment-linked	Investment-linked	Individual	Collective	Total
Gross premiums:	175,026	1,579,943	347	3,262,135	644,906	68,793	5,731,150
Receipts with respect to investment contracts charged directly to insurance reserves	-	-	-	1,584,017	-	-	1,584,017
Financial margin including management fees 2)	199,511	524,728	(343)	257,155	-	-	981,051
Payments and changes in liabilities with respect to insurance contracts, gross	596,833	4,231,139	348	4,355,948	363,848	53,736	9,601,852
Payments and changes in liabilities with respect to investment contracts	-	-	55	157,919	-	-	157,974
Total comprehensive income (loss)	389,495	192,726	(207)	(168,354)	(43,960)	(3,853)	365,847

Notes:

(1) Products issued by 1990 (including enlargements in respect thereof) are primarily guaranteed-return, and are primarily backed by designated bonds.

(2) The financial margin includes profit (loss) from investments charged to other comprehensive income, and does not include the Company's additional income charged as a percentage of the premium, and is calculated before deduction of investment management expenses.
The financial margin in guaranteed-return policies is based on income from actual investments for the reporting year, less a multiple of the guaranteed rate of return per year, times the average reserve for the year in the various insurance funds.
The financial margin in investment-linked contracts is the total of fixed and variable management fees, calculated based on a reduction in the credit to savings in the Company's systems.

Note 4: Segmental Reporting (Cont.)

F. Additional details regarding the health insurance segments

Data for the period of three months ended March 31, 2021 (unaudited)

	Long term care		Health other **)		
NIS in thousands	Individual	Collective	Long term	Short term	Total
Gross premiums	**65,589**	**9,612**	**254,367*)**	**3,470*)**	**333,038**
Payments and changes in liabilities with respect to insurance contracts, gross	**172,839**	**1,827**	**121,126**	**2,798**	**298,590**
Other comprehensive income	**-**	**-**	**13,328**	**(688)**	**12,640**
Total comprehensive income	**(44,417)**	**24,368**	**24,055**	**(3,615)**	**391**

*) Of which, individual premiums in the amount of NIS 236,642 thousand and collective premiums in the amount of NIS 21,195 thousand.
**) The most material coverage included in other long term health insurance is medical expenses; with respect to short term, it is international travel.

Data for the period of three months ended March 31, 2020 (unaudited)

	Long term care		Health other **)		
NIS in thousands	Individual	Collective	Long term	Short term	Total
Gross premiums	67,469	10,967	245,460*)	10,368*)	334,264
Payments and changes in liabilities with respect to insurance contracts, gross	(242,380)	24,091	110,455	6,970	(100,864)
Other comprehensive income	(46,517)	(50,631)	(49,684)	(2,463)	(149,295)
Total comprehensive income	111,200	(66,684)	(32,681)	(1,568)	10,267

*) Of which, individual premiums in the amount of NIS 224,193 thousand and collective premiums in the amount of NIS 31,635 thousand.
**) The most material coverage included in other long term health insurance is medical expenses; with respect to short term, it is international travel.

Data for the year ended December 31, 2020 (Audited)

	Long term care		Health other **)		
NIS in thousands	Individual	Collective	Long term	Short term	Total
Gross premiums	267,251	40,522	969,472*)	15,497*)	1,292,742
Payments and changes in liabilities with respect to insurance contracts, gross	41,490	166,853	407,063	4,583	619,989
Other comprehensive income	(51,794)	(48,414)	(5,035)	732	(104,511)
Total comprehensive income	186,697	(88,880)	78,655	(1,051)	175,421

*) Of which, individual premiums in the amount of NIS 892,306 thousand and collective premiums in the amount of NIS 92,663 thousand.
**) The most material coverage included in other long term health insurance is medical expenses; with respect to short term, it is international travel.

Note 5: Financial Instruments

A. Assets for investment-linked contracts

1. Composition:

NIS in thousands	As of March 31 2021 Unaudited	As of March 31 2020 Unaudited	As of December 31 2020 Audited
Investment property *)	**3,128,698**	3,170,566	3,043,442
Financial investments			
Marketable debt assets	**23,767,083**	23,160,348	24,263,517
Non-marketable debt assets	**6,965,627**	6,329,718	6,696,981
Stocks	**22,428,906**	12,740,075	19,770,339
Other financial investments	**19,902,540**	13,949,921	20,067,924
Total financial investments *)	**73,064,156**	56,180,062	70,798,761
Cash and cash equivalents	**5,910,555**	4,783,897	5,273,150
Other **)	**535,233**	2,052,166	449,172
Total assets for investment-linked contracts	**82,638,642**	66,186,691	79,564,525

*) Measured at fair value through profit and loss.

**) The balance primarily includes outstanding premiums, reinsurer balances, collateral with respect to activities with futures contracts, and transactions with securities which have not yet been settled as of the date of the financial statements.

2. Additional information regarding fair value

A. Fair value of financial assets, classified by levels

NIS in thousands	As of March 31, 2021 Level 1	Level 2	Level 3	Total
	Unaudited			
Financial investments:				
Marketable debt assets	**20,295,228**	**3,471,855**	**-**	**23,767,083**
Non-marketable debt assets	**-**	**6,933,938**	**31,689**	**6,965,627**
Stocks	**20,886,779**	**-**	**1,542,127**	**22,428,906**
Other financial investments *)	**11,906,920**	**2,476,990**	**5,518,630**	**19,902,540**
Total financial investments	**53,088,927**	**12,882,783**	**7,092,446**	**73,064,156**
*) Of which, with respect to derivatives	**88,934**	**1,045,232**	**-**	**1,134,166**

During the period, there were no significant transfers between level 1 and level 2.

NIS in thousands	As of March 31, 2020 Level 1	Level 2	Level 3	Total
	Unaudited			
Financial investments:				
Marketable debt assets	20,249,144	2,911,204	-	23,160,348
Non-marketable debt assets	-	6,274,748	54,970	6,329,718
Stocks	11,873,915	-	866,160	12,740,075
Other financial investments *)	8,191,949	1,505,542	4,252,430	13,949,921
Total financial investments	40,315,008	10,691,494	5,173,560	56,180,062
*) Of which, with respect to derivatives	110,628	403,384	-	514,012

During the period, there were no significant transfers between level 1 and level 2.

Note 5: Financial Instruments (Cont.)

A. Assets for investment-linked contracts (Cont.)

2. Additional information regarding fair value (Cont.)

A. Fair value of financial assets, classified by levels (Cont.)

	As of December 31, 2020			
	Level 1	Level 2	Level 3	Total
NIS in thousands	Audited			
Financial investments:				
Marketable debt assets	21,244,064	3,019,453	-	24,263,517
Non-marketable debt assets	-	6,652,556	44,425	6,696,981
Stocks	18,622,037	-	1,148,302	19,770,339
Other financial investments *)	12,806,001	2,717,765	4,544,158	20,067,924
Total financial investments	52,672,102	12,389,774	5,736,885	70,798,761
*) Of which, with respect to derivatives	85,644	1,611,094	-	1,696,738

During the period, there were no significant transfers between level 1 and level 2.

B. Financial assets measured at fair value level 3

	Non-marketable debt assets	Stocks	Other financial investments	Total
NIS in thousands	Unaudited			
Balance as of January 1, 2021	**44,425**	**1,148,302**	**4,544,158**	**5,736,885**
Total income recognized in the statement of income	**2,732**	**305,818**	**618,128**	**926,678**
Acquisitions	**816**	**128,581**	**474,314**	**603,711**
Sales	**-**	**-**	**(117,962)**	**(117,962)**
Redemptions	**(822)**	**-**	**-**	**(822)**
Interest and dividend receipts	**(47)**	**(6,848)**	**(8)**	**(6,903)**
Transfers from level 3 *)	**(15,415)**	**(33,726)**	**-**	**(49,141)**
Balance as of March 31, 2021	**31,689**	**1,542,127**	**5,518,630**	**7,092,446**
Total income for the period included under the income statement with respect to held financial assets as of March 31, 2021	**2,480**	**279,811**	**618,192**	**900,483**

	Non-marketable debt assets	Stocks	Other financial investments	Total
NIS in thousands	Unaudited			
Balance as of January 1, 2020	68,880	746,971	3,708,770	4,524,621
Total income (loss) recognized in the statement of income	(8,114)	16,639	154,770	163,295
Acquisitions	-	107,200	484,004	591,204
Sales	-	-	(94,668)	(94,668)
Redemptions	(4,280)	-	-	(4,280)
Interest and dividend receipts	(1,516)	(4,650)	(446)	(6,612)
Balance as of March 31, 2020	54,970	866,160	4,252,430	5,173,560
Total income (loss) for the period included under the income statement with respect to held financial assets as of March 31, 2020	(8,279)	16,639	154,693	163,053

Note 5: Financial Instruments (Cont.)

A. Assets for investment-linked contracts (Cont.)

2. Additional information regarding fair value (Cont.)

B. Financial assets measured at fair value level 3 (Cont.)

NIS in thousands	Non-marketable debt assets	Stocks	Other financial investments	Total
	Unaudited			
Balance as of January 1, 2020	68,880	746,971	3,708,770	4,524,621
Total income (loss) recognized in the statement of income	(3,853)	90,424	30,923	117,494
Acquisitions	-	345,269	1,323,342	1,668,611
Sales	-	-	(516,819)	(516,819)
Redemptions	(15,371)	-	-	(15,371)
Interest and dividend receipts	(5,231)	(34,362)	(2,058)	(41,651)
As of December 31, 2020	44,425	1,148,302	4,544,158	5,736,885
Total income (loss) for the period included under profit and loss with respect to held financial assets - as of December 31, 2020	(7,127)	90,424	36,434	119,731

*) With respect to assets for which the use of quotes was begun, and which were transferred from level 3.

B. Other financial investments

1. Non-marketable debt assets - composition and fair value: *)

NIS in thousands	As of March 31, 2021 Book value	As of March 31, 2021 Fair value
	Unaudited	
Government bonds		
HETZ bonds and treasury deposits	**16,476,203**	**26,933,045**
Other non-convertible debt assets	**5,000,516**	**5,746,606**
Deposits in banks	**665,600**	**781,948**
Total non-marketable debt assets	**22,142,319**	**33,461,599**
Impairment applied to income statement (cumulative)	**88,585**	

NIS in thousands	As of March 31, 2020 Book value	As of March 31, 2020 Fair value
	Unaudited	
Government bonds		
HETZ bonds and treasury deposits	16,760,412	26,957,660
Other non-convertible debt assets	5,371,842	5,753,634
Deposits in banks	720,575	797,957
Total non-marketable debt assets	22,852,829	33,509,251
Impairment applied to income statement (cumulative)	86,212	

NIS in thousands	As of December 31, 2020 Book value	As of December 31, 2020 Fair value
	Audited	
Government bonds		
HETZ bonds and treasury deposits	16,278,710	26,706,571
Other non-convertible debt assets	5,160,996	5,913,552
Deposits in banks	652,923	766,590
Total non-marketable debt assets	22,092,629	33,386,713
Impairment applied to income statement (cumulative)	89,503	

*) The fair value of designated bonds was calculated according to the repayment dates of guaranteed-return liabilities.
The fair value of treasury deposits was calculated according to the contractual repayment date.

Note 5: Financial Instruments (Cont.)

B. Other financial investments (Cont.)

2. Additional information regarding fair value

A. Fair value of financial assets, classified by levels

The table below presents an analysis of assets measured at fair value on a periodic basis, using an assessment method based on the various levels of the hierarchy. For details regarding the levels of the hierarchy, see Note 2(e)(3) to the annual financial statements.

	As of March 31, 2021			
	Level 1	Level 2	Level 3	Total
NIS in thousands	Unaudited			
Financial investments:				
Marketable debt assets	**5,700,154**	**143,949**	**-**	**5,844,103**
Non-marketable debt assets	**-**	**2,352**	**-**	**2,352**
Stocks	**1,171,916**	**-**	**714,858**	**1,886,774**
Other financial investments *)	**1,346,227**	**136,950**	**2,278,371**	**3,761,548**
Total financial investments	**8,218,297**	**283,251**	**2,993,229**	**11,494,777**
*) Of which, with respect to derivatives	**6,354**	**136,950**	**-**	**143,304**

During the period, there were no significant transfers between level 1 and level 2.

	As of March 31, 2020			
	Level 1	Level 2	Level 3	Total
NIS in thousands	Unaudited			
Financial investments:				
Marketable debt assets	4,644,435	112,710	-	4,757,145
Non-marketable debt assets	-	2,807	-	2,807
Stocks	870,739	-	346,169	1,216,908
Other financial investments *)	1,040,144	83,950	1,921,430	3,045,524
Total financial investments	6,555,318	199,467	2,267,599	9,022,384
*) Of which, with respect to derivatives	17,484	83,950	-	101,434

During the period, there were no significant transfers between level 1 and level 2.

	As of December 31, 2020			
	Level 1	Level 2	Level 3	Total
NIS in thousands	Audited			
Financial investments:				
Marketable debt assets	5,735,154	88,593	-	5,823,747
Non-marketable debt assets	-	2,283	-	2,283
Stocks	1,145,925	-	546,540	1,692,465
Other financial investments *)	1,169,270	253,608	2,151,421	3,574,299
Total financial investments	8,050,349	344,484	2,697,961	11,092,794
*) Of which, with respect to derivatives	3,326	253,608	-	256,934

During the period, there were no significant transfers between level 1 and level 2.

Note 5: Financial Instruments (Cont.)

B. Other financial investments (Cont.)

2. Additional information regarding fair value (Cont.)

B. Assets measured at fair value level 3

NIS in thousands	Stocks	Other financial investments	Total
		Unaudited	
Balance as of January 1, 2021	**546,540**	**2,151,421**	**2,697,961**
Total profit which was recognized:			
Under profit and loss	**3,551**	**73,226**	**76,777**
Under other comprehensive income	**107,310**	**114,456**	**221,766**
Acquisitions	**63,477**	**142,158**	**205,635**
Sales	**-**	**(202,879)**	**(202,879)**
Interest and dividend receipts	**(2,005)**	**(11)**	**(2,016)**
Transfers from level 3 *)	**(4,015)**	**-**	**(4,015)**
Balance as of March 31, 2021	**714,858**	**2,278,371**	**2,993,229**
Total income for the period included under the income statement with respect to held financial assets as of March 31, 2021	**1,256**	**67,164**	**68,420**

NIS in thousands	Stocks	Other financial investments	Total
		Unaudited	
Balance as of January 1, 2020	318,978	1,805,874	2,124,852
Total profit (loss) which was recognized:			
Under profit and loss	(2,094)	(18,463)	(20,557)
Under other comprehensive income	10,045	27,795	37,840
Acquisitions	27,444	176,701	204,145
Sales	-	(70,454)	(70,454)
Interest and dividend receipts	(8,204)	(23)	(8,227)
Balance as of March 31, 2020	346,169	1,921,430	2,267,599
Total loss for the period included under the income statement with respect to held financial assets as of March 31, 2020	(2,094)	(18,486)	(20,580)

*) With respect to assets for which the use of quotes was begun, and which were transferred from level 3.

Note 5: Financial Instruments (Cont.)

B. Other financial investments (Cont.)

2. Additional information regarding fair value (Cont.)

B. Assets measured at fair value level 3 (Cont.)

NIS in thousands	Stocks	Other financial investments	Total
		Audited	
Balance as of January 1, 2020	318,978	1,805,874	2,124,852
Total profit (loss) which was recognized:			
Under profit and loss	(21,157)	43,734	22,577
Under other comprehensive income	51,854	136,731	188,585
Acquisitions	151,184	506,571	657,755
Sales	(28,000)	(341,380)	(369,380)
Interest and dividend receipts	(23,918)	(109)	(24,027)
Transfers to level 3 *)	97,599	-	97,599
Balance as of December 31, 2020	546,540	2,151,421	2,697,961
Total income (loss) for the period included under profit and loss with respect to held financial assets - as of December 31, 2020	(21,157)	47,666	26,509

*) The investment in IDE Technologies , which in the past was accounted for at equity, is accounted for as a financial investment. For additional details, see Note 9(a) to the annual financial statements.

C. Financial liabilities

1. Composition of fair value:

NIS in thousands	As of March 31 2021 Book value	As of March 31 2021 Fair value	As of March 31 2020 Book value	As of March 31 2020 Fair value	As of December 31 2020 Book value	As of December 31 2020 Fair value
	Unaudited				Audited	
Financial liabilities resented at fair value through profit and loss: Liabilities with respect to derivative financial instruments, short sales and repo liabilities *)	**843,229**	**843,229**	790,177	790,177	462,365	462,365
Loans from banking corporations [1]	**-**	**-**	111,938	115,240	111,938	113,169
Marketable deferred liability notes	**3,967,528**	**4,204,874**	3,987,695	3,899,423	3,983,043	4,245,354
Total financial liabilities presented at amortized cost	**3,967,528**	**4,204,874**	4,099,633	4,014,663	4,094,981	4,358,523
After deducting interest payable with respect to deferred liability notes, presented under the item for other accounts payable	**16,430**		17,456		33,572	
Total financial liabilities	**4,794,327**	**5,048,103**	4,872,354	4,804,840	4,523,774	4,820,888
*) Of which, with respect to investment-linked liabilities	**312,266**	**312,266**	612,046	612,046	295,326	295,326

1) The loan was repaid in full, through prepayment, on March 16, 2021, in accordance with the terms of the loan.

Note 5: Financial Instruments (Cont.)

C. Financial liabilities (Cont.)

2. Fair value of financial liabilities, classified by levels

The table below presents an analysis of assets measured at fair value on a periodic basis, using an assessment method based on the various levels of the hierarchy. For details regarding the levels of the hierarchy, see Note 2(e)(3) to the annual financial statements.

	As of March 31, 2021			
	Level 1	Level 2	Level 3	Total
NIS in thousands	Unaudited			
Derivatives	**25,437**	**420,801**	**-**	**446,238**
Short sales	**39,646**	**-**	**-**	**39,646**
Repo undertaking	**357,345**	**-**	**-**	**357,345**
Total	**422,428**	**420,801**	**-**	**843,229**

	As of March 31, 2020			
	Level 1	Level 2	Level 3	Total
NIS in thousands	Unaudited			
Derivatives	136,923	653,254	-	790,177
Total	136,923	653,254	-	790,177

	As of December 31, 2020			
	Level 1	Level 2	Level 3	Total
NIS in thousands	Audited			
Derivatives	22,223	415,719	-	437,942
Short sales	24,423	-	-	24,423
Total	46,646	415,719	-	462,365

D. Valuation techniques and valuation processes implemented in the Company

Non-marketable debt assets *)

Fair value is calculated according to a model which is based on the present value obtained by discounting the cash flows, according to the discount interest rate. The fair value of HETZ bonds is calculated according to the actuarial average lifetime, and according to the forecasted discounted cash flow, based on the risk-free interest curve.

*) The discount rates used to calculate the fair value of non-marketable debt assets, which is determined by discounting the estimated expected cash flows with respect to them, are based principally on the yields of government bonds and the margins of corporate bonds, as measured on the Tel Aviv Stock Exchange. The price quotes and interest rates which were used for discounting are determined by the Mirvach Hogen group, a company which provides price quotes and interest rates to institutional entities for the revaluation of non-marketable debt assets. The model of Mirvach Hogen is based on the distribution of the trading market into deciles, according to the yield to maturity of the debt assets, and the determination of the location of the non-marketable asset in those deciles, according to the risk premium which is derived from prices of transactions / issuances on the non-trading market.

For additional details, see Notes 3(f)(1) and 14(f)(3) and (4) to the annual financial statements.

Note 6: Capital Management and Requirements

A. Dividends and management of the Company's capital requirements

Further to that stated in Note 16(c) and (d) to the annual statements, the balance of distributable earnings as of the reporting date, in accordance with the Companies Law, amounted to a total of approximately NIS 4 billion. The possibility of distributing dividends is also affected by the investee companies' ability to distribute dividends subject to their capital requirements and liquidity needs.

B. The Solvency II-based economic solvency regime which applies to the Group's insurance companies

In accordance with the economic solvency regime, according to the calculation which they performed, as of December 31, 2019 the insurance companies in the Group are complying with the capital requirements, and have a capital surplus beyond the capital requirement according to the provisions for the distribution period and the stock scenario adjustment. Additionally, in consideration of the impact of significant equity transactions which took place during the period between the date of the calculation, and the date of its publication (see Note 25(b)5 to the annual financial statements), they fulfill the capital requirements without adjustment for the provisions with respect to the distribution period and the stock scenario adjustment.

The calculation which the Company conducted as of December 31, 2019 was examined by the auditors in accordance with ISAE 3400 - The Examination of Prospective Financial Information. This standard is relevant to audits of the solvency calculations, and does not constitute a part of the audit standards which apply to financial statements. It is emphasized that the forecasts and assumptions which constituted the basis for the preparation of the economic solvency ratio report are mostly based on past experience, as indicated in actuarial studies which are conducted from time to time. In light of the reforms taking place in the capital, insurance and savings market, and the changes in the economic environment, historical data does not necessarily predict future results. The calculation is sometimes based on assumptions regarding future events, on the actions of management, and on the future pattern of development of the risk margin, which may not necessarily materialize, or may materialize differently from the assumptions which were used as the basis for the calculation. Additionally, actual results may differ significantly from the calculation, in light of the fact that the combined scenarios of events may materialize in a manner which is significantly different from the assumptions in the calculation.

In the auditors' special report it was noted that they had not evaluated the adequacy of the amount of the discount during the distribution period as of December 31, 2019, except for evaluating that the discount amount does not exceed the expected discount amount of the risk margin and the solvency capital requirement with respect to life and health insurance risks, with respect to existing business operations during the distribution period, in accordance with the future pattern of development of required capital, which affects both the calculation of the release of expected capital, and the release of the expected risk margin, as specified in the provisions regarding the calculation of the risk margin. Attention is also called to that stated in the solvency ratio report regarding the uncertainty which due to regulatory changes and the exposure to contingent liabilities, whose effect on the solvency ratio cannot be estimated.

For additional details, see section 3.2.2 of the Board of Directors' Report.

Note 7: Contingent Liabilities and Claims

Presented below are details regarding claims which are not in the ordinary course of business, as follows: material claims[7] whose filing as class actions was approved; Pending motions to approve class action status for material claims; Material and immaterial class actions which concluded during the reporting period, until its signing date and other material claim against the Group's member companies.

The following claim amounts are presented at amounts that are correct as of the date of their filing, and as specified by the plaintiffs, unless noted otherwise.

A. Class action claims

In recent years, as part of a general trend in the markets in which the Group operates, a significant increase has occurred in the number of motions filed for the approval of class action status for claims against the Group's member companies, and also in the number of claims filed against the Group's member companies which have been recognized by the Court as class actions. The trend described above, which is due, inter alia, to the enactment of the Class Action Law, 2006 (hereinafter: the "**Law**"), the multiplicity of claims, and the approach of the Courts, significantly increases the Company's potential exposure to losses with respect to rulings issued against the Group's member companies in class actions which are filed against them.

A class action lawsuit, as defined in the Law, is a lawsuit which is managed on behalf of an anonymous class of people who did not grant power of attorney in advance to the class action plaintiff, and which raises material questions regarding facts or law that apply to all class members.

The procedure begins with a written motion submitted by the single plaintiff to the Court with which the plaintiff's personal claim has been filed, in which he requests approval of class action status for his claim. Only in the event that the motion to approve the claim as a class action is accepted does the claim's definition change to a "class action", with the plaintiff becoming a "class action plaintiff".

A class action can only be filed for claims which meet the conditions set forth in law, or on a matter regarding which a legal provision specifically states that a class action may be filed. It should be noted that, from 2006 onwards, the definition of a claim due to which a motion for approval as a class action may be filed against the Group's member companies is a broad definition, and includes any matter which may arise between a company and a customer, whether or not they have engaged in a transaction.

In order for a claim to be approved as a class action, the plaintiff must prove the following, inter alia: (1) the existence of a "personal cause of action" for the specific plaintiff; (2) That the cause of action is sufficiently well-established as to constitute a "prima facie cause of action". At this point, the Court evaluates whether the plaintiff has a prima facie chance of eventually wining the claim in court; (3) That the cause of action gives rise to significant questions of fact or law which are shared by a certain group; (4) That there is a reasonable possibility that the common questions in the claim will be determined in favor of the Group; (5) That the class action is the most efficient and fair method of resolving the dispute which is the subject of the claim, in light of the circumstances; (6) The suitability of the plaintiff to serve as the class action plaintiff, and of his attorney to representative him in the claim.

In general, the process of evaluating a claim as a class action may include 4 stages: Stage A - Filing of the motion to recognize the claim as a class action in the first instance; Stage B - Appeal in the Authority to a higher instance regarding the decision reached by the first instance; Stage C - Hearing the claim on the merits before the first instance (generally before the same judge who heard the motion in the first instance); Stage D - Appeal to a higher instance regarding the decision on the merits.

[7] It is noted that, in general, in this note, a claim will be considered material, and will be described in accordance with the estimate which is performed by the Company on the date when the claim is received, insofar as the actual exposure amount, net of tax, assuming the claim is found to be justified, and without addressing the claim's chances, or the amount specified therein, per se, exceeds the Group's significance threshold (see chapter D in section 13(c) of the periodic report for 2020) for details regarding profit in accordance with the calculation of forecasted comprehensive loss, divided by the average annual comprehensive income or comprehensive loss in the last three years, calculated based on the last 12 quarters for which audited or reviewed financial statements were published; It is hereby clarified that the income/loss which is attributed to the event, and the income/loss in each quarter, are calculated according to their absolute values. This classification is correct as of the filing date of the claim. However, in light of the continuation of the legal proceedings, sometimes over a period of several years, and the development thereof, cases are possible where a claim which was not considered material on the date it was filed, may become subsequently material, and in that case, disclosure will be given for such claims at a later date. A claim may also be considered material for the purpose of such disclosure when the Company is unable to estimate the total exposure.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

It should be noted that the scope and content of the hearing of a class action on its own merits is affected by the ruling regarding the approval of the claim as a class action. A decision approving class action status for a claim generally refers to the causes of action which were approved, and those which were not approved; The remedies which were approved and which were not approved; etc.

The law provides a set procedure and restrictions for all matters relating to settlement arrangements in class actions, which causes difficulty in instating settlement arrangements regarding class actions. The law also provides a requirement involving due disclosure to the Court with regard to all material details involved in the settlement arrangement, as well as a right available to the Attorney General and to additional entities listed in the Law to file an objection to the proposed settlement arrangement, and a requirement that an examiner be nominated with respect to the settlement arrangement. In January 2021, the Ministry of Justice published a “request for public comments regarding amendments to the Class Action Law, 2006”, in which the public was requested to address the required amendments to the law. Clal Insurance sent its comments through the Israel Insurance Association.

The motions to approve class action status for the claims specified below are in various stages of the procedural hearing; some have been approved, while others are in appeal proceedings.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A1. Material claims for which class action status was approved

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
1.	3/2010 District - Center	Clal Insurance	The plaintiff contends that Clal Insurance unlawfully and wrongfully took advantage of the Control of Financial Services (Provident Funds) Law, 2008 ("Amendment No. 3"), which determined that funds which are deposited in provident funds beginning from 2008, will be withdrawable as an annuity only, and not as a capital withdrawal (withdrawal in a one-time amount). The plaintiff contends that at the time of conversion of the capital policies which were owned by a policyholder, prior to Amendment No. 3, for non-annuity paying policies, Clal Insurance was required to attach to the policy the annuity factor which was guaranteed to the policyholder under the fixed-payment policy owned by him, while in practice, Clal Insurance chose to attach to the converted capital policy a new annuity factor, in accordance with the life expectancy as of 2009.	To order Clal Insurance to attach to the capital policies of its policyholders the same annuity factor which they had in the fixed-payment policy prior to Amendment No. 3. Alternatively, to order Clal Insurance and the other class members to provide the entire amount of the pension savings funds, retroactively beginning after the date of the entry into effect of Amendment No. 3 (January 2008), and from now on, to the fixed-payment policy with the preferential annuity factor. Alternatively, to order Clal Insurance to compensate the plaintiff and the other class members in the amount of damage which was incurred.	Any person who owned, prior to the entry into effect of Amendment No. 3, both a capital policy and a fixed-payment policy of Clal Insurance (whether of Clal Insurance or of another insurance company), and to whom, following the aforementioned amendment to the law, a annuity factor[8] was not guaranteed in the capital policy, or to whom an annuity factor was guaranteed in the capital policy which was worse than the annuity factor specified in his fixed-payment policy.	In June 2011, the Commissioner's position was submitted, through the Attorney General of Israel, according to which an insurance company is not required to provide annuity factors which were determined in the past, or to transfer policyholders' funds to the fixed-payment policy which they had in the past. It was further noted, with respect to the question of whether it is possible to change the amount used to calculate deposits up to the amount of the salary, it was determined that the matter depends on the particular terms of each policy, and that the plaintiff's policy does not include any provision which requires Clal Insurance to change the deposit amounts or the deposit rates. In September 2015, the District Court decided to accept the motion to approve against Clal Insurance, in which it was determined that the entitled class members include any policyholder who owned, prior to Amendment No. 3, both a capital policy and a fixed-payment policy (whether of Clal Insurance or of another insurance company), and who, following the aforementioned amendment, did not receive an annuity factor in the capital policy, or who received an annuity factor which was worse than the factor in his fixed-payment policy, provided that the capital policy was managed by Clal Insurance. As part of the proceedings, an examiner was appointed regarding the case, who filed his opinion in July 2017. The parties filed pleadings, conducted investigations as part of handling the claim, and filed their closing arguments. In July 2020 the Attorney General's position was filed with the Court, which supported the position of Clal Insurance, in which it was stated that Clal Insurance had acted in connection with the matters which form the subject of the claim in accordance with the outline which was approved for it by the Capital Market Authority, and that it would not be appropriate to retroactively replace the discretion which was exercised by the Authority on this matter.	The plaintiff estimates the number of the class members as 37,752 members, and accordingly, the monetary compensation to all of the class members is estimated at NIS 107 million, in each year.[9]

[8] The annuity factor is the factor representing life expectancy which is used by the insurer, at retirement age, to convert the savings amount accrued by the policyholder into a monthly annuity.

[1] 8 The specified amount refers to the estimated claim with respect to one damage year only. It is noted that the claim was filed in March 2010, with respect to a legislative amendment from 2008.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A1. Material claims for which class action status was approved (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
2.	4/2010 District - Center	Clal Insurance and additional insurance companies	The plaintiffs contend that in case of discontinuation of insurance during a certain month, after the insurance premium with respect to that month was collected by the defendants in advance, the defendants do not reimburse to policyholders the surplus relative share of the insurance premium with respect to that month, or alternatively, reimburse the insurance premium at nominal values only.	The reimbursement of the surplus premium amounts which were unlawfully collected from the class members and/or the reimbursement of unlawful revaluation differences, with the addition of duly calculated linkage differentials, as well as a mandamus order instructing the defendants to change their conduct.	Anyone who is and/or was a policyholder of one or more of the defendants, under any insurance policy, excluding a property insurance policy, or the inheritor of such a policyholder, where the insurance policy was discontinued for any reason, whether due to its cancellation by the policyholder, or due to the occurrence of the insurance event.	In June 2015, the Court issued a decision to dismiss the motion to approve against all of the defendants with respect to the primary claims, including: (A) proportional reimbursement of premiums should be performed in case of the occurrence of the insurance event; (B) proportional reimbursement of premiums should be performed in case of cancellation of the policy, where the wording of the policy does not stipulate section 10 of the Insurance Contract Law, 1981, as phrased, during the period relevant to the claim; (C) the reimbursed premiums should be linked only to a positive index, and not to a negative index; (D) the premiums should be reimbursed with the addition of special interest. Additionally, a dismissal was issued with respect to the motion to approve against Clal Insurance only, regarding a claim of non-payment of relative premiums in insurance policies which include a stipulation of section 10 of the Insurance Contract Law, in which it was determined that the cancellation of the policy will enter into effect immediately, in the absence of an evidential infrastructure (hereinafter: the "**Proportional Reimbursement Claim**"). The motion to approve the claim as a class action was accepted against all of the defendants, with respect to anyone who is or who was the holder of an insurance policy, except for a property insurance policy, who canceled an insurance contract, or whose insurance policy was canceled due to the occurrence of the insurance event, from April 2003 until March 14, 2012, and from whom premiums were collected with respect to the months following the cancellation month, which were reimbursed to him according to their nominal value, without linkage differentials and interest in accordance with the Insurance Contract Law (hereinafter: the "**Nominal Return Claim**"). In September 2016, a settlement arrangement was filed with the District Court (the "Settlement Arrangement"), according to which the defendants undertook to donate to public causes amounts which were overcollected, by virtue of the proportional reimbursement claim, and additional amounts by virtue of the nominal reimbursement claim, according to partial rates which were determined in the settlement agreement, and according to the determination of an examiner who will be appointed by the Court within the framework of the settlement agreement. In February 2017 and March 2017, the positions of the Israel Consumer Council and the Attorney General of Israel, respectively, were received, who did not object to the settlement arrangement in its entirety, but rather proposed amendments to the settlement arrangement, inter alia, with respect to the method used to reimburse funds to the class, and with respect to the types of policies to which the settlement will apply. In June 2017, the Court appointed an examiner for the case to examine the settlement arrangement. The settlement agreement is subject to the approval of the Court, the provision of which is uncertain.	The amount claimed by all of the plaintiffs against all of the defendants in the claim is NIS 225 million, with respect to a period of ten years. The plaintiffs have not specified the amount claimed from Clal Insurance only, if the claim is approved as a class action.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A1. Material claims for which class action status was approved (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
3.	5/2013 District - Tel Aviv	Clal Insurance and additional insurance companies	The plaintiff contends that the defendants breach their obligation to attach linked interest and duly calculated linkage differentials, with respect to the insurance benefits which they pay. According to the claim, the date from which the interest and linkage differentials should be calculated is beginning on the date of the occurrence of the insurance event, until the actual payment date. Alternatively, linkage differentials should be paid from the date of the occurrence of the insurance event until the actual payment date, as well as interest starting 30 days after the filing date of the claim, until the actual payment date of the insurance benefits.	To order the defendants to pay to the class members linkage differentials and interest with respect to the underpayment which was performed. Additionally, and/or alternatively, the Court is requested to order the provision of compensation in favor of the public, in its discretion.	Any person who received, during the 7 years prior to the filing of the claim and/or who will receive, until a ruling has been given on the claim, insurance benefits from the defendants, to which duly calculated interest (the "**First Class**") and duly calculated linkage differentials (the "**Second Class**") were not added. In January 2019, the plaintiff petitioned for the expansion of the class of represented plaintiffs, as defined in the Court's decision to approve from August 2015, such that it will also include all policyholders of Clal who received and/or will receive insurance benefits to which duly calculated interest was not added, from the date of the claim's approval as a class action, until a final ruling has been given on the matter. The Court determined it would reach a determination regarding the motion as part of the ruling.	In August 2015, the District Court decided to dismiss the motion to approve against the defendants, regarding the claim of non-payment of linkage differentials, and to accept the motion to approve against the defendants with respect to the claim regarding the underpayment of interest on insurance benefits, and it was determined that the entitled class members include any policyholder, beneficiary or third party who, during the period from three years prior to the filing of the claim, until the date of the claim's approval as a class action, received from the defendants, and not through any ruling which was given between them, insurance benefits to which duly calculated interest was not added, within 30 days after the date of submission of the claim to the insurer (and not from the date of submission of the last document required by the insurer to evaluate the liability), until the actual payment date. In October 2016, the defendants withdrew, with the approval of the Supreme Court, a motion for leave to appeal which was filed by them in October 2015, which primarily involved an objection to the determination of the District Court, according to which a previous settlement arrangement into which the Company entered regarding a similar question does not constitute final judgment which blocks the filing of the motion to approve, and does not afford protection to the defendants, and the parties reserved all of their claims with respect to the main proceedings.	The plaintiff estimates the cumulative amount for the first class in the amount of NIS 518 million (if it is ruled that the interest should be calculated beginning from the date of the occurrence of the insurance event), and in the amount of NIS 210 million (if it is ruled that the interest should be calculated beginning from 30 days after the date of the claim's submission to the insurance company). The plaintiff estimates the cumulative amount for the second class, for which the motion to approve was dismissed, with respect to linkage differentials, in an additional amount of NIS 490 million.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A1. Material claims for which class action status was approved (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
3. (Cont.)						In February 2021 a partial ruling was given, in which the Court determined that the class action was accepted, and ordered the defendants to repay to the class members the interest differences, as specified in the ruling (hereinafter: the "**Ruling**"). In accordance with the ruling, it was determined that the "claim delivery date", beginning from which the period of 30 days begins to be counted, and after which linked interest will be added to the insurance benefits in accordance with the provisions of section 28(a) of the Insurance Contract Law, 1981 (hereinafter: the "**Insurance Contract Law**"), is the date when the insurance company or insurance agent (whichever is earlier) was first contacted, indicating that the policyholder, third party or beneficiary (hereinafter: the "**Entitled Parties**") were interested in receiving the insurance benefits, with no requirement to attach any document whatsoever. It was further determined that in cases where the insurance benefits were calculated according to their value on a date after the occurrence of the insurance event, interest differences will be added to them from that date only, and in the case of reimbursement of funds which were paid to service providers through deferred payment, interest differences will be calculated beginning from the date of actual payment. Regarding the class members who in the past reached settlement arrangements with the defendants, it was determined that the member of that class will be entitled to the repayment of interest with respect to the period from the date when the claim was filed until the date of completion of the collection of the required documents for the investigation, as stated in the ruling.	

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A1. Material claims for which class action status was approved (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
3. (Cont.)						The Court determined that the definition of the class will include all entitled parties who, during the period, beginning three years before the filing of the claims (which were filed against Clal Insurance in May 2013), and ending on the date when the ruling was given, received from the defendants, not in accordance with a ruling regarding their affairs, insurance benefits which did not include duly calculated interest. It was further determined, for the purpose of implementing the ruling and calculating the amount of compensation to the class members in accordance with the principles specified in the partial ruling, that it is necessary to appoint an expert, and that the compensation to the class action plaintiffs, and their legal fees, will be determined in the final ruling. In May 2021, the defendants filed with the Supreme Court an appeal against the ruling.	

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A1. Material claims for which class action status was approved (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
4.	1/2008 District - Tel Aviv	Clal Insurance and additional insurance companies	According to the plaintiff, the defendants charge sub-annual installments, a payment which is collected in life insurance policies wherein the insurance tariff is determined as an annual amount, though the payment is executed in several installments (hereinafter: "**Sub-Annual Installments**"), in excess of the permitted amount, with such charges being implemented, allegedly, in a number of ways: collection of sub-annual installments with regard to the "policy factor", collection of Sub-Annual Installments at a rate higher than that permitted according to the Control of Insurance circulars, collection of sub-annual installments with respect to the savings component in life insurance policies, and collection of sub-annual installments with regard to non-life insurance policies.	Repayment of all amounts unlawfully collected by the defendants, and a mandamus order requiring the defendants to change their ways of action with regard to the matters listed in the claim.	Any person who engaged in an insurance contract with any of the defendants, and from whom payment was collected with respect to the sub-annual installments component, in circumstances or in an amount which deviated from what is permitted.	The Commissioner filed his position on the case, in which he accepted the position of the insurance companies. In July 2016, the Court approved the claim as a class action. The Group which was approved includes anyone who engaged with the defendants, or with any one of them, in an insurance contract, and from whom sub-annual installments were collected with respect to the following components: with respect to the savings component in life insurance of the "hybrid" type, which were sold by Clal Insurance in the past, with respect to the "policy factor", which is a fixed monthly amount that is added to the premium, and which is intended to cover expenses, and with respect to health, disability, critical illness, loss of working capacity and long-term care policies (the "Collection Components"). The Court's decision was given despite the position of the Commissioner of Insurance which was submitted at the request of the Court, as stated above. The cause of action for which the claim was approved as a class action is unlawful collection of sub-annual installments with respect to the collection components. The requested remedy is the reimbursement of the amounts which were unlawfully collected during the seven years preceding the filing of the claim and thereafter, i.e., from January 2001, and a mandamus order ordering the defendants to rectify their conduct. In December 2016, the defendants filed with the Supreme Court a motion for leave to appeal against the decision to approve the claim as a class action (the "Motion for Leave to Appeal"), and in May 2018, the Supreme Court accepted Motion for Leave to Appeal, heard it as an appeal, and gave a ruling in which the appeal was accepted, and the claim accordingly dismissed. In June 2018, the plaintiffs filed a motion to hold an additional hearing regarding the ruling, with respect to some of the determinations specified therein. In July 2019, a decision was given to approve holding an additional discussion on this matter, before an extended panel of 7 judges. In February 2020, the position of the Attorney General of Israel was filed with the Supreme Court, within the framework of the additional hearing, in which it was stated that the Attorney General of Israel believes that it would be inappropriate to intervene in the determination which was made in the ruling, based on the adoption of the Capital Market Authority's interpretive position. The additional hearing was held in July 2020, and the Court's decision has not yet been received.	In February 2010, the parties reached a procedural arrangement according to which the following would be erased from the Motion and the claim: the plaintiff's claims stating that Clal Insurance had collected a rate of sub-annual installments higher than that permitted for policies issued before 1992, and the claim that Clal Insurance had collected the maximum rate of sub-annual installments, even when the number of installments was lower than twelve. Accordingly, the amount claimed from Clal Insurance was changed and set at approximately NIS 398.2 million.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A1. Material claims for which class action status was approved (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
5.	5/2011 District - Center	Clal Insurance and additional insurance companies	According to the plaintiff, in life insurance integrated with savings, the defendants collected from policyholders, without any basis in the policies and without consent, amounts which at times reach a significant part of the premiums paid by the policyholders, and which are known as the "policy factor" and/or "other management fees") (hereinafter: the "**Policy Factor**"), unlawfully and without any appropriate contractual provision, despite the fact that, in principle, the defendants were allowed, in accordance with the Commissioner's circulars, to collect a policy factor in life insurance policies.	Payment of the compensation / reimbursement amount equal to the policy factor amount which was actually collected from the class members, with the addition of the returns which were withheld from them with respect to this amount due to the fact that the amount which was deducted from the premium for the policy factor was not invested for them, and changing the method of action with respect to the collection of the policy	Anyone who held a life insurance policy combined with a savings plan of one of the defendants, and from whom any amount was collected as a policy factor.	In June 2015, a settlement arrangement and a motion to approve it were filed with the Court, in which it was requested to order the defendants to pay a total of NIS 100 million with respect to the past (of which, the share of Clal Insurance is approximately NIS 26.5 million), and to provide a discount of 25% of the actual future collection of the policy factor. In November 2016, the Court decided to dismiss the motion to approve the settlement arrangement, since it believed that the foregoing does not constitute an adequate, reasonable and fair arrangement for the affairs of the class members. Additionally, the Court decided to partially approve the conducting of the claim as a class action, only with respect to life insurance policies combined with savings which were prepared between the years 1982 and 2003 (with respect to Clal Insurance, in policies of the "Adif", "Meitav" and "Profile" types), where the savings which accrued in favor of the policyholders in those policies were affected due to the collection of the policy factor, on the grounds of breach of the insurance policy, due to the collection of the policy factor, in a manner which harmed the savings which accrued in favor of the policyholders, with respect to the period beginning seven years before the filing date of the claim, in April 2011. The claim was not approved with respect to other types of policies (hereinafter, jointly: the "**Decision**"). The claimed remedies, as defined in the Court's decision, include curing the breach by implementing an update to the savings which accrued in favor of the policyholders, in the amount of the additional savings which would have accrued for them had a policy factor not been collected, or compensation of the policyholders in the aforementioned amount, and discontinuation of the collection of the policy factor from that point forward. Additionally, payment of professional fees was ruled for the plaintiff's representative, and for the objectors to the settlement arrangement and their representatives, in immaterial amounts. Insofar as the claim will be approved on the merits, the total potential of the claim, with respect to the savings component in the relevant policies is estimated in the amount of approximately NIS 700 million, for four of the defendants who engaged in the settlement arrangement (including Clal Insurance), with respect to the period from 2004 to 2012 (inclusive), based on an estimate which is based on the assessment of the Court which was given based on the opinion of the examiner who was appointed on its behalf. This amount does not include the period until the date of the decision, and the collection amounts with respect to the policy factor, which were received from 2012 onwards, and are supposed to be received in the future. In May 2017, the defendants filed a motion for leave to appeal the Court's decision, both with respect to the non-approval of the settlement arrangement, and with respect to the partial approval of the claim as a class action. In February 2019, the defendants withdrew the motion for leave to appeal, in accordance with the Supreme Court's suggestion, and therefore, the proceedings are currently in the stage of handling the claim before the District Court. The parties are conducting mediation proceedings between them, and in parallel began evidence proceedings before the District Court.	The plaintiffs' claim pertains to the policy factor which was collected from them from 2004. According to various estimates and assumptions which were performed by the plaintiffs with respect to the collection of the policy factor, during the seven years preceding the filing date of the claim, by the defendants, and the relevant annual returns, the amount claimed for the class members, against all of the defendants, was estimated by the plaintiffs, as of the filing date of the claim, as a nominal total of approximately NIS 2,325 million. Out of this amount, a total of approximately NIS 662 million is attributed to Clal Insurance, according to its alleged market share.

factor.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A1. Material claims for which class action status was approved (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
6.	7/2014 District - Center	Clal Insurance	According to the plaintiff, Clal Insurance overcollects premiums in compulsory and/or third party and/or policies of the "Specified Driver" type (hereinafter: the "**Policy**"), in cases where the youngest driver who is expected to use the vehicle on a routine basis (hereinafter: the "**Driver**") is expected to reach, during the insurance period, an age and/or driving experience level at which Clal Insurance begins collecting reduced premiums (hereinafter, respectively: "**Eligible Age**" and "**Eligible Experience Level**"). The plaintiff contends that Clal Insurance should be required to calculate the premiums by other means, also in case of renewal of the policy after a previous insurance period, and that Clal Insurance should be required to initiate disclosure to the holders of motor policies, of any kind whatsoever, regarding various items of information.	To declare and determine that Clal Insurance is required to calculate the premiums with respect to the policies in the manner specified in the motion; To order Clal Insurance to initiate disclosure of various items of information, as specified in motion; To prohibit Clal Insurance from collecting administrative expenses or any other payment from the policyholder with respect to the issuance of new compulsory certificates of insurance, in cases where the new issuance is required for reasons not originating from the policyholder; To order Clal Insurance to compensate the class members with respect to the damages which they incurred, with the addition of duly calculated linkage differentials and interest from the date of overcollection until the date of compensation and/or actual reimbursement; To order Clal Insurance to reimburse to the class members the entire amount by which Clal Insurance was enriched at the expense of the class members. To order the provision of any other remedy in favor of the classes, or compensation to the public, as considered appropriate by the Court, in light of the circumstances.	Anyone who purchased and/or renewed and/or who will purchase and/or renew the policy from the defendant during the seven years which preceded the filing of the claim, until the date of issuance of a final ruling, and where, during the insurance period, the youngest driver who is expected to use the vehicle reached and/or will reach the age and/or driving experience level at which he is entitled to a reduction of the premiums, and who in practice did not receive the entire reduction to which he was entitled, as well as anyone who is included in the aforementioned class, and whose comprehensive and/or third party insurance is of the "all drivers" type.	In January 2017, a decision was given by the Court in which the plaintiff's claims were dismissed, except with respect to the claim regarding the existence of a conventional practice regarding the update to the policies and the reimbursement of excess premiums, regarding which the motion to conduct the claim as a class action was approved. The class members, as determined in the decision, include "the holders of the respondent's compulsory, comprehensive and third party motor insurance policies during the last seven years, who reached, during the insurance period, the age bracket and/or driving experience bracket which confers an entitlement to a reduction of insurance premiums, and regarding whom the respondent refrained from acting in accordance with the conventional practice, as a result of which, they did not receive the reduction." The parties filed their closing arguments as part of conducting the claim.	The total claim amount was estimated by the plaintiff as a total of approximately NIS 26 million. The estimate of damage, as stated in the class action plaintiff's affidavit of evidence in chief, amounted to a cumulative total of approximately NIS 100 million, with respect to a period of 11 years.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A1. Material claims for which class action status was approved (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
7.	11/2014 District - Economic Department of Tel Aviv	Bank of Jerusalem Ltd. (hereinafter: "**Bank of Jerusalem**")	The plaintiff contends that Clal Finance Batucha Investment Management Ltd. ("Clal Batucha"), which merged with and into Bank of Jerusalem, in its function as portfolio manager, performed, on behalf of its customers, transactions with securities of member companies in the IDB Group, in a manner which gave preference to its interests and to the interests of various member companies of the IDB Group over the interests of its customers, in violation of the law. The plaintiff contends that Clal Batucha breached its obligation to inform its customers regarding any conflict of interests which it has in the performance of the aforementioned actions, and to receive their consent.	To issue an order against Clal Batucha to provide details and information regarding the damages which were (allegedly) incurred by each of the class members, and to order Bank of Jerusalem to compensate the class members for the entire damages which they incurred, or alternatively, to determine another remedy in favor of all or some of the class members.	Any person who received from Clal Batucha investment management services, in which they acquired securities which were issued by member companies of the "IDB conglomerate", without giving their advance approval with respect to each transaction, and who incurred damages as a result of the said acquisition. On this matter, the plaintiff includes under the "IDB conglomerate" all corporations which were held (directly or indirectly) by IDB Holding and IDB Development.	In January 2017, the Court gave its decision, which approved the conducting of the claim as a class action against Clal Batucha, and in parallel, it dismissed the motion to approve the claim against defendants who had served as directors in Clal Finance Batucha, in which it was alleged that they had breached their duty of care towards the class members. The class members, as determined in the decision, include "anyone who received investment management services from Clal Finance Batucha Investment Management Ltd. (liquidated due to merger) ("**Batucha**"), on whose behalf, within the framework of the portfolio management activity, Batucha (or any other party on its behalf) acquired securities, as defined in the Regulation of Investment Advice, Investment Marketing and Investment Portfolio Management Law, 1995, (hereinafter: the "**Advice Law**"), which were issued by any of the corporations which were included, at the time of the acquisition, in the IDB Conglomerate (as defined below), from whom advance approval was not received regarding each aforementioned transaction, and who incurred damages due to the aforementioned acquisition." In this regard, the IDB Conglomerate was defined as including "all corporations which were held or controlled, directly or indirectly (including through concatenation) by the companies or IDB Holding Corporation Ltd. (hereinafter: "**IDB Holding**") and IDB Development Corporation Ltd. (hereinafter: "**IDB Development**"), including IDB Holding and IDB Development. For the avoidance of doubt, this definition includes all of the subsidiaries, second tier subsidiaries, and third tier subsidiaries (and so on) of IDB Holding, as well as any other corporation held by them, directly or indirectly." It was further determined in the decision that the class will include anyone in whose account acquisitions of securities were performed, during a period of up to 7 years before the filing of the motion to approve, until the date of completion of the merger transaction of Clal Batucha into Bank of Jerusalem. The cause of action which was approved in the decision is breach of statutory duty by virtue of section 63 of the Civil Wrongs Ordinance, together with section 15(a) of the Advice Law. The Company is not party to the claim; however it received notice regarding the filing of the claim, and the demand for indemnification by Bank of Jerusalem, in accordance with the agreement for the sale of Clal Batucha to Bank of Jerusalem, according to which the Company has an undertaking to indemnify. The aforementioned undertaking to indemnify may be activated if and insofar as Bank of Jerusalem will be obligated, by law, in connection with the aforementioned claim, and subject to the terms of the agreement between the parties[10]. The parties are conducting mediation proceedings between them. The proceedings are currently in the claim handling stage.	The plaintiff's personal claim amount amounts to a total of approximately NIS 18,624. According to the statement of claim, the damage claimed for all class members cannot be estimated at this stage.

[10] The Company reported the claim to the insurers of the professional liability insurance policies under which it is covered. The Company is unable, at this stage, to estimate the amount of damages and the scope of insurance coverage.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A1. Material claims for which class action status was approved (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
8.	2/2014 District - Tel Aviv	Clal Insurance	The plaintiff contends that Clal Insurance abuses the fact that the policyholder does not pay, for a certain period, the savings component in a life insurance policy which includes a savings component and a risk component, and fundamentally and grossly violates the policy terms by implementing unilateral changes to the policy (shortening the policy period, changing the insurance commencement date and increasing the policyholder's age at the start of insurance coverage), which leads to an unlawful increase in the real premium cost, although the premium for the risk component in the policy has been paid in full. According to the plaintiff, Clal Insurance thereby causes policyholders to incur damages in significant amounts.	To order Clal Insurance to pay the excess premium amounts which it collected by first moving the insurance commencement date until the date when the claim was approved as a class action, with the addition of the maximum linkage differentials and interest permitted by law. To receive an order prohibiting Clal Insurance from continuing its collection of premiums at rates higher than the rate specified in the policy. Alternatively, to order Clal Insurance to pay an appropriate and adequate amount in favor of the entire public, in an amount equal to the collection fees which were collected and not reimbursed to the payer, with the addition of duly calculated linkage differentials and interest.	Any person who obtained and/or who was insured by a life insurance policy, and who did not pay the savings component in this policy in its entirety, from the policy preparation date until the date of entitlement for a monthly annuity according to the policy, and from whom premiums were unlawfully overcollected, due to the change in the insurance commencement date.	In December 2017, the Court approved the claim as a class action. The class which was approved includes anyone who engaged in, and/or who was covered by, a life insurance policy which includes a savings component and a risk component, and who did not pay one of the policy components in full, from the policy preparation date until the date of eligibility for a monthly stipend under the policy, or until the settlement or expiration of the policy, whose insurance start date was "moved forward" by the respondent. The claim was approved with the causes of action of breach of contract, deception and unjust enrichment. The claimed remedies include reimbursement of the excess premium amounts which were collected by Clal Insurance, as alleged by the plaintiffs, beyond the amounts specified in the policy, and an order prohibiting Clal Insurance from continuing its collection of premiums at rates higher than the rate specified in the policy. The proceedings are currently in the claim handling stage.	The total damage claimed for all of the class members against Clal Insurance amounts, in the plaintiff's estimate, to a total of approximately NIS 20 million.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A1. Material claims for which class action status was approved (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
9.	5/2015 District - Jerusalem	Clal Insurance and an additional insurance company	According to the plaintiff, after years during which his deceased mother was insured under a collective life insurance policy, which Clal Insurance sold to the association of pensioners under the "Netiv - Southern and Central Region" pension fund (hereinafter: the "**Association**" and the "**Policy**", respectively), and who paid premiums as required, Clal Insurance unilaterally and unlawfully canceled the policy, because the policy was a losing policy, and did not reimburse the premiums which it had charged. The plaintiff also contends that Clal Insurance illegally collected premiums from policyholders with respect to June 2014, after the date when the policy was canceled.	To order Clal Insurance to pay to each of the class members who did not receive the benefits of the policy, the entire premiums which were collected from them with respect to the policy over the years when they were insured, with the addition of duly calculated interest and linkage.	Anyone who was insured by Clal Insurance in a policy which was canceled on March 2, 2014, as well as all policyholders under the policy from whom Clal Insurance collected premiums in June 2014.	In May 2019, the Court dismissed the claim for reimbursement of all premiums which were paid with respect to the policy over the years. The Court approved the claim as a class action against Clal Insurance and against the association, on the grounds of breach of the provisions of the Insurance Contract Law, 1981, the Control of Insurance Business Regulations (Collective Life Insurance), 1999, the provisions of the policy and on grounds of negligence, and determined that Clal Insurance had not properly alerted the policyholders of the cancellation of the insurance contract, and that the association had breached, inter alia, the fiduciary duty and duty of care which applied to it as the "policyholder". The approved class includes the beneficiaries of the retirees who are covered under the collective insurance contract, who passed away since the cancellation date of the insurance contract until the termination date of the insurance period specified in the insurance contract (a two year period). The claimed remedy is payment of insurance benefits to the class members. The proceedings are currently in the claim handling stage. For details regarding a subsequent claim which was filed against Clal Insurance and against the association in 2020, with respect to the same policy, see Note 7a(a2)(31) below.	The total damage claimed for all of the class members from Clal Insurance amounts, in the plaintiff's estimate, to a total of NIS 90 million.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A1. Material claims for which class action status was approved (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
10.	9/2015 District - Center	Clal Insurance and three other insurance companies	The plaintiffs contend that the defendants, when giving points for the “continence” action, as part of the evaluation of insurance benefits in long term care policies, adopted an interpretation according to which, in order to recognize a policyholder’s claim with respect to “incontinence”, the condition must result from a urological or gastroenterological illness or impairment only, instead of giving points also when the policyholder’s medical condition and impaired functioning which have caused his “incontinence”, may be due to an illness, accident or health impairment which are not urological or gastroenterological in nature.	To order the defendants to compensate the class members for all damages which they incurred due to their alleged beaches of the agreement, and to fulfill the agreement from this point forward, or alternatively, to order the provision of any other remedy considered appropriate by the Court, in light of the applicable circumstances.	Any person who held a long term care insurance policy which was sold by the defendants (or his inheritors, as applicable), and who suffered from a health condition and impaired functioning as a result of an illness or accident or health condition, which caused them to be incontinent and/or to require the permanent use of a stoma or catheter in the bladder, or diapers or absorbent pads of various kinds, and notwithstanding the foregoing, who did not receive from the defendants (as applicable) points with respect to the “continence” component, in a manner which injured his rights.	In April 2020, the Court partially approved the handling of the claim as a class action against Clal Insurance and three additional insurance companies. The approved class includes anyone who was a policyholder in long-term care insurance, and who lost the ability of independent continence (fecal or urinary), due to a combination of reduced continence ability which did not constitute organic loss of control, together with a low functional condition, and who, despite the foregoing, did not receive points from the insurance company for the “continence” activity, as part of the evaluation of their claim for long-term care insurance benefits, in a manner which prejudiced their rights to insurance benefits during the period between September 8, 2012 and the date when the claim was approved as a class action. The plaintiffs’ motion to approve the claim as a class action, also with respect to the class of policyholders who are incontinent due to functional limitations or mobility deficiencies, which led to the event of incontinence, and with respect to the class of policyholders suffering from cognitive deficiencies, who were not recognized as “mentally frail”, was dismissed. The causes of action for which the class action was approved include breach of the long-term care insurance contract resulting in the non-payment of long-term care insurance benefits, or in the underpayment of long-term care insurance benefits, due to non-recognition of policyholders as eligible for points with respect to the action of “incontinence”. The claimed remedy is compensation of the class members who did not receive points with respect to the action of “incontinence”. The proceedings are currently in the claim handling stage. The parties are conducting mediation	The plaintiffs contend that the damage cannot be estimated at this stage, but estimate it at tens or even hundreds of millions of NIS. The personal damage claimed by the plaintiff from Clal Insurance, as alleged, amounts to a total of approximately NIS 32,500 (without linkage differentials and interest).

proceedings between them.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A1. Material claims for which class action status was approved (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
11.	10/2016 District - Center	Clal Insurance	The plaintiff contends that when engaging with a collective policyholder (health fund) in the sale of a collective long-term care insurance policy, Clal Insurance undertook to provide, to the holders of the collective policy who join the individual policy, a 20% discount on the premium, and that it failed to do so (the "Collective Policy").	Repayment of the amounts which were overcollected from the class members.	In accordance with the Court's decision - anyone who purchased, from October 30, 2009 to December 31, 2018, an individual long-term care insurance policy of Clal Insurance, in which the eligibility period was for lifetime compensation, when they held the collective policy, and to whom Clal Insurance did not provide, in the individual policy, a discount of at least 20% on the lowest premium practiced at Clal Insurance on the purchase date for individual policies corresponding to the plan which was chosen by the policyholder, with respect to policyholders of a similar age and with a similar health condition, provided that they do not exceed the tariff which was approved by the regulator.	In January 2021, the Court partially approved the motion. The class action plaintiff's motion to approve the claim as a class action, also with respect to the entire group of policyholders who hold individual long-term care policies in which the eligibility period for compensation is not for the policyholder's entire lifetime, was dismissed. The causes of action for which the claim was approved as a class action include breach of the collective policy's provision, unjust enrichment, and the claimed remedy is repayment of the amounts which were overcollected from the class members. The proceedings are currently in the claim handling stage.	In the claim, the plaintiff estimated the damage claimed for all of the class members in the amount of NIS 52 million, with respect to damage which was allegedly caused before the date when the motion was filed, and NIS 126 million with respect to the damage which is expected to be caused to the class members over the next 10 years.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A2. Pending motions to approve class action status for material claims

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
1.	7/2014	Clal Pension and Provident Funds Ltd. and against four additional managing companies of pension funds	According to the plaintiffs, two associations which claim that their purpose is to assist the senior population, the defendants increased the management fees which are charged from retirees of the pension funds which are managed by them, during the annuity receipt stage, to the maximum management fees permitted for collection by law (0.5% of the accrued balance), while abusing the fact that the retirees are a “hostage population”, although active members pay, on average, significantly lower management fees. It was further claimed that the defendants do not disclose to their members that immediately when they become pensioners, the management fees which they pay to the defendants will be increased to the maximum management fees.	Reimbursement of the excess management fees which were unlawfully collected from the class members, with the addition of interest and linkage; To order the defendants to reduce the management fees which are charged from the pensioners, in a manner whereby the management fees which were collected prior to the commencement of the retirement of each one of them, will not increase; To prohibit the defendants from increasing the management fees for members proximate to their retirement.	Any person who is a member of a new comprehensive pension fund which is managed by one of the defendants, and who is entitled to receive an old age pension and/or who will be entitled to receive an old age pension in the future.	In September 2015, the plaintiffs filed a reply to the defendants’ response to the motion to approve (the “Plaintiffs’ Reply”), in which, inter alia, a new claim was raised, according to which the defendants did not send to their members advance notice regarding the increased management fees, as required in accordance with the provisions of the law. At the request of the Court, in September 2017, the Commissioner’s position was filed, which determined, inter alia, that in accordance with the provisions of the law and the circular dated July 2014, it was possible to collect, during the annuity receipt period, management fees at a rate of less than 0.5%, and that there was no regulatory obligation for the defendants to announce the increase in management fees once the members reached retirement age. The proceedings are currently in the stage of hearing the motion to approve the claim as a class action.	The plaintiffs estimate that the management fees which were unlawfully collected by the defendants from current pensioners amount to NIS 48 million, that the management fees which will be unlawfully collected in the future from current pensioners amount to NIS 152 million, and that the management fees which will be unlawfully collected in the future by the defendants from future pensioners, with respect to accrual which was performed until now, amount to NIS 2,800 million. The aforementioned amounts are claimed with respect to all of the defendants.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A2. Pending motions to approve class action status for material claims (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
2.	11/2014 District - Center	Clal Insurance, Tmura Insurance Agency (1987) Ltd. (hereinafter: "**Tmura**"), an additional insurance company and an additional insurance agency.	According to the plaintiffs, the holders of credit cards from Isracard and Israel Credit Cards Ltd. ("CAL"), who called in order to activate the basic policy of the credit cards, which is provided free of charge, they were sold, during the call, a product which is not an extension, addition or increase of the basic policy, but rather an ordinary policy, sold at full price, in a manner whereby that person was insured twice, from the first Shekel, on all matters pertaining to the overlapping coverages in the two policies.	To order the defendants to repay to the class members the excess premiums which were paid by the class members during the seven years which preceded the filing of the claim; To order the defendants to take into account, as part of the sale of the policies, the economic value of the basic policies, and to collect premiums which will take into account that value; To provide full and adequate disclosure to those calling the call center; To allow the holders of Isracard and CAL credit cards to activate the basic policy by means other than the call center; Alternatively, to order any other remedy in favor of the class, including the issuance of instructions regarding supervision, and execution of the ruling.	The holders of Isracard and CAL credit cards who were entitled to receive international travel insurance, at no extra charge, and who purchased, in the last seven years, international travel insurance from the defendants through the call centers operated by the defendants.	In April 2019, the parties filed with the Court a motion to approve a settlement arrangement. In accordance with the settlement arrangement, Clal Insurance will provide to the class members, as defined in the settlement agreement, a database of international travel insurance days free of charge, which may be used in accordance with the provisions of the settlement agreement. In November 2019, the Attorney General of Israel filed an objection to the settlement arrangement which was filed with respect to the additional insurance company, and in December, he announced that the grounds of his objection applied to the settlement arrangement with Clal Insurance as well. In April 2020, the Court gave a decision regarding the motion to approve the settlement agreement, according to which, at this time, in light of the airspace closure affecting a significant number of countries around the world, including Israel, due to the global coronavirus pandemic, it cannot be said that compensation in the form of providing international travel insurance days is the fair way to resolve the dispute, at this stage, from the perspective of the class members, without denying that the arrangement, in itself, is reasonable and fair. The parties were therefore requested to negotiate between them, and to notify the Court of their positions in the future.	The total damage claimed for all of the class members from Clal Insurance amounts, in the plaintiff's estimate, to a total of approximately NIS 70 million.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A2. Pending motions to approve class action status for material claims (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
3.	7/2015 District - Tel Aviv	Clal Insurance	The plaintiff contends that Clal Insurance calculates the rights for payment of stipends and/or for the discounting of stipends which are owed to policyholders who freeze the payment of premiums (in full or in part) temporarily for a certain period and/or who do not pay the premiums for a number of months, in breach of the provisions of the law, in breach of the provisions of the policy and the required formula for the calculation of the stipend, as included in the policy (hereinafter: the "**Required Formula**"), and also asserted that Clal Insurance refuses to deliver information to its policyholders.	To order Clal Insurance to reimburse the monthly stipend and/or the discounting of the stipend, in accordance with the provisions of the required formula, and to order Clal Insurance to pay to the class members who already incurred damages, the stipend differences or the stipend discounting differences which are owed to them, with the addition of duly calculated linkage differentials and interest. Alternatively, the plaintiff is petitioning for the issuance of a declaratory order stating that Clal Insurance is in breach of the policy provisions.	Regarding the non-monetary remedies - all policyholders of Clal Insurance who hold policies which are similar to the plaintiff's policies (the "**Policyholders**"), who, during a certain period or periods, did not pay, temporarily, the premiums under the policy. Regarding the monetary remedies: all of the policyholders who began receiving from Clal Insurance a monthly stipend which is lower than the monthly stipend which would have been paid in accordance with the required formula, as well as policyholders who chose discounting of the stipend, and where the calculation used to discount their stipend was lower than the discounting of their stipend which would have been paid in accordance with the required formula.	In June 2016, the motion of the parties to transfer the hearing to a board which is hearing an additional claim by the plaintiff, on the subject of the calculation of the rights in life insurance policies, where the policyholder does not pay the full premiums, as specified in section (a)(a1)(8) above, was approved (the "**Prior Proceedings**"). Due to the fact that a decision in the prior proceedings has implications for the questions which are raised in these proceedings, the Court decided to stay the hearing of these proceedings until the evidence hearing stage in the prior proceedings has concluded.	The total damage claimed for all of the class members, in the plaintiff's estimate, to a total of no less than NIS 25 million.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A2. Pending motions to approve class action status for material claims (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
4.	9/2015 District - Tel Aviv	Clal Pension and Provident Funds Ltd. and four additional managing companies of pension funds	The plaintiffs, members of pension funds managed by the defendants, contend that the mechanism for the compensation, by commission, of agents and brokers, as a percentage of the management fees which are charged from members, as was practiced by the defendants, constitutes a breach of fiduciary duty towards the members of provident funds managed by the defendants, and results in the defendants' collection of management fees in amounts which are higher than appropriate.	To order the defendants to change the mechanism for compensation of agents, and to repay to the members the management fees which were overcollected from them.	Members of provident funds managed by the defendants, from whom management fees were collected while providing a commission to agents which was derived from the amount of management fees.	The proceedings are currently in the stage of hearing the motion to approve the claim as a class action.	The plaintiffs estimate the total damage incurred by all of the class members as approximately NIS 2 billion, reflecting damage at a rate of approximately NIS 300 million per year since 2008.
5.	10/2015 District - Center	Clal Insurance	The plaintiff brings claims against the definition of "disability" in accidental disability policies, which allegedly create uncertainty, and against the policy terms, which require the receipt of reasonable proof within one year after the date of the accident. In this regard, it was claimed that despite the fact that the Company received "reasonable proof" regarding the permanent disability of policyholders as a result accidents which occurred since June 2009, it paid to them reduced insurance benefits, or rejected their claims for insurance benefits due to disability. The claim also includes assertions regarding the calculation of disability rates in the payment of insurance benefits in the event that the policyholder has more than one disability, as well as assertions regarding the revaluation of insurance benefits with respect to linkage differentials and interest.	To order Clal Insurance to pay to the class members insurance benefits with respect to permanent disability as a result of an accident, in accordance with the terms of the policy, and to order it to cease its unlawful conduct.	Any person who was insured by Clal Insurance in accidental disability policies, where, despite the fact that Clal Insurance received "reasonable proof" of the permanent disability due to an accident which occurred beginning in June 2009, paid reduced insurance benefits with respect to his disability, or rejected his claim for insurance benefits due to his disability, for the reasons specified in the claim (in whole or in part).	In July 2016, following the announcement of the class action plaintiff, who agreed to the summary dismissal of the claim, and withdrew his claim, the Court summarily dismissed the claim. In September 2016, an appeal was filed with the Supreme Court on behalf of the class action plaintiff against the ruling, in which the claim was summarily dismissed. In November 2017, the Supreme Court revoked the ruling, insofar as it pertains to the summary dismissal of the claim, and ordered the plaintiff to file a clarification notice with the District Court, regarding the question of based on which causes of action the claim is requested to be conducted, and which of the plaintiff's assertions meets the requirement of personal cause of action, and the plaintiff filed the foregoing clarification notice, and in April 2018, the District Court instructed the plaintiff to file an amended motion for approval of the claim as a class action, according to the specific causes of action which it specified. After the dismissal of the aforementioned motion for leave to appeal, which the plaintiff had filed with the Supreme Court, the plaintiff filed with the Court an amended motion to approve, which pertained to the specific causes of action which were determined by the Court, as stated above. The proceedings are currently in the stage of hearing the motion to approve the claim as a class action.	The petitioner estimates the damage incurred by the class at a total of NIS 90 million.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A2. Pending motions to approve class action status for material claims (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
6.	12/2015 District - Tel Aviv	Clal Insurance and an additional insurance company	The plaintiffs contend that the defendants charged, from holders of life insurance policies which were issued beginning on August 1, 1982, in which the sub-annual installments component was reduced, where the premium is paid in installments during the year (hereinafter: "**Sub-Annual Installments**"), an effective interest rate which is higher than the maximum interest rate which the Insurance Commissioner allowed insurance companies to charge with respect to the sub-annual installments component. According to the plaintiffs, this collection is in breach of the law, policy and common practice in the finance segment, and ignores the monthly premium payment date, and the fact that the annual premiums gradually decrease during the year.	To order the defendants to change the method used to calculate the sub-annual installments component, in a manner whereby it will be calculated in consideration of the actual premium payment dates, and in consideration of the reduction of the annual premiums for each payment. To reimburse to the class members the amounts of the sub-annual installments component which were overcollected from them, beginning on the date when the sub-annual installments component was charged to the policyholders, until a ruling has been given on the claim, or alternatively, in the seven years prior to the plaintiff's claim, until a ruling has been given on the claim. Alternatively, the plaintiff is petitioning for the issuance of a declaratory ruling, according to which the method used by Clal Insurance to calculate the sub-annual installments component is illegal, or for the issuance of another declaratory ruling considered appropriate by the Court, in light of the circumstances.	Holders of life insurance policies which were issued beginning on August 1, 1982, and in which a sub-annual installments component was collected, where the premium is paid in installments throughout the year.	In May 2020, a ruling was given in which the District Court dismissed the motion to approve the claim as a class action. In September 2020, the plaintiffs appealed the ruling.	The total damage claimed for all of the class members, in the plaintiffs' estimate, amounts to a total of no less than NIS 50 million.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A2. Pending motions to approve class action status for material claims (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
7.	2/2016 District - Center Lod	Clal Pension and Provident Funds Ltd. and four additional managing companies of pension funds	According to the plaintiff, an association which alleges that its purpose is to act on behalf of weak population groups and persons with special needs, the defendants charge, from recipients of disability and survivor annuities, management fees at the maximum rate permitted by law, while exploiting the fact that they are not permitted to transfer their monies to another fund.	To order the defendants to reimburse, to all recipients of disability and/or survivor annuities, all of the management fees which were unlawfully collected from them, with the addition of interest, or alternatively, to reimburse to the pension fund the management fees which were and/or which will be unlawfully collected from recipients of disability and/or survivor annuities, and to implement a just and fair distribution of the funds.	Any person who receives and/or who has the right to receive a disability annuity, as well as any person who receives and/or who has the right to receive a survivor annuity, and any person who is a member of a pension fund managed by the defendants, and who incurred damage as a result of the collection of management fees in connection with the disability and survivor annuities.	The proceedings are currently in the stage of hearing the motion to approve the claim as a class action.	The amount of the class action claim was not quantified in the statement of claim; however, in accordance with an actuarial opinion which was attached to the motion, the damages caused to the class members was estimated, according to an initial estimate, as a total of approximately NIS 1 billion, against all of the defendants.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A2. Pending motions to approve class action status for material claims (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
8.	8/2016 Regional Court - Tel Aviv (1) 10/2016 Regional Labor Court of Jerusalem (2) 11/2016 Regional Court of Jerusalem (3) 12/2016 Regional Court - Tel Aviv (4) 7/2019 Regional Court - Tel Aviv (5)	Clal Pension and Provident Funds Clal Insurance "Atudot" - Pension Fund for salaried Employees and Self-Employees Ltd. (a subsidiary of Clal Insurance (held 50%)) (hereinafter: "**Atudot**")	The five claims involve the assertion that the defendants collect from members in the pension funds, in the Tamar provident funds, and in the study funds which are managed by them, and in managers' insurance policies, in addition to the management fees, also "investment management expenses" (hereinafter: "**Direct Expenses**"), although there is no contractual provision which allows them to collect those expenses, and in breach of the fund regulations.	The plaintiffs in the five claims request to order the defendants to reimburse the direct expense amounts which were overcollected from them. Additionally, some of the plaintiffs request to order the defendants to pay the additional difference of returns which would have been generated by the amounts which were overcollected had they been invested in the pension fund, while some request to order the defendant to pay the duly calculated NIS interest difference, from the date of overcollection until the date of actual payment.	Members of the pension funds, the study fund, and the provident fund "Clal Tamar" which are managed by the defendants, and holders of managers' insurance policies, from whom investment management expenses were collected during the seven years preceding the filing of the relevant claim.	In May 2018, the position of the Capital Market, Insurance and Savings Authority was filed, within the framework of the proceedings which are being conducted before the Regional Labor Court of Jerusalem, which primarily stated that the managing companies are entitled to collect expenses even if it was not explicitly stated in the regulations. In June 2018, the Authority's responses to the questions which had been addressed to it were filed, within the framework of the proceedings 8(1) and 8(4). The proceedings are currently in the stage of hearing the motions to approve the claims as class actions. It is noted that in May 2019, the District Court of the Central District decided to approve a motion to approve a class action regarding the collection of direct expenses in individual life insurance policies (the "**Decision to Approve**"). In the decision to approve, it was determined that the absence of a clear provision in the policy regarding the collection of direct expenses constitutes a negative arrangement, and therefore, the defendants were not entitled to collect those expenses. In September 2019, a motion for leave to appeal the decision to approve was filed with the Supreme Court (hereinafter: the "**Motion For Leave To Appeal**"), and in August 2020, the Attorney General submitted his position, in which it was stated that the motion for leave to appeal and the appeal per se should be approved, such that the decision to approve should be canceled, for the reasons specified in the Attorney General's position (hereinafter: the "**Attorney General's Position**". The institutional entities in the Group are not parties to these proceedings. In October 2020, the petitioners in proceedings 8(1) and 8(4) were added to the motion for leave to appeal. In February 2020, the Court ordered a stay of the hearing of the motion to approve claim no. 5 against Atudot Pension Fund, until after the Supreme Court has reached a decision regarding the abovereferenced motion for leave to appeal. It was further determined that despite the delay in the proceedings, Atudot will submit its response to the motion to approve, which was submitted in July 2020. In September 2020, the Court gave its decision that the Attorney General's position will be attached to proceedings 1 and 4, and in October 2020, a decision was given to attach it to the motions to approve regarding claims 2 and 3. The Court also ordered a stay of these motions until the Supreme Court has reached a decision regarding the motion for leave to appeal.	In claim 1, which refers to the pension funds, the amount of the class action was set as NIS 341 million, with respect to the years 2009-2015, plus the investment management expenses which were collected by the defendant from the class members in 2016, and plus the returns which would have been earned by the funds which were deducted as investment management expenses. In claim 2, which refers to the study fund, the amount of the class action was set, on an estimation basis, as a total of approximately NIS 53 million. In claim 3, which refers to the Tamar provident fund, the amount of the class action was set, on an estimation basis, as a total of approximately NIS 181 million. In claim 4, which refers to managers' insurance policies, the amount of the class action was set, on an estimation basis, as a total of approximately NIS 404 million, plus the investment management expenses which the defendant charged to the class members in 2016, as well as interest and linkage. In claim 5, which refers to the pension fund which is managed by Atudot, the amount of the class action was set, on an estimation basis, as a total of approximately NIS 41 million.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A2. Pending motions to approve class action status for material claims (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
9.	9/2016 District - Tel Aviv	Clal Insurance and three other insurance companies	The plaintiffs assert that the defendants allegedly collected and continues to collect from the holders of health insurance policies premiums with respect to unnecessary coverages which the policyholders do not need, and that the respondents allegedly sold to the policyholders, knowingly and deliberately, health insurance policies which include coverages for which the policyholders had no need, since they have supplementary health insurance from the health fund to which they belong, and that they also made one service conditional upon another, with no possibility to acquire a limited policy, which includes only coverages which are not included in the supplementary health insurance policies of the health funds, thereby creating "double insurance".	Reimbursement of the excess premium amounts which were allegedly unlawfully overcollected, issuance of a mandamus order instructing the defendants to change their method of action, as described in the claim, as well as any other additional remedy which may be considered appropriate by the Court, in light of the circumstances.	Anyone who is insured, or was insured, by any or all of the defendants in any of the health insurance policies which include coverages which overlap, either fully or partially, with the coverages which are included in the supplementary health insurance policies of the health funds.	In October 2020, a ruling was given in which the District Court dismissed the motion to approve the claim as a class action. In November the plaintiffs filed with the Supreme Court an appeal against the foregoing ruling, and the defendants filed an appeal against the decision not to order the plaintiffs to pay expenses.	The amount of the class action against the defendants was set as a total nominal amount of NIS 4.45 billion, where the share of Clal Insurance out of that total, as calculated by the plaintiffs, was set as NIS 995 million.
10.	4/2017 National Labor Court	Tmura Insurance Agency (1987) Ltd. (hereinafter: "**Tmura**"), a second-tier subsidiary of the Company, which is an insurance agency which manages pension arrangements, and against three additional insurance agencies.	According to the plaintiffs, the defendants provided services with respect to the regulation of social / pension provisions, for both employers and employees; however, they charged the consideration from the employees only, without their knowledge or consent, and in breach of the duties which apply to them by law.	To order the defendants to compensate the class members for the damages which they incurred (each defendant with respect to its relevant class members), or alternatively, to order any other remedy in favor of the Group.	Any person who is included among the group of customers of the defendants while the defendants provided, to their employers, pension arrangement management services, during a period beginning defendants before the filing date of the new motion, until the date when the employer began bearing, out of its own resources, the costs of operating the employee's pension arrangement.	In August 2020, the Regional Labor Court gave a ruling in which it dismissed the motion to approve the claim as a class action. In October 2020, the petitioners in the motion to approve filed an appeal against the foregoing ruling.	The amount claimed with respect to the damages incurred by all of the class members amounts to a total of approximately NIS 357 million against all of the defendants, of which, approximately NIS 88 million was attributed to Tmura.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A2. Pending motions to approve class action status for material claims (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
11.	9/2017 District - Jerusalem	Clal Insurance and additional insurance companies	The plaintiffs contend that the defendants do not duly apply section 5(b) of the Adjudication of Interest and Linkage Law, 1961 (hereinafter: the "**Adjudication of Interest and Linkage Law**"), and do not pay, as a matter of policy, the required interest and linkage pursuant to that law, with respect to any debt which was ruled against them by a judicial authority, and which was not paid by them on the date set for its payment.	Declaratory relief with respect to the breach of the provisions of the law, compensation to the class members with respect to the alleged damages which they incurred, and ordering the defendants to correct the policy from this point forward.	Anyone to whom amounts were paid by the defendants which were ruled in their favor by a judicial authority, without the addition of linkage differentials and/or interest and/or linked interest to the ruled amount.	The proceedings are currently in the stage of hearing the motion to approve the claim as a class action. In March 2021, the parties petitioned the Court to approve a settlement arrangement, in which it was agreed, inter alia, that the defendants would amend the wording of the certificates of settlement which they use, insofar as may be necessary, such that the required date for the payment of insurance benefits will be 30 days after the date of the fulfillment of the conditions for payment, and the defendants will honor the receipt of certificates of settlement in accordance with the mechanism for submitting certificates of settlement which was determined in the settlement agreement. The settlement arrangement's entry into effect is conditional upon the receipt of court approval, the provision of which is uncertain.	The amount of personal damages alleged by the plaintiff against Clal Insurance amounted to NIS 56.47. The plaintiffs, in the absence of accurate data regarding the aggregate damage incurred by the class, estimate the damage as a minimum of tens of millions of NIS, if not more.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A2. Pending motions to approve class action status for material claims (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
12.	12/2017 District - Jerusalem	Clal Insurance, two additional insurance companies, Clalit Health Services and Maccabi Health Services.	The plaintiffs contend that the defendants refuse, allegedly, to cover with long-term care insurance people who are on the autistic spectrum, or set impossible and unreasonable conditions for them, without providing any explanation or justification for their actions.	Issuance of a declarative order stating that the defendants have breached, by their conduct, Part H of the Equal Rights for Persons with Disabilities Law, 1998, the Equal Rights for Persons with Disabilities Regulations (Notice of Insurer Regarding Provision of Different Treatment for a Person or Regarding Refusal to Insure a Person), 2016 (the "**Equality Law**"), and additional legislation; the issuance of a mandamus order requiring the defendants to stop discriminating against the class members, and to establish clear work policies regarding individual and equal treatment, without prejudice, of persons with disabilities; the issuance of a mandamus order requiring the defendants to retroactively insure the class members, who will be found qualified to receive long-term care insurance, following an egalitarian underwriting process, in accordance with the aforementioned policies.	People with disabilities on the autistic spectrum who request to be covered under long-term care insurance at any of the defendants, and who unlawfully received from the defendants different and discriminatory treatment, due to the fact that they are people with disabilities, whereby the decision was not based on reliable and relevant statistical, actuarial and medical data regarding the specific insurance risk, and/or for which no reason was given, as required in accordance with the Equal Rights Law and other provisions of the law, during the seven years preceding the filing of the motion to approve.	In January 2020, the Attorney General of Israel announced that he did not wish to appear in the proceedings, and that this announcement did not change the position which he filed regarding another similar case, in which he expressed the position that the insurance company's reliance on the reinsurers' underwriting policies complies with the provisions of the Equal Rights Law. In March 2020, the motion to summarily dismiss which had been filed by the health funds was dismissed. The parties filed an appeal against the aforementioned decision, inter alia, in connection with the decision regarding the motion to summarily dismiss. The funds' appeal against the dismissal of their petition for summary dismissal was dismissed in November 2020. The proceedings are currently in the stage of hearing the motion to approve the claim as a class action.	The plaintiffs have not quantified the damage for all of the class members, and have estimated the personal damage incurred by the plaintiffs as tens of thousands of NIS per plaintiff.
13.	1/2018 District - Center	Clal Insurance and five additional insurance companies.	The plaintiff, Public Trust, a Public Benefit Company, contends that the defendants unlawfully avoid paying to their policyholders and/or to third parties the VAT component which applies to the cost of the damage, when the damage was not actually repaired.	To order the defendants to pay the VAT component, according to the rate which applies to the damage amount, to the class members; to determine and declare that the defendants' avoidance of payment of insurance benefits and/or indemnification with respect to the VAT component which applies to the amendment, in cases where the damage was not actually repaired, is done in violation of the law; to issue a mandamus order requiring the defendants, from this point forward, to include in the insurance benefits which they pay also the VAT which applies to the cost of the repair, including if the damage has not been actually repaired, and as a result, also in case the policyholder or a third party receives insurance benefits at "reimbursement value", and not at "reinstatement value", and to order the defendants to pay to them insurance benefits with respect to the full amount of damage, including VAT.	Any policyholder and/or beneficiary and/or third party, in any insurance type whatsoever, who, as of the filing date of the insurance claim, has not repaired the damage which he claimed, and who received from the insurance company insurance benefits and/or reimbursement with respect to the damage, and where the insurance benefits did not include the VAT component which applies to the repair.	The proceedings are currently in the stage of hearing the motion to approve the claim as a class action. It is noted that a claim and a motion to approve it as a class action, based on the same cause of action, were filed in the past against the Company and three additional insurance companies, and were struck out on procedural grounds.	The plaintiff estimates the damages owed to the class members by Clal Insurance, with respect to each year, at a total of NIS 17,732,580. The plaintiff is petitioning for the payment of damages with respect to the beginning on since June 4, 2001, or alternatively, for a period of 7 years since the filing date of the previous claim, or alternatively, for a period of 7 years since the filing date of the claim in question.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A2. Pending motions to approve class action status for material claims (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
14.	3/2018 Regional Labor Court of Tel Aviv	Clal Pension and Provident Funds Ltd. and five additional managing companies of pension funds.	According to the plaintiffs, members of pension funds which are managed by the defendants, the defendants collect survivor premiums from members who join the pension funds which are managed by them, who have no survivors, without actively attempting to disclose and explain to such members that they should avoid purchasing and paying for survivors insurance coverage, and without clarifying to members who have chosen to waive survivors insurance coverage, shortly before the end of the waiver period, that the waiver is about to expire.	Issuance of a mandamus order instructing the defendants to credit, to the savings fund of the class members, all of the funds which were paid by them and applied to survivor premiums, plus the returns which those funds would have received had they been credited to the savings funds on the date of their payment to the pension fund. Issuance of a mandamus order instructing the defendants to duly disclose, clarify and explain to anyone who joins or is added to the fund, that if they do not have survivors, they would benefit from waiving the purchase of survivors insurance.	Anyone who does not have survivors, who joined or was added to a pension fund which is managed by any of the defendants, and from whom the fund collected survivors insurance premiums, despite the fact that they have no survivors, as this term is defined in the directives of the Authority of Capital Markets, Insurance and Savings.	The proceedings are currently in the stage of hearing the motion to approve the claim as a class action. In October 2020, a decision was given which accepted the motion of the Israel Consumer Council to attach its position and to join the proceedings.	In the statement of claim, it was stated that the plaintiffs are unable to estimate, at this point, the rate of cumulative damages incurred by all of the class members.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A2. Pending motions to approve class action status for material claims (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
15.	8/2018 Regional Labor Court of Tel Aviv	Clal Insurance	The plaintiff contends that Clal Insurance paid, to holders of guaranteed-return insurance policies which were issued between the years 1962 and 1990 ("**Guaranteed-Return Policies**"), interest according to rates which were lower than the rates which it was required to pay in accordance with the publication issued by the Authority of Capital Markets, Insurance and Savings (hereinafter: the "**Capital Market Authority**"), and as a result, that it performed unjust enrichment at the expense of policyholders. It was further asserted that Clal Insurance did not pay interest in arrears to policyholders in cases involving arrears in the redemption of funds from guaranteed-return policies.	The payment of the difference between the interest rate which Clal Insurance actually paid to holders of guaranteed-return policies, and the interest rate which it would have been required to pay in accordance with the publication of the Capital Market Authority, and the update to unredeemed guaranteed-return policies, in accordance with the interest rate which were published by the Capital Market Authority. The plaintiff is also petitioning for payment of duly calculated linkage and interest in arrears in case of arrears in the redemption of funds by virtue of guaranteed-return policies.	Holders of guaranteed-return policies to whom interest was not paid with respect to these policies, according to the rates which were published by the Capital Market Authority, and holders of guaranteed-return policies to whom duly calculated interest in arrears was not paid with respect to the delay in the redemption of the policy funds.	In February 2020, the position of the Capital Market, Insurance and Savings Authority regarding the proceedings was received, which, in general, supported the position of Clal Insurance, and in which it was primarily stated that the returns which the insurance company is required to credit to policyholders are as agreed upon in the policy, and that there is no undertaking by the insurance company towards the state to credit minimum returns to policyholders. The Capital Market Authority's position also supported the Company's position regarding the date from which interest should be paid in respect of a delay in redemption. The proceedings are currently in the stage of hearing the motion to approve the claim as a class action.	The plaintiff did not specify the cumulative damage incurred by all class members (however, it was asserted that the damage exceeds NIS 2.5 million). The plaintiff's personal damage was estimated at a total of NIS 133,657.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A2. Pending motions to approve class action status for material claims (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
16.	11/2018 District - Center	Clal Insurance	The plaintiffs contend that Clal Insurance breaches its contractual obligation under the policy, and allegedly refuses to pay, to holders of comprehensive motor insurance policies for vehicles weighing over 3.5 tons, compensation with respect to the vehicle's loss of value as a result of the insurance event, although the policy covers the "damage" caused to the vehicle, while affecting the assessments which are prepared by the arrangement loss adjusters.	Declaratory relief; Ordering Clal Insurance to indemnify all of its policyholders who were covered under the policy, and whose vehicles suffered and/or will suffer loss value as a result of the insurance event, as well as any other remedy considered by the Court to be appropriate and just, in light of the circumstances.	All policyholders of Clal Insurance who acquired and/or will acquire from Clal Insurance comprehensive motor insurance for vehicles weighing up to 3.5 tons, and whose vehicles, as a result of the insurance event, as defined in the policy, suffered and/or will suffer damage in the form of loss of value.	The proceedings are currently in the stage of hearing the motion to approve the claim as a class action.	The plaintiff estimates the amount of damages incurred by the class members at approximately NIS 75 million. The plaintiff's personal damage was estimated at a total of NIS 21,605.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A2. Pending motions to approve class action status for material claims (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
17.	3/2019 District- Jerusalem	Clal Insurance	The plaintiffs contend that the defendant issues personal accident policies to its policyholders upon their purchase of international travel insurance, without their consent, and in a misleading manner.	An order to reimburse the funds which were collected by the defendant to each of the class members, with respect to the payment of a personal accidents insurance policy during the last seven years	Any policyholder who, when purchasing an international travel insurance policy, was also added at that time, without their consent, to personal accidents insurance, and who was unlawfully charged monthly premium payments up to 7 years before the filing date of the claim.	In December 2020, the parties filed with the Court a motion to approve a settlement arrangement. In accordance with the settlement arrangement, certain policyholders who have claims regarding the insurance sale process will contact Clal Insurance, and their sale process will be evaluated, and insofar as any defects are found, in accordance with the criteria specified in the settlement agreement, they will be entitled to compensation according to the rate specified in the settlement agreement. An agreement was also reached regarding the payment of compensation to the plaintiff and to its representative, in immaterial amounts. The agreement is subject to the Court's approval, which is uncertain to be received. The proceedings are currently in the stage of hearing the motion to approve the claim as a class action.	The plaintiffs estimate the damage incurred by the class members at approximately NIS 17 million. The personal damage claimed by the defendant amounts to NIS 1,044.
18.	6/2019 Regional Labor Court of Tel Aviv	Clal Insurance	The plaintiff contends that the defendant systematically reduces the benefits of loss of working capacity insurance which it pays to its policyholders by virtue of loss of working capacity insurance policies of the profit sharing type, by unlawfully deducting management fees and nominal interest.	Repayment in kind of the funds which were unlawfully withheld, according to the plaintiff, from the class members, and crediting the savings in the policies with respect to the released premium funds. The plaintiff is also petitioning for a declaration announcing the non-validity of the provisions in the policies pertaining to the deduction of interest and management fees from the returns to which policyholder are entitled.	All holders, or former holders, of profit-sharing loss of working capacity policies which included a mechanism for linking the monthly compensation and/or premium release payments to the investment portfolio's returns, beginning with the 25th payment, to whom Clal Insurance paid monthly compensation and/or release for a period exceeding 24 months, and deducted from the returns, beginning with the 25th payment, interest and/or management fees.	The proceedings are currently in the stage of hearing the motion to approve the claim as a class action.	The total damage allegedly incurred by all of the class members was estimated by the plaintiff in the amount of NIS 2,402,836,000.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A2. Pending motions to approve class action status for material claims (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
19.	10/2019 District-Tel Aviv	Clal Insurance	The plaintiff contends that Clal Insurance unlawfully collects linkage differentials and interest with respect to premiums in motor property policies, which are paid on the dates listed in the policy schedule. Alternatively, it was asserted that if the Court determines that Clal Insurance is entitled to collect linkage differentials and interest, as stated above, then its calculation of linkage differentials is performed unlawfully, and the linkage differentials should be calculated according to the difference between the index which was published either 30 days after the commencement date of the insurance period or after the date of submission of the account for the premiums (whichever is later), and the index on the date of actual payment (hereinafter: the “Alleged Calculation”).	To repay to the class members the amounts with respect to the overcharges, plus linkage differentials and interest from the date they were charged until the date of their repayment	Anyone who purchased from the defendant an individual motor insurance policy, where it was determined, in the policy schedule, that the premiums will be paid according to the determined amounts and dates, and who paid on those dates, but were still charged linkage differentials and interest by Clal Insurance, during the seven years preceding the filing of the motion. Alternatively, insofar as the Court has determined that Clal Insurance was entitled to add linkage differentials and interest with respect to the premium payments, the plaintiff requests to define the class which it wishes to represent as including anyone who purchased from the defendant an individual motor insurance policy, where it was determined, in the policy schedule, that the premiums will be paid according to the determined amounts and dates, and from whom linkage differentials were charged, which were not calculated according to the alleged calculation.	The proceedings are currently in the stage of hearing the motion to approve the claim as a class action.	Estimated at a total of no less than NIS 5,000,000

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A2. Pending motions to approve class action status for material claims (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
20.	10/2019 District-Center	Clal Insurance	The plaintiff contends that Clal Insurance collects, in life insurance policies, premiums which include an addition for "sub-annual installments", with respect to premium payments which are made in monthly installments, without clearly and explicitly agreeing upon and disclosing the matter in the policy. The plaintiff contends that Clal Insurance is thereby breaching the provisions of the policy and other legislative provisions, and systematically misleading policyholders. The plaintiff also contends that the demand for payment of the addition with respect to sub-annual installments constitutes a discriminatory condition in a standard contract.	To grant declaratory relief ordering Clal Insurance to cancel the charge with respect to "sub-annual installments", and to compensate the class members, according to the rate of damages which they incurred, including repaying to the class members the premiums with respect to "sub-annual installments" which they paid prior to the filing date of the claim. The plaintiff is also petitioning to order Clal Insurance to correct the annual reports to policyholders, and to send to them reports which include details regarding the addition of the "sub-annual installments" which are being collected from them, and which will be collected from them, until the policy conclusion date, and to allow them to choose between prepayment of the premiums each year, without the addition of "sub-annual installments", and payment of monthly premiums, which include the addition of "sub-annual installments".	Any policyholder of Clal Insurance who purchased from it a life insurance policy, in which they were obligated to pay premiums which include an addition with respect to "sub-annual installments", without having explicitly specified in the policy that the policy includes an addition with respect to "sub-annual installments", for payment of the premium in monthly installments.	In October 2020, the parties filed with the Court a settlement arrangement and a motion to approve it (hereinafter: the "**Settlement Arrangement**"), in which the primary request is for Clal Insurance to send to certain class members, as defined in the settlement agreement, a letter informing them of the collection of the addition of "sub-annual installments", and their option to change the framework for payment of future premiums, to an annual payment framework. It was further agreed, as part of the settlement arrangement, that Clal Insurance will pay to the plaintiffs and their representatives compensation and professional fees. The settlement arrangement's entry into effect is conditional upon the receipt of court approval, the provision of which is uncertain.	NIS 1.8 billion

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A2. Pending motions to approve class action status for material claims (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
21.	11/2019 Regional Labor Court of Tel Aviv	Clal Insurance	The plaintiff contends that Clal Insurance collected management fees in life insurance policies combined with savings of the "profit sharing" type which were issued before January 12, 2004 (hereinafter: the "**Relevant Policies**"), in rates which deviate from what is permitted, without any legal and/or contractual basis.	A remedy of repaying the amount of management fees which were unlawfully collected from the class members, and a mandamus order instructing Clal Insurance to change its operating method with respect to the collection of management fees in the relevant policies from this point forward.	Anyone who was or is a holder of the relevant policies of Clal Insurance, and from whom Clal Insurance collected, during the 7 years preceding the filing date of the claim, and until the approval date of the claim as a class action, management fees which deviate from what is permitted in accordance with the Control of Financial Services Regulations (Insurance) (Terms of Insurance Contracts), 1981, according to their wording at the time, and/or in accordance with the provisions of the policy.	The proceedings are currently in the stage of hearing the motion to approve the claim as a class action.	NIS 120 million
22.	2/2020 District-Center	Clal Insurance	The plaintiff contends that Clal Insurance used old or outdated mortality tables to calculate the premiums in life insurance policies, in a manner which allowed it to collect from policyholders higher premiums than it should have collected, had it used current mortality tables, in breach of the Commissioner's directives, and in violation of the law.	Repayment of the premiums which were overcollected from the class members, plus duly calculated linkage differentials and interest; and to order Clal Insurance to update the mortality tables immediately, in accordance with the instructions and guidelines which were issued the Commissioner.	All policyholders or insured individuals who held life insurance policies with death (risk) coverage of Clal Insurance, and who paid, according to the plaintiff, higher insurance premiums than the premiums which Clal should have collected from them, due to the use of old or outdated mortality tables to calculate the premiums, beginning 7 years after the filing date of the claim, until the approval of the claim as a class action.	The proceedings are currently in the stage of hearing the motion to approve the claim as a class action.	The plaintiff has not estimated, at this stage, the cumulative damage incurred by all class members.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A2. Pending motions to approve class action status for material claims (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
23.	2/2020 District-Center	Clal Insurance and an additional insurance company	According to the plaintiffs, due to "lack of knowledge" because of the non-provision and publication of a students personal accidents insurance policy (the "**Policy**") to the policyholders and their families, and the non-publication of the policy, the policyholders do not exercise their right to compensation by virtue of the policy, and incur damages.	Ordering the defendants and the Commissioner of Insurance to disclose documents and information; ordering the extension of the prescription period; ordering the appointment of a committee which will include independent entities, and which will be authorized to discuss and decide regarding all of the personal claims under the policy, for a period of three years, regarding all of the cases prior to October 25, 2016 (the "**Committee**"), and which will also be authorized to discuss the issue of policy submission; ordering a procedure of shifting the burden of proof; Issuance of a mandamus order obligating the defendants to compensate the plaintiffs, in accordance with the committee's decision; Ruling special damages for the plaintiffs, and legal fees for its representatives.	The motion classifies the plaintiffs into two sub-groups, which are primarily defined as follows: Any school or kindergarten student in the State of Israel, who was covered by the defendants under a personal accidents insurance policy, and who did not receive a personal accidents insurance policy at their home, beginning with the school year which began in September 2006, and/or any student whose claim against the insurance company has been prescribed; The motion also includes the definition of two sub-groups with respect to students who were born after October 25, 1995, and who, between the ages of 3 and 19 (the period of their studies in Israel, from kindergarten until the end of high school in 12th or 13th grade), suffered an accident, which caused them to suffer physical injury, and who did not receive insurance benefits under the policy, divided into sub-groups, according to the heads of damage which were specified in the motion; Additionally, the sub-group of people born in the years 1974 to 1995 - whose members include people and/or parents and/or heirs who were born and/or studied in Israel between the years 1974 and 1995, and who were injured or killed after 1992, and who did not claim, because they were not aware of the policy, and its scope; and the sub-group of all policyholders - all students and their parents from September 1992 to September 18, 2016, distributed into sub-groups according to the heads of damage specified in the claim.	The proceedings are currently in the stage of hearing the motion to approve the claim as a class action. It is noted that motions and claims which are similar to this motion and claim which were filed against Clal Insurance were struck out by the Court on procedural grounds in January 2020.	The plaintiffs estimate the alleged damage against Clal Insurance at a total of approximately NIS 1.4 billion, plus damages in the amount of approximately NIS 1.5 billion, which are attributed to the two defendants with respect to harm to autonomy.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A2. Pending motions to approve class action status for material claims (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
24.	3/2020 Regional Labor Court of Tel Aviv	Clal Insurance	According to the plaintiff, Clal Insurance systematically breaches the provisions of the law by unlawfully collecting premiums with respect to "temporary risk" insurance (payment for insurance coverage in situations where the routine deposits to a savings policy which includes insurance components are discontinued), through deductions from the accrued savings amount, in excessive amounts, while reducing the accrued savings amount, without informing the policyholders in advance regarding the preparation of "temporary risk" insurance, or the conditions and tariffs thereof, and while breaching the obligation to send to policyholders pages of updated insurance details, on time, or at all.	(1) Reimbursement of all of the funds which were collected from the accrual and/or by other means, with respect to the entire period after the discontinuation of work (except in cases where the policyholder requested, in writing, to acquire the insurance covers). Alternatively, reimbursement of all of the funds which were collected with respect to the period 3 or 5 months after the conclusion of their employment, in accordance with the relevant legislative arrangement (hereinafter: the "Automatic Temporary Risk Period"), and in cases involving increased premiums, reimbursement of the excess premiums also with respect to the automatic "temporary risk" period; (2) A prohibition against the preparation of "temporary risk" insurance for a period exceeding the automatic temporary risk period, except for policyholders who have requested it in writing; (3) Ordering Clal Insurance to reimburse the excess premiums to policyholders from whom double premiums were collected (with respect to the month when they returned to work); (4) Various provisions regarding future activity (including a prohibition against increasing the price of premiums, giving advance notice regarding the purchasing of temporary risk, and more).	The represented class for the purpose of the non-monetary remedies includes all of the policyholders in provident funds or insurance plans in which funds of employers and/or employees are deposited with respect to loss of working capacity insurance and/or insurance in case of death or any other insurance risk. The represented class for the purpose of the monetary remedies includes: (A) All policyholders from whom amounts were collected, from the accrual amounts or from any other source, with respect to amounts with respect to or insurance in case of death or any other insurance event, and who did not receive notice in advance; (B) Alternatively, policyholders from whom premiums were collected for periods exceeding the automatic temporary risk period, except if agreed in advance; (C) Policyholders from whom premiums were collected in an amount higher than the premiums which were collected from them when they were active policyholders and/or which were collected from them with respect to new insurance policies, which they did not have prior to the conclusion of their employment; (D) Policyholders from whom double premiums were collected.	The proceedings are currently in the stage of hearing the motion to approve the claim as a class action.	The amount of the class action is estimated, conservatively, according to the plaintiff, at no less than NIS 7 million per year. The plaintiff contends that prescription of any kind whatsoever should not be applied to the claim. Alternatively, the claim for monetary remedies applies beginning from 7 years before the filing of the claim, which was filed in 2020, until the approval of the claim as a class action.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A2. Pending motions to approve class action status for material claims (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
25.	4/2020 District Court Tel Aviv	Clal Insurance and 12 additional insurance companies	According to the plaintiffs, the respondents should be ordered to compensate the class members, and to reimburse in full the damages they incurred with respect to excess premiums which have been paid and are still being paid with respect to motor insurance, due to the dramatic reduction of their use of vehicles during the period of COVID-19, and the significant reduction of the risk level.	Compensation of the class members, full reimbursement of the damages they incurred, issuance of a mandamus order instructing an adjustment of collection according to the risk which was actually applicable to the respondents during the effective period and/or issuance of a declaratory ruling determining that a significant reduction of the use of the vehicle in circumstances such as the events occurring during the effective period require an adjustment (reduction) of premiums.	Anyone who was a policyholder of one or more of the respondents in compulsory insurance and/or comprehensive insurance and/or third party insurance, during all or part of the period beginning on March 8, 2020 and ending on the date of the full and absolute lifting of the restrictions on movement which were imposed on the residents of Israel due to the coronavirus.	The proceedings are currently in the stage of hearing the motion to approve the claim as a class action. In February 2021, the Court ordered the unification of the motion to approve this class action, with respect to compulsory motor insurance, with a separate motion to approve a class action, which involves similar causes of action, in which Clal Insurance is not a respondent, which was filed in April 2021.	The plaintiffs estimate the alleged damage against Clal Insurance, with respect to the period from March 8, 2020 to April 30, 2020, at a total of NIS 103 million, and for all of the respondents together (except one), at a total of approximately NIS 1.2 billion. Alternatively, with respect to 8 of the defendant companies (which do not include Clal Insurance), the damage was alleged to be approximately NIS 720,000. The petitioners stated that the damages continue to accumulate so long as the collection is not stopped.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A2. Pending motions to approve class action status for material claims (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
26.	4/2020 District Court Tel Aviv	Clal Insurance and 12 additional insurance companies	According to the plaintiffs, the respondents should be ordered to reimburse to their policyholders some of the premiums which were paid to them with respect to the significant decrease in risk due to the coronavirus (COVID-19) pandemic, in compulsory motor policies, comprehensive or third party motor property policies, and theft of apartment contents policies.	Ordering each of the respondents to reimburse the premiums which were overcollected by them due to the decreased risk associated with the insurance policies which form the subject of the motion to approve and of the class action, and reimbursement of any additional amount which will be collected by them from the filing of the motion to approve until its approval by the Court and/or until the lifting of the restrictions on movement and activity, whichever is earlier, such that the risk level returns to its level prior to the change in circumstances which led to the decreased risk, as stated above.	Anyone who entered into a contract with Clal Insurance for compulsory motor insurance and/or comprehensive motor insurance and/or third party motor insurance and/or apartment contents insurance, and who, as of the effective date for the filing of the motion to approve and of the class action, i.e., as of March 19, 2020, held one or more of the aforementioned insurance policies, and who, in light of the decrease in risk associated with each of the aforementioned policies, did not receive from Clal Insurance actual reimbursement and/or did not receive notice of future reimbursement and/or crediting with respect to premiums which they overpaid, due to the decreased risk, as specified in the motion to approve.	The proceedings are currently in the stage involving an evaluation of the motion to approve the claim as a class action. In February 2021, the Court decided, with respect to Clal Insurance and the other defendants (except for one), to strike out the claim and the associated motion regarding motor insurance, which will be heard within the framework of the motion described in section a(a2)(25) above, and will remain regarding apartment insurance only.	The plaintiffs estimate the alleged damage against Clal Insurance, with respect to a period of one month, beginning on March 19, 2020, at a total of approximately NIS 76 million, and for all of the respondents together, at a total of approximately NIS 886 million.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A2. Pending motions to approve class action status for material claims (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
27.	4/2020 District Court Haifa	Clal Insurance and 6 additional insurance companies	The plaintiffs contend that the respondents should be ordered to compensate the class members, and to reimburse all of their damages in the form of excess premiums which were paid and are still being paid with respect to comprehensive insurance for businesses (including stores, offices, workshops, plants, shopping malls, hotels, restaurants, cinemas, sports facilities, etc.), due to the dramatic decrease in the activity of those businesses due to the government's decisions to reduce activity in light of the coronavirus (COVID-19) pandemic, and the correspondingly significant decrease in the risk level to which the respondents are exposed.	Compensation of the class members, full reimbursement of the damages they incurred, issuance of a mandamus order instructing an adjustment of collection according to the risk which was actually applicable to the respondents during the effective period and/or issuance of a declaratory ruling stating that the significant decrease in the activity of the businesses, in circumstances such as the events during the effective period, requires an adjustment (reduction) of premiums.	Anyone who was a policyholder of one or more of the respondents, in business insurance which includes employers' liability insurance and/or third party insurance, during the period from March 15, 2020 until the full and absolute lifting of the restrictions which were imposed on the residents of Israel due to the coronavirus pandemic.	The proceedings are currently in the stage of hearing the motion to approve the claim as a class action.	The plaintiffs estimate the alleged damage against Clal Insurance, with respect to the period from March 15, 2020 to April 30, 2020, at a total of NIS 12.14 million, and for all of the respondents together, at a total of approximately NIS 81.37 billion. The petitioners noted that the damage continues accumulating so long as the collection has not been discontinued.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A2. Pending motions to approve class action status for material claims (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
28.	4/2020 District Court Center	Clal Insurance and 4 additional insurance companies	The plaintiffs contend that the defendants allegedly provide their customers with alternative windshields, which are not original, and not standard-compliant, in breach of their undertakings towards their customers according to their agreements with them.	Monetary compensation for all clients in whose vehicles an alternative windshield has been installed, which will allow them to replace the windshield that was installed in their vehicle, with an original windshield; Monetary compensation in the amount of NIS 500 for each of these customers, with respect to the hassle involved in making the replacement; Reimbursement, to the entire class of customers who held in the past or currently hold a policy which includes coverage for windshield breakage, the value of the savings which the respondents saved in their engagement with windshield installers, who were allowed to install alternative windshields which were not standard-compliant, and not original.	Any customer of the defendants who held or currently holds a letter or coverage which includes an undertaking by any of them to provide the customer with an alternative standard-compliant windshield, or original windshield, as well as any customer of the defendants who held or currently holds a letter or coverage which includes an undertaking by any of them to provide the customer with an alternative standard-compliant windshield, or original windshield, who received a windshield which was neither standard-compliant nor original.	The proceedings are currently in the stage involving an evaluation of the motion to approve the claim as a class action.	The plaintiffs have not quantified the total damage claimed for all of the class members which they wish to represent; however, they estimate that it significantly exceeds a total of NIS 2.5 million.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A2. Pending motions to approve class action status for material claims (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
29.	7/2020 District Court Center	Clal Insurance and 4 additional insurance companies	The plaintiffs contend that the defendants allegedly do not reduce the insurance premiums for policyholders for whom exclusions have been established due to a pre-existing medical condition, despite the fact that the exclusions allegedly reduce the insurance risk relative to the risk in insurance policies of policyholders for whom similar exclusions have not been established.	Compensation/reimbursement of all of the amounts which were allegedly overcollected from the policyholders who are included in the class, plus duly calculated linkage differentials and interest, as well as a mandamus order instructing the defendants to change their conduct.	Anyone who was insured during the period beginning 7 years prior to the filing date of this claim, and ending on the approval date of the claim as a class action, by one or more of the defendants, in insurance policies of the following types: disability, long-term care, life, loss of working capacity, personal accidents or health (including critical illness, surgeries in Israel or abroad, implants in Israel or abroad, drugs, ambulatory treatments, or any other medical coverage), in which the policy has an exclusion. For this purpose, "**exclusion**" means any stipulation in the policy which determines that an event / injury / illness or any risk which has materialized and/or is related to a pre-existing medical condition of the policyholder on the date the policy was purchased, is not covered under the policy.	The proceedings are currently in the stage involving an evaluation of the motion to approve the claim as a class action.	The plaintiffs estimate the total damage for all of the class members, with respect to all of the defendants, at a total of NIS 1.9 billion, while stating that the share of each of the defendants is in accordance with the market segment of health and life insurance, according to the publications issued by the Commissioner of Capital Markets.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A2. Pending motions to approve class action status for material claims (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
30.	7/2020 District Court Center	Clal Insurance	the plaintiff contends that Clal Insurance unlawfully applies an exclusion in the policy which determines that, in case the policyholder had a medical defect which was diagnosed and documented during the first 12 months of their life, they will be denied long-term care insurance benefits (hereinafter: the "**Exclusion Clause**"). The plaintiffs contend that Clal Insurance rejects claims for long-term care insurance benefits also in cases where the defect had not been diagnosed or documented, and assert that it was wrong, from the outset, to include the exclusion clause in the policy.	Declaratory relief ordering the calculation of the exclusion clause, or alternatively, declaratory relief determining that Clal Insurance's interpretation of the provisions of the exclusion clause, according to which it is permitted, by virtue of that clause, to exclude from entitlement to an annuity also minors who were not diagnosed, in a documented medical diagnosis, before reaching 12 months of age, is invalid. Additionally, remedy requiring monetary compensation with respect to all monetary and non-monetary damages, plus duly calculated interest and linkage.	All holders of long-term care insurance policies of Clal Insurance who meet the conditions for the receipt of a long-term care insurance annuity, who were rejected based on the exclusion clause due to a birth defect, or birth illness, or illness which was diagnosed in the first year of life; Including: Group A - anyone who underwent an insurance event, and whose claim was rejected based on the grounds that symptoms existed in their first year of life which could have led to a documented diagnosis in their first 12 months of life, and anyone who was entitled to receive the annuity, but in light of the aforementioned policy of Clal Insurance, did not submit a request to receive it; Group B - anyone who underwent an insurance event, and whose claim was rejected based on the existence of a documented diagnosis in their first 12 months of life, and anyone who was entitled to receive the annuity, but in light of the existence of the aforementioned diagnosis, did not submit a request to receive it.	The proceedings are currently in the stage involving an evaluation of the motion to approve the claim as a class action.	The plaintiffs have not specified a total sum of damages for all of the class members, but estimate it at a total exceeding NIS 2.5 million.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A2. Pending motions to approve class action status for material claims (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
31.	8/2020 District Court Jerusalem	Clal Insurance and the Netiv Pension Fund Retiree Association - Southern and Central Regions (hereinafter: the "**Association**").	The plaintiffs contend that Clal Insurance unilaterally and immorally canceled the collective life insurance policy which it had sold to the association (hereinafter: the "**Policy**"), without notifying the policyholders of the desire to cancel and/or extend the policy, in breach of its legal obligation.	The remedy requested by the plaintiff is, inter alia, to order Clal Insurance to pay to restore the policy, or alternatively, to pay to the beneficiaries of the class members the entire amount of premiums which were collected from them with respect to the policy over the years when they were insured, plus duly calculated interest and linkage. To order Clal Insurance to pay all of the policyholders compensation with respect to the harm to their consumer autonomy.	Anyone who was insured by Clal Insurance in a policy which was canceled on May 1, 2014.	The proceedings are currently in the stage involving an evaluation of the motion to approve the claim as a class action. It is noted, in connection with the policy, that a previous motion to approve a claim as a class action was filed against Clal Insurance, which was approved (on this matter, see section a(a1)(9) above (hereinafter: the "**Previous Claim**")). Accordingly, based on the Company's preliminary assessment, the requested remedies in the claim overlap, to a certain degree, with the remedies which were requested in the previous claim. In April 2021, Clal Insurance filed a motion to summarily dismiss the motion.	The total damage claimed for all of the class members against Clal Insurance amounts, in the plaintiff's estimate, to a total of approximately NIS 33 million, of which a total of NIS 3 million is with respect to non-monetary damages.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A2. Pending motions to approve class action status for material claims (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
32.	9/2020 District Court Haifa	Clal Insurance	The plaintiff contends that Clal Insurance does not fulfill its obligations, and repays to its policyholders amounts which are significantly lower than the amounts which it undertook to pay in accordance with the implementation of the “no claim bonus clause” in health policies which were sold by Clal Insurance in the past, which gives the policyholder the right to receive reimbursement of a part of the premiums which they paid, in case there are no claims during a period specified in the policy.	The remedy requested by the plaintiff includes, inter alia, ordering Clal Insurance to compensate each of the class members who are entitled to a no claim bonus for the proportional part of the premiums, plus interest and linkage.	All holders of individual and collective health insurance policies of Clal Insurance, including health insurance and including extended liability insurance and full liability insurance, and including different names of the policies over the years, which included a “no claim bonus” clause, and who did not claim and/or avoided claiming compensation for 3 years, or for any other period according to the policy, and who were entitled to reimbursement of 10% of the premiums which were paid, or a different reimbursement percentage in accordance with the policy terms, and who received a lower amount than the amount which was owed to them in accordance with the policy terms, during the period of the claim.	The proceedings are currently in the stage involving an evaluation of the motion to approve the claim as a class action.	The damage claimed for all of the class members was estimated by the plaintiff in a total amount of NIS 33,575,080, during the seven years preceding the filing of the claim.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A2. Pending motions to approve class action status for material claims (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
33.	9/2020 District Court Center	Clal Insurance and an additional insurance company	The claim involves an assertion that the defendants acted in breach of the provisions of critical illness policies, and did not act in accordance with the policy terms, which determine that, after the occurrence of the first insurance event, and if the policyholder remains covered by the insurance policy, the insurance amount and the monthly premium will be reduced by 50%.	The remedy requested by the plaintiffs is compensation to the class members for past damages, as well as declaratory relief and a mandamus order instructing the defendants to change their operating methods.	All customers / policyholders of the respondents who held critical illness insurance and/or insurance for critical illness and severe medical cases and/or another similar insurance, defined by another name, who suffered a first insurance event, after which a higher premium was charged from them than had been agreed, in breach of the terms of the insurance policy, during the 7 years preceding the filing date of the motion.	The proceedings are currently in the stage involving an evaluation of the motion to approve the claim as a class action.	The plaintiffs estimate the total damage for all of the class members, with respect to Clal Insurance, at a total of NIS 16,800,000.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A2. Pending motions to approve class action status for material claims (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
34.	3/2021 District Court Haifa	Clal Insurance	The subject of the claim is the allegation that Clal Insurance violates the provisions of the law by making misrepresentations and misleading customers when marketing insurance policies which are not "provident funds" (as this term is defined in law), while ascribing a benefit to the product which does not actually exist. According to the petitioner's assertion, as a result, the National Insurance Institute offsets, from the annuities which are paid to policyholders by National Insurance, amounts which are paid from the policy. According to the petitioner, had the policy been defined as a "provident fund", the National Insurance Institute would not have offset these amounts.	The main remedies petitioned for by the plaintiff include: (1) a declarative order stating that Clal Insurance violated the provisions of the law; (2) A mandamus order requiring Clal Insurance to sell and market its products in accordance with the provisions of the law; (3) Repayment of the amounts which were paid for the policy in which the misleading representation was made; (4) Non-monetary damages due to harm to autonomy.	All customers of Clal Insurance who purchased, during the last seven years, the policy address in the claim, and any other policy of Clal Insurance, in which it made a similar misrepresentation and/or who became aware, during the last seven years, of the fraud alleged in the claim.	The proceedings are currently in the stage involving an evaluation of the motion to approve the claim as a class action.	The total damage claimed for all of the class members, in the plaintiff's estimate, amounts to a total of NIS 200 million.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A2. Pending motions to approve class action status for material claims (Cont.)

Serial number	Date and instance	Defendants	Main claims and causes of action	Main remedies	Represented class	Status / additional details	Claim amount
35.	4/2021 District Court Tel Aviv	Clal Insurance and 14 additional companies	The subject of the claim is the assertion that the defendants breach the provisions of the law by transferring their customers' private and confidential information, without the customer' consent, to third parties (and particularly to Google and to its advertising service), while prejudicing the customers' right to privacy, and breaching their legal obligations.	The main remedies requested by the plaintiffs include ordering the defendants to cease transferring information regarding their customers to third parties, to comply with the provisions of the law regarding protecting their customers' privacy; to disclose all of the documents which they have, and which could help investigate the truth, and to compensate for the monetary and non-monetary damages which the plaintiffs have incurred.	All customers of the defendants who made use of the digital services on the websites and apps which are operated by the defendants, during the seven years preceding the filing of the claim, and whose private and/or personal and/or confidential information was transferred to a third party	The proceedings are currently in the stage involving an evaluation of the motion to approve the claim as a class action.	The plaintiffs allege personal damage in the amount of NIS 2,000 for each of the class members, and estimate the aggregate damage incurred by all of the class members at millions of NIS.

A3. Material class actions and motions to approve class action status for material claims which concluded during the reporting period, until its signing[11] - None.

[11] This section includes a description of claims which concluded during the reporting year, and which were not reported in the financial statements for 2020, and also applies to claims in which a decision was made to strike out the claim, or in which a ruling was given, including a ruling to approve a settlement arrangement. The foregoing does not apply to followup regarding the implementation of the arrangements (including possible changes as part of the implementation of the arrangements and/or procedures involved in evaluating them) which were determined as part of the foregoing decisions, and which could continue over time, and the results of which cannot be fully estimated in advance.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A4. Presented below are additional details regarding exposure to class actions which are immaterial or which have not yet been filed and to additional expenses

1. In addition to the material class actions which are described in Note 7(a)(a1), the pending motions for the approval of class action status for material claims, as described in Note 7(a)(a2), and the motions to approve class action status for material claims which were withdrawn during the reporting period, as described in Note 7(a)(a3), there are pending against the Company and/or its subsidiaries motions to approve class actions which, according to the Company's estimate, are immaterial[12], and regarding which a detailed description was therefore not included in the financial statements. As of the reporting date, 15 claims of this kind are being conducted against the Company and/or its subsidiaries, where the total amount specified by the plaintiffs in the aforementioned claims amounts to approximately NIS 153 million[13].

2. In addition to the aforementioned legal proceedings, from time to time, potential exposures exist which, at this stage, cannot be estimated or quantified, with respect to commercial disputes or alerts regarding the intention to file claims, including class actions and derivative claims on certain matters, or legal proceedings and specific petitions which may in the future develop into claims, including class actions or third party notices against the Group's member companies, and potential exposure also exists, which at this stage cannot be estimated or quantified, to the possibility that additional class actions will be filed against the Group's member companies due to the complexity of the companies' insurance products, along with the complexity of the regulations that apply to and affect the member companies' activities, which may result in disputes regarding the interpretation of the provisions of the law or of an agreement, or regarding the manner of implementation of the provisions of the law or an agreement, or the method by which claims are settled in accordance with an agreement, as these apply to the relationship between the Group's member companies and the customer and/or the relationship between the Company and third parties, including reinsurers. In this regard it is noted that as of the reporting date, negotiations are being conducted with a reinsurer in connection with the completion of deposits in respect of previous years in the amount of approximately NIS 130 million (this amount does not include the development of claims with respect to the previous year, for which a payment demand was sent in the amount of approximately NIS 45 million, and an immaterial sum with respect to the current year). The Company believes, based on the position of its legal counsel, that insofar as the matter reaches litigation, the Company's chances of success in such litigation are higher, and a provision was therefore not recorded in the financial statements. The parties agreed to conduct mediation proceedings.

   This exposure is particularly increased in the long-term savings and long term health insurance branches, in which Clal Insurance is engaged, inter alia, due to the fact that, in those areas, some of the policies were issued decades ago, whereas today, due to significant regulatory changes, and due to the development in case law and in the Commissioner's position, the aforementioned policies may retroactively be interpreted differently, and may be subject to different interpretations than those which were in practice at the time when they were written. Moreover, the policies in the aforementioned segments have been in effect for decades, meaning that exposure exists to the possibility that in cases where the customer's claim is accepted and a new interpretation is provided for the terms of the policy, the future profitability of the Company in question will be affected by the existing policy portfolio. This is in addition to compensation that may be provided to customers with respect to past activity.

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[12] See note 1 above regarding the significance threshold.

[13] The foregoing number of claims includes one filed claim whose status as a class action has been approved, one claim in which Clal Insurance is a formal defendant, and no remedies are requested against it, and one claim in which the amount which was claimed and included in the calculation was not attributed to the Company only, but to additional companies as well. The aforementioned amount does not include one claim in which the plaintiff did not specify the claim amount, but estimated it at tens of millions of NIS, and one claim in which the plaintiffs did not specify the claim amount, but estimated it as millions of NIS. For additional information regarding all class actions, see Note 7(c) below.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A4. Presented below are additional details regarding exposure to class actions which are immaterial or which have not yet been filed and to additional expenses (Cont.)

2. (Cont.)

The 2015 amendment to the Control of Financial Services (Insurance) Law, 1981, and supplementary arrangements, include various provisions and restrictions regarding provisions which should or should not be included in insurance plans, and provisions pertaining to a reduction of the exclusions which may be included in the policies (hereinafter, jointly: "**Insurance Plan Reform**"). The insurance plan reform allows the sale of insurance products after they have been submitted in advance to the Commissioner, with no need for explicit approval, and also allows the Commissioner, under certain conditions, to order an insurer to discontinue its provision of insurance plans or to order an insurer to implement a change in an insurance plan, including with respect to policies which have already been marketed by the insurer. It is not possible to predict in advance and to what degree the insurers are exposed to claims with respect to the policy's provisions, to the manner of application of the Commissioner's authorities in accordance with the insurance plan reform, nor its implications, which may be raised, inter alia, through the procedural mechanism set forth in the Class Action Law.

There is also exposure, which at this stage cannot be estimated or quantified, to errors in the methods used to operate products in the long-term savings and health segments. It is not possible to predict in advance all types of claims which may be brought in this context and/or the possible exposure due to them which may be brought up, inter alia, by means of the procedural mechanism for class actions and/or industry-wide decisions of the Commissioner.

Such exposure is due, inter alia, to the complexity of the aforementioned products, which are characterized by a very lengthy lifetime, and are subject to frequent, complex and material changes, including changes in regulatory and taxation directives. The complexity of the changes, and the application thereof over a large number of years, creates increased operational exposure, also due to the multiplicity and limitations of the automation systems used in the Group's institutional entities, due to additions / changes to the basic product structure, and due to multiple, frequent changes implemented over the product's lifetime, including by regulatory authorities, customers (employees) and/or by employers and/or by other parties acting on their behalf, with respect to insurance coverages and/or with respect to savings deposits, including in connection with reporting to members, and the need to create direct contact with employers and operating entities.

The above complexity and changes affect, inter alia, the volume and amounts of deposits, the various components of the product, the manner in which funds are associated with employees (including due to inconsistencies between the employer's reports and the policy data), products and components, their charging dates, the identification of arrears in deposits and the handling of such cases, and the employment, personal and underwriting status of customers, and affects, inter alia, the information which is given to them. The aforementioned complexity is increased in light of the large number of parties acting vis-a-vis the companies in the Group regarding the management and operation of the products, including, inter alia, distributing entities, employers, customers and reinsurers, including as regards the ongoing interface with them, and contradictory instructions which may be received from them, or from their representatives. The member institutional entities in the Group routinely investigate, identify and handle issues which may arise due to the aforementioned complexities, both with respect to individual cases, and with respect to customer types and/or product types.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A4. Presented below are additional details regarding exposure to class actions which are immaterial or which have not yet been filed and to additional expenses (Cont.)

2. (Cont.)

The entry into effect of the Control of Financial Services Regulations (Provident Funds) (Payments to Provident Funds), 2014, which were replaced by the circular regarding the method for depositing of payments in provident funds (the "Payment Regulations"), intensified and increased, in the short term, the aforementioned complexity, and even resulted in delays in the process of funds intake and distribution. The institutional entities are implementing ongoing processes to address the issue in their systems, in a manner which, over time, resulted in improvements to the process of intake of pension amounts which were received by the Company from employers. Institutional entities in the Group are continuing to perform processes for the implementation and handling of issues which arise as part of the adoption of the circular regarding the payment deposit method, as well as other provisions which are updated from time to time regarding uniform records which are used to transfer information and to perform activities between the institutional entities, license holders, and other consumers of information in the pension savings segment. The Group's institutional entities are working to reduce the existing gaps, including through improvements to the automation systems and to the work processes. However, it is noted that the entry into effect of the directive regarding the reporting requirement on the level of the policyholder, as part of the employers interface (as opposed to reporting on the level of each pension product), is expected to add operational difficulty to the association of the deposits to the various pension products of policyholders and members.

The Group's institutional entities also routinely perform a process of data cleansing on the IT systems in the long-term savings segment, which is intended to guarantee that the recording of members' and policyholders' rights in the information systems is complete, accessible and retrievable, with reference to the gaps which are found, from time to time, including as regards automating the classification of the saved amounts, in accordance with the layers of regulatory directives which have been given over the years, which are in various stages of handling. The institutional entities in the Group are unable to estimate the scope, cost, and full implications of the aforementioned activities, or the scope of the future gaps in data cleansing, which may result from regulatory changes, due, inter alia, to the complexity of the products, the fact that they are long term products, due to the multiplicity of automation systems in the segment, and their limitations. The Group's institutional entities update their insurance liabilities from time to time, as required.

There is also exposure, which at this stage cannot be estimated or quantified, to changes and to significant regulatory intervention in the various insurance and savings segments, including, inter alia, those which are intended for the direct or indirect reduction of premiums and management fees, the intervention in sale processes, including different use of various regulatory tools, which may affect the process of engagement, the structure of engagement and the reciprocal relationships between institutional entities, agents, employers and customers, in a manner which could affect loads, operating expenses and profitability, on the retention of current products, including with respect to the business model of the branch and the current portfolio of products.

The exposure to unfiled claims of member companies in the Group is brought to the Company's attention in several ways. This is performed, inter alia, through requests from customers, employees, providers or other parties on their behalf to entities in the companies, and particularly to the ombudsman in member companies in the Group, through customer complaints to the public appeals unit in the Office of the Commissioner, through (non-class action) claims which are filed with the Court, and through position papers issued by the Commissioner.

Note 7: Contingent Liabilities and Claims (Cont.)

A. Class action claims (Cont.)

A4. Presented below are additional details regarding exposure to class actions which are immaterial or which have not yet been filed and to additional expenses (Cont.)

2. (Cont.)

It is noted that insofar as the customer's complaint is submitted to the public appeals unit in the Office of the Commissioner, in addition to the risk that the customer will choose to bring its claims also within the framework of a class action, the member companies in the Group are also exposed to the risk than the Commissioner will reach a determination regarding the complaint by way of a sector-wide determination, which will apply to a broad group of customers. In recent years, an increase has occurred in the exposure to the aforementioned risk, due to the Commissioner's increasing through audits, handling of customer complaints which are received by the Authority, including in light of the fact that, from time to time, the Commissioner tends to determine positions in principle by way of industry-wide determinations, position papers and draft position papers which are published by him, and in operative directives which are given as part of audit reports. For additional details regarding industry-wide determinations and position papers, see section D below.

Additionally, in accordance with the regulatory directives as part of the circular regarding the investigation and settlement of claims and the handling of public appeals, according to which, in cases where the public inquiry indicates a systemic and significant deficiency, which may be repeated, in the conduct of an institutional entity, the institutional entity must work to identify similar cases in which a similar deficiency took place, and insofar as similar cases are identified - it must conduct a lesson learning process, and to rectify the defects within a reasonable period of time. This amendment may expand the Group's exposure to the broad implications with respect to such deficiencies.

The member companies in the Group are unable to predict in advance whether a customer claim which has been brought to the companies' attention will eventually lead to the filing of a class action, or will lead to an industry-wide determination, or will have industry-wide implications, even in cases where the customer threatens to do so, and additionally, the member companies in the Group are unable to estimate the potential exposure that may be created due to the aforementioned claims, insofar as these may be heard and found justified by a competent authority.

B. Pending material claims which are not in the ordinary course of business

Clal Insurance engaged, from January 2004 to June 2013, with Hadassah Medical Organization (hereinafter: "**Hadassah**"), in a renewing annual agreement with respect to second layer professional liability insurance, providing insurance coverage for claims in an amount exceeding the self-insurance amount, which was given by Hadassah (hereinafter: the "**First Layer**"). The liability limit which was given by Clal Insurance in the second layer was changed over the insurance years, where the insurance liability in the last insurance period, which began in January 2012 and concluded in June 2013, was with respect to a claim whose amount was over approximately NIS 8.8 million, and up to a total of approximately NIS 18 million per event and approximately NIS 36 million for all policyholders with respect to that insurance period (the aforementioned amounts are linked to the consumer price index from January 1, 2012). In February 2014, Hadassah filed with the District Court of Jerusalem a motion to issue a stay of proceedings and for the appointment of a trustee for the purpose of formulating a recovery plan and creditors' settlement in accordance with sections 350b(d)(1) and 350(d) of the Companies Law (hereinafter: the "**Motion**"). As part of the proceedings which were conducted within the framework of the motion, claims were heard alleging that the insurance companies which provided professional liability insurance to Hadassah, including Clal Insurance, should bear the monetary costs which may be imposed in the first layer, beyond the amount of the designated deposit which Hadassah deposited for this purpose, in case Hadassah does not pay the claims itself. Clal Insurance clarified to the trustee that its position is different, and that it is responsible for the second layer only. To the best of the Company's knowledge, on May 22, 2014, the recovery plan was approved by the Court, and the stay of proceedings was lifted.

Note 7: Contingent Liabilities and Claims (Cont.)

C. Summary details regarding exposure to claims

Presented below are details concerning the total amount claimed in class action suits, both material and immaterial, which were approved for filing as class actions, in pending motions to approve claims as class actions, as specified by the plaintiffs in their claims (nominally) within the framework of the statements of claim which were filed against companies in the Group. It is noted that in most of the cases the amount claimed by the plaintiffs is an estimated amount only, and that the exact amount will be decided within the framework of the legal proceedings. It is noted that the above amount does not include claims for which the representative plaintiff has not stated an amount. Furthermore, it is hereby clarified that the claimed amount does not necessarily constitute quantification of the Company's actual exposure amount, which may eventually turn out to be lower or higher[14], and that the claimed amount generally pertains to the period before the filing of the claim, and does not include the subsequent period.

Type of claim			Number of claims	Amount claimed NIS in millions
			Unaudited	
A.	Claims approved as class actions			
	1.	Amount pertaining to the Company specified	8	2,266
	2.	The claim was filed against a number of entities, with no specific amount attributed to the Company	1	225
	3.	Claim amount not specified[15]	2	-
	4.	Annual amount specified (and accordingly, the total amount is period-dependent)[16]	1	107
B.	Pending motions to approve claims as class actions			
	1.	Amount pertaining to the Company specified[17]	33	7,964
	2.	The claim was filed against a number of entities, with no specific amount attributed to the Company[18]	5	5,971
	3.	Claim amount not specified / possible range specified[19]	13	-
	4.	Annual amount specified (and accordingly, the total amount is period-dependent)[20]	1	7

In addition to the details provided in sections (a) and (b) above, the Company and/or the consolidated companies are also party to other legal proceedings, which are not in the ordinary course of business, are not class actions / derivative claims, and are not material claims, which were initiated by customers, former customers and various third parties, for a total alleged sum of approximately NIS 35 million (as compared with a total of approximately NIS 31 million as of December 31, 2020). The causes of action claimed against the Company and/or the consolidated companies in these proceedings are multiple and varied.

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14 It is further noted that the specified amounts do not include amounts demanded by the plaintiffs with respect to compensation to the class action plaintiff, and legal fees for his representative, and do not include a claim against Atudot, as specified in section (a)(a2)(8), and also do not include an increase in claim amounts relative to the period beginning from the date it was filed, if relevant.

15 These claims include one claim which was estimated at hundreds of millions of NIS.

16 The specified amount refers to an estimation of the claim with respect to one damage year only. It is noted that the claim was filed in March 2010, with respect to a legislative amendment from 2008.

17 These claims include one claim in which the petitioners estimated the alleged damage against Clal Insurance, with respect to the period from March 8, 2020 until April 30, 2020, at a total of NIS 103 million, and stated that the damage continues accumulating so long as the collection has not been discontinued, and one claim in which the petitioners estimates the alleged damage against Clal Insurance, with respect to the period from March 15, 2020 to April 30, 2020, at a total of NIS 12.14 million, and stated that the damage continues accumulating so long as the collection has not been discontinued.

18 Includes one claim in which Clal Insurance is a formal defendant and no remedies are requested against it, and one claim in which a total of approximately NIS 1,413 million is attributed to the Company, and an additional total of approximately NIS 1,507 million was not attributed to the Company.

19 These motions include one motion for inclusion as a formal defendant, two motions in which the plaintiff did not specify the claim amount, but estimated it as many millions of NIS, another motion which was estimated at hundreds of millions of NIS, two motions which were estimated at tens of millions of NIS, and four motions in which the plaintiffs did not quantify the total damage, but estimated that it exceeds / greatly exceeds a total of NIS 2.5 million.

20 The motion was filed in March 2020. The plaintiff contends that prescription of any kind whatsoever should not be applied to the claim. Alternatively, the claim for monetary remedies applies beginning from 7 years before the filing of the claim, until the approval of the claim as a class action.

Note 7: Contingent Liabilities and Claims (Cont.)

D. Exposure due to regulatory provisions, audits and position papers

Additionally, and in general, in addition to the overall exposure to which the institutional entities in the Company's group are exposed, with respect to future claims, as specified in section (a)(a4)(2) above, from time to time, including due to complaints by policyholders, audits and requests for information, there is also exposure to alerts concerning the Insurance Commissioner's intention to impose on the above entities financial sanctions and/or directives issued by the Commissioner regarding correction and/or repayment and/or performance of certain actions with respect to a policyholder or a group of policyholders, and/or exposure with respect to industry-wide decisions, through which the Commissioner is also authorized to order the performance of a repayment to customers or other remedies with respect to the deficiencies which are referenced in the alerts or determinations and/or position papers published by supervisory entities, and whose status and degree of impact are uncertain. Additionally, from time to time, the institutional entities are involved in the hearing and/or discussion stages vis-à-vis the Control of Insurance Office concerning notices and/or determinations, and at times, enforcement authorities are implemented against them, including the imposition of financial sanctions.

The institutional entities in the Group are evaluating the need to perform provisions in the financial statements, in connection with the aforementioned proceedings, based on the opinion of their legal counsel and/or are currently evaluating the significance of the aforementioned proceedings, as required and as appropriate.

Presented below are details regarding the Commissioner's positions or draft positions, or determinations in principle which have or may have an impact on the class, as follows:

1. The Company held discussions with the Commissioner in the past, in connection with the draft determination regarding it, with respect to one-time deposits of policyholders in guaranteed return policies (hereinafter: the "**Policies**"). In accordance with the draft, the Company is obligated to take certain actions with respect to policyholders whose actual rate of deposits, which bore the returns of the portfolio of investment-linked insurance contracts, was equal to or greater than the returns guaranteed in the policies, and certain actions with respect to policyholders whose actual one-time deposit returns were lower than the guaranteed returns. Therefore, at this stage, in light of the fact that the final wording of the draft is not known, if and insofar as it will be received, the Company is unable to assess its implications and the degree of its impact on the Company, if and insofar as it will be published.

2. In accordance with Atudot's financial statements, an investee held by Clal Insurance (50%), in 2017 an audit of the pension fund was conducted on behalf of the Commissioner, on the subject of members' rights. On August 7, 2019, Atudot received the draft audit report for the Company's response. The draft audit report pertains to major issues associated with the pension fund's activity, including the issue of groups, the fund regulations, management fees and management expenses, data cleansing, actuarial reporting, and withdrawal of monies from the fund. In accordance with Atudot's reports, Atudot filed its response to the findings of the draft audit report by the specified deadline. Additionally, on August 7, 2019, the Company received a letter from the Commissioner which included, in light of the draft audit report which was sent, an immediate directive regarding a change to the method used to pay members upon the withdrawal of funds. In accordance with the Commissioner's demand, Atudot responded separately on this matter, though even after Atudot's response, the Commissioner's position did not change. Atudot contacted the Commissioner again, and presented to him additional data supporting its position, and is awaiting his response. The Company was informed that as of the approval date of the financial statements, until all of the discussion processes vis-à-vis the Capital Market Authority have been concluded, and until the official report has been received, Atudot is unable to estimate the impact of the draft report.

E. With respect to the costs that may arise due to the claims and exposures described in sections (a), (b), (c) and (d) above, provisions are made in the financial statements of the relevant consolidated companies, only if it is more likely than not (i.e., probability of over 50%) that a payment liability due to past events will materialize, and that the liability amount will be quantifiable or estimable within a reasonable range. The executed provision amounts are based on an estimate of the risk level in each of the claims as of a date proximate to the publication date of this report (excluding the claims which were filed during the last two quarters, regarding which, due to their preliminary stages, it is not possible to estimate their chances of success). On this matter, it is noted that events which take place during the litigation process may require a re-evaluation of this risk. Insofar as the Company has a right of indemnification from a third party, the Company recognizes such right if it is virtually certain that the indemnification will be received in the event that the Company settles the obligation.

Note 7: Contingent Liabilities and Claims (Cont.)

E. (Cont.)

The assessments of the Company and of the consolidated companies concerning the estimated risk in the claims which are being conducted are based on the opinions of their legal counsel and/or on the estimates of the relevant companies, including concerning the amounts of the settlement arrangements, which the managements of the Company and of the consolidated companies expect are more likely than not to be paid by them.

It is hereby emphasized that, in the attorneys' opinion, concerning the majority of motions to approve class action status with respect to which no provision was made, the attorney's evaluation refers to the chances of the motion to approve class action status, and does not refer to the chances of the claim on the merits, in the event that it is approved as a class action. This is due, inter alia, to the fact that the scope and content of hearing of the actual claim, once granted class action status, would be affected by the Court's decision with respect to the granting of class action status, which usually refers to the causes of action that were approved or not approved, to reliefs that were approved or not approved, etc.

At this preliminary stage, it is not possible to estimate the chances of the motion to approve class action status for the claim specified in section (a)(a2)(35).

The provision which is included in the financial statements as of March 31, 2021, with respect to all of the legal claims and exposures specified in sections (a), (b), (c) and (d) above, amounted to a total of approximately NIS 191 million (as compared with a total of approximately NIS 187 million as of December 31, 2020).

These amounts include provisions which were made with respect to past liabilities, in accordance with the attorneys' assessment, and do not include the effect of estimates on the estimated future cash flows which are included, when necessary, in the liability adequacy test.

Note 8: Additional Events During and After the Reporting Period

A. Actuarial estimates

Further to that stated in Note 38(e)(e1)(d)(1) to the annual financial statements, regarding the strengthening of insurance reserves in light of the low interest rate environment, and its impact on the discount rates in life and long-term care insurance and the Commissioner's directives regarding the liability adequacy test, and 38(e)(e2)4(a) regarding the main assumptions which were used for the purpose of the actuarial estimate in non-life insurance:

1. **Discount rate used to calculate the liabilities to supplement the annuity and paid pension reserves**
During the reporting period, changes occurred in the risk-free interest rate curve and in the estimated rate of return in the portfolio of assets held against insurance liabilities. In light of the foregoing, the actuary of Clal Insurance updated the interest rates on free assets which are used to discount the reserves to supplement annuity reserves and paid pension reserves.

2. **Gradual provision to supplement the annuity reserve using the K factor**
Further to that stated in Note 38(e)e1(a)3(b) to the annual statements, the Company evaluates, on a quarterly basis, whether the K factor results in adequate distribution of the annuity payment reserve, based on an analysis which is based on conservative financial and actuarial assumptions, indicating that the management fees and/or financial margin which are investments held against the reserve with respect to the policy and the premium payments for the policy, may generate future income beyond the basic K, which suffice to cover all of the expenses, and insofar as a gap exists, the reserves for supplementation of the annuity reserve are updated by updating the K factor. The greater the K factor, the lower the liability for supplementation of the annuity reserve which will be recognized in the financial statements, and the greater the amount which will be deferred and recorded in the future.
During the reporting period, due to the decrease of the risk-free interest rate curve, which was offset by the increase in the scope of assets managed for those policies, the forecast of management fees / financial margin decreased. As a result, the Company updated the K factor as specified in the following table:

	As of March 31		As of December 31
	2021	2020	2020
	Unaudited		Audited
For guaranteed-return policies	**0.0%**	0.0%	0.0%
For investment-linked policies	**0.66%_**	0.66%	0.68%

Note 8: Additional Events During and After the Reporting Period (Cont.)

3. Non-life insurance

During the reporting period, due to the decrease of the risk-free interest rate curve, the Company updated the estimated discount rate. The total impact of the change resulted in an increase of insurance reserves on retention in the amount of approximately NIS 27 million.

The impact on the financial results is specified below:

NIS in millions	For the period of three months ended March 31 2021	For the period of three months ended March 31 2020	For the year ended December 31 2020
	Unaudited	Unaudited	Audited
Life insurance			
Profit (loss) with respect to change in the discount interest rate used in the calculation of the liability to supplement the annuity and paid pension reserves	**47**	(44)	144
Loss with respect to change in pension reserves following the decreased forecast of future income (K factor)	**(35)**	(134)	(32)
Total effect of interest rate changes on the liability to supplement the annuity and paid pension reserves 1)	**12**	(178)	112
Change in other assumptions used in the calculation of liabilities to supplement annuity reserves 2)	**-**	-	(9)
Total special effects - life insurance 1)	**12**	(178)	103
Impact due to the implications of the Winograd and Kaminetz Committees and in consideration of the ruling which was given for the National Security Council 2)	**-**	(2)	45
Effect of the interest rate decrease on reserves in non-life insurance 1)	**(27)**	-	(30)
Total special effects - non-life insurance	**(27)**	(2)	15
Long-term care in the health segment - Liability adequacy test (LAT)	**(76)**	258	292
Total income (loss) before tax	**(91)**	78	410

Notes:

1. Changes in main estimates and assumptions which were used to calculate liabilities due to financial effects
For additional details, see Note 38(e)(e1)(d) and Note 38(e)(e2)(4)a to the annual financial statements.
2. In September 2020 the Supreme Court gave a ruling in a case involving the National Insurance Institute, in which the Court determined that the National Insurance Institute is required to set the subrogation claim which it filed based on a discount rate of 3% (instead of a discount rate of 2%, which had been demanded by the National Insurance Institute). In accordance with the conclusions of the Kaminetz committee (hereinafter: the "**Implications of the Winograd and Kaminetz Committees**")

B. Acquisition of all shares of Davidoff Pension Arrangements Life Insurance Agency (2006) Ltd. by a subsidiary of the Company, Clal Agencies Ltd.

Further to that stated in Note 42 to the Company's financial statements as of December 31, 2020, regarding the transaction involving the acquisition of all of the shares of Davidoff Pension Arrangements Life Insurance Agency (2006) Ltd. (hereinafter: "**Davidoff**") by Clal Agency Holdings (1998) Ltd. (hereinafter: "**Clal Agencies**") from Psagot Investments in Insurance Agencies Ltd. (hereinafter: the "**Seller**").

As of the reporting date, the regulatory approvals for the transaction have been received, but all of the suspensory conditions for its completion have not yet been fulfilled.

The financing of the transaction, insofar as it is completed, will be provided through capital notes from Clal Holdings to Clal Agencies in the amount of approximately NIS 58 million, and the remainder out of Clal Agencies' independent sources.

Note 8: Additional Events During and After the Reporting Period (Cont.)

C. Chairman of the Board

On February 3, 2021, the Company's Board of Directors approved the appointment of Mr. Haim Samet ("**Mr. Samet**" or the "**Chairman of the Board**") as the Company's Chairman of the Board. On April 11, 13 and 20, 2021, the Company's Compensation Committee and Board of Directors, respectively, approved the proposed terms of tenure of Mr. Samet as the Acting Chairman in a 50% position, as specified below (the "**Proposed Terms Of Tenure**"). The proposed terms of tenure will enter into effect subject to the approval of general meeting which has been scheduled for June 17, 2021, retroactively, beginning from the commencement date of Mr. Samet's tenure as the Chairman of the Board[21], and will remain in effect so long as Mr. Samet continues serving as the Company's Chairman of the Board.

The proposed terms of tenure comply with the provisions of the Executive Compensation Law, and in accordance with the Company's compensation policy, which was determined, inter alia, in consideration of the provisions of institutional entities circular 2019-9-6 (amendment to the provisions of the consolidated circular, Part 1, Volume 5, Chapter 5, entitled "compensation", dated July 11, 2019 (hereinafter: the "**Compensation Circular**"), as specified below.

The annual consideration with respect to the Chairman's tenure will amount to a total of 50% of the cap specified in section 2(B) of the Executive Compensation Law, plus duly payable VAT, i.e., an amount equal to 50% of the lowest employment cost of an employee in the Company (including contract workers hired directly by the Company, or hired by service providers which are hired by the Company), times 35 (the "**Annual Consideration**")[22], plus duly calculated VAT.

In light of the foregoing, as of the present date, the Chairman of the Board will be entitled to annual consideration in the total amount of approximately NIS 1.6 million. The foregoing amount will be linked to the rate of increase in the lowest compensation paid in the Company, in accordance with the Executive Compensation Law, and will be updated in case it is found that additional components are not included in the compensation cap which was determined in the Executive Compensation Law (including compensation for overtime). Once per year, an update will be given to the compensation committee and to the Board of Directors regarding the updating of the annual consideration, as stated above (if any). It is hereby clarified, in any case, that the annual consideration will be no less than NIS 1.6 million, and no more than a total cost in the amount of approximately NIS 1.75 million (including due to the update to the annual consideration, as stated above).

In accordance with the Company's compensation policy, which was determined, inter alia, in consideration of the provisions of the compensation circular, the Chairman of the Board will not be entitled to any variable component whatsoever (whether cash or equity).

The Chairman of the Board will be entitled to reimbursement of expenses in connection with the fulfillment of his duties, in accordance with the Company's standard practice, and in accordance with the Company's policies.
The Chairman will be entitled to request that the Company provide him with an appropriate vehicle, which will be entirely maintained by the Company, or reimbursement of expenses with respect to the use of the Chairman's private vehicle, and/or a cellphone which will be provided to him, and/or benefits, reimbursement of expenses and additional conditions, in consideration of his position as the Chairman of the Board, and in accordance with the Company's standard practice, provided that the total annual cost for the Company, with respect to the proposed terms of tenure, does not exceed the annual consideration.

The annual consideration also includes payment to the Chairman of the Board with respect to ordinary absence days and absence due to a health condition, in accordance with the Company's standard practice.

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21 It is noted that Mr. Samet has served as a director in the Company since January 3, 2021. During his period of tenure until his appointment as Chairman, Mr. Samet will be entitled to the compensation which is paid to directors in the Company. It is further noted that the directors' compensation which was paid to Mr. Samet beginning from the commencement date will be deducted from the proposed terms of tenure.

22 The lowest compensation in the Company for the purpose of section 2(B) of the Executive Compensation Law, during the year preceding the approval date of the Chairman of the Board's proposed terms of tenure, times 35, amounted to approximately NIS 3.2 million (not including the legally required provision for severance pay and compensation).

Note 8: Additional Events During and After the Reporting Period (Cont.)

C. Chairman of the Board (Cont.)

The engagement with the Chairman of the Board is not time-limited, and each of the parties is entitled to announce the termination of the engagement at any time, and for any reason whatsoever, subject to written notice 6 months in advance (the "**Advance Notice Period**"). The advance notice period will also apply at the end of the tenure period, insofar as it has not been renewed and/or extended. The Board of Directors will be entitled to waive all or part of the Chairman's services during the advance notice period.

Notwithstanding all of the foregoing, in case the employment of the Chairman of the Board has been terminated in extraordinary circumstances (e.g., in circumstances involving the revocation of the employee's entitlement to severance pay), the Company will be entitled to terminate this agreement immediately, without providing advance notice compensation.

During the period of the agreement, the Chairman of the Board will be entitled to work, either as an employee or as a service provider, in other position/s, subject to the aforementioned scope of employment which will be dedicated to the Company and to the Group, subject to restrictions regarding avoidance of conflicts of interest and/or competition with the business of the Company and the Group and/or the Commissioner's directives.

During the Chairman of the Board's period of tenure, Mr. Samet may be required to served as a director in additional member companies of the Group, and he will do so without any additional consideration whatsoever. Insofar as Mr. Samet is required to serve as the Chairman of the Board of additional companies of the Group, as stated above, Mr. Samet may be entitled to the payment of additional consideration, subject to the legally required approvals, if any.

Mr. Samet will provide his services as an independent Chairman of the Board[23], and accordingly, it was agreed that there will be no employer - employee relationship between the Company and Mr. Samet. Mr. Samet will bear all tax payments and mandatory payments as required by law, with respect to any payment or benefit which he receives with respect to his terms of tenure.

The Chairman of the Board will between subject to the arrangements regarding insurance, release and indemnification which apply to the Company's directors and corporate officers.

D. Coronavirus pandemic

Further to that stated in Note 1 to the financial statements for 2020, regarding the coronavirus crisis (hereinafter: the "**Crisis**"), in 2021 a vaccination campaign began around the world and in Israel, which led to a dramatic decrease in infection rates and in the spread of the virus. As of the approval date of the reports, over five million people have been vaccinated in Israel, and most of the economic restrictions have been canceled, which is affecting both the scope of contributions to long-term savings, and international travel insurance.

Another wave of infections, if any, due to the development of variants which evade the protection of vaccines, could affect the Group's activity and profitability. The Group is also exposed, in light of its activity, to declines in capital markets, to declines in economic activity, and to the possible materialization of insurance risks due to the crisis. For details regarding the sensitivity and the exposure to risk factors, see also Note 38(c)(2).

E. Operation Guardian of the Walls

Due to the escalation of the security situation, including riots throughout the country and the firing of rockers from Gaza to the Southern region, on May 10, 2021 the IDF began Operation Guardian of the Walls. During the period of the operation, thousands of rockets were fired from the Gaza Strip into Israel, and riots took place throughout the country, which caused both personal injury and property damage. A ceasefire was announced on May 21.

As of the approval date of the financial statements, the foregoing did not have a significant effect on the Group's results on retention, including in consideration of the Property Tax and Compensation Fund Law, 1961, the Compensation for Victims of Hostile Actions Law, 1970, and announcements published by the Tax Authority, stating that property tax is intended to compensate for such damages.

23 Whether directly or indirectly through his wholly owned company.

Annex: Details of Assets for Investment-Linked Contracts and Other Financial Investments of Consolidated Insurance Companies Registered in Israel

1. Assets for investment-linked contracts

Below are details of assets held against investment-linked insurance contracts and investment contracts:

	As of March 31		As of December 31
	2021	2020	2020
NIS in thousands	Unaudited		Audited
Investment property *)	**3,128,698**	3,170,566	3,043,442
Financial investments:			
Marketable debt assets	**23,767,083**	23,160,348	24,263,517
Non-marketable debt assets	**6,965,627**	6,329,718	6,696,981
Stocks	**22,428,906**	12,740,075	19,770,339
Other financial investments	**19,902,540**	13,949,921	20,067,924
Total financial investments *)	**73,064,156**	56,180,062	70,798,761
Cash and cash equivalents	**5,910,555**	4,783,897	5,273,150
Other **)	**535,233**	2,052,166	449,172
Total assets for investment-linked contracts	**82,638,642**	66,186,691	79,564,525

*) Presented at fair value through profit and loss.
**) The balance primarily includes outstanding premiums, reinsurer balances, collateral with respect to activities with futures contracts, and transactions with securities which have not yet been settled as of the date of the financial statements.

2. Details of other financial investments

	As of March 31, 2021			
	Fair value through profit and loss	Available for sale	Loans and receivables	Total
NIS in thousands	Unaudited			
Marketable debt assets (a)	**46,715**	**5,667,419**	**-**	**5,714,134**
Non-marketable debt assets (b)	**2,352**	**-**	**22,139,714**	**22,142,066**
Stocks (c)	**-**	**1,886,693**	**-**	**1,886,693**
Others (d)	**419,269**	**3,335,775**	**-**	**3,755,044**
Total other financial investments	**468,336**	**10,889,887**	**22,139,714**	**33,497,937**

	As of March 31, 2020			
	Fair value through profit and loss	Available for sale	Loans and receivables	Total
NIS in thousands	Unaudited			
Marketable debt assets (a)	80,496	4,676,649	-	4,757,145
Non-marketable debt assets (b)	2,807	-	22,850,021	22,852,828
Stocks (c)	-	1,216,829	-	1,216,829
Others (d)	569,855	2,475,648	-	3,045,503
Total other financial investments	653,158	8,369,126	22,850,021	31,872,305

	As of December 31, 2020			
	Fair value through profit and loss	Available for sale	Loans and receivables	Total
NIS in thousands	Audited			
Marketable debt assets (a)	47,339	5,652,340	-	5,699,679
Non-marketable debt assets (b)	2,283	-	22,090,096	22,092,379
Stocks (c)	-	1,692,398	-	1,692,398
Others (d)	543,433	3,015,200	-	3,558,633
Total other financial investments	593,055	10,359,938	22,090,096	33,043,089

Annex: Details of Assets for Investment-Linked Contracts and Other Financial Investments of Consolidated Insurance Companies Registered in Israel (Cont.)

2. Details of other financial investments (Cont.)

A. Marketable debt assets - composition

	As of March 31, 2021	
	Book value	Amortized cost [1]
NIS in thousands	Unaudited	
Government bonds	**2,971,958**	**2,816,629**
Other debt assets		
Other non-convertible debt assets	**2,717,337**	**2,618,299**
Other convertible debt assets	**24,839**	**26,207**
	2,742,176	**2,644,506**
Total marketable debt assets	**5,714,134**	**5,461,135**
Impairment applied to income statement (cumulative)	**152**	

	As of March 31, 2020	
	Book value	Amortized cost [1]
NIS in thousands	Unaudited	
Government bonds	2,665,204	2,518,100
Other debt assets		
Other non-convertible debt assets	2,091,941	2,191,418
	2,091,941	2,191,418
Total marketable debt assets	4,757,145	4,709,518
Impairment applied to income statement (cumulative)	144	

	As of December 31, 2020	
	Book value	Amortized cost [1]
NIS in thousands	Audited	
Government bonds	3,009,397	2,814,773
Other debt assets		
Other non-convertible debt assets	2,664,409	2,564,260
Other convertible debt assets	25,873	26,095
	2,690,282	2,590,355
Total marketable debt assets	5,699,679	5,405,128
Impairment applied to income statement (cumulative)	176	

1) Amortized cost - Cost less principal payments plus (less) cumulative amortization using the effective interest method of any difference between the cost and the repayment amount, and less any amortization with respect to impairment applied to profit and loss.

Annex: Details of Assets for Investment-Linked Contracts and Other Financial Investments of Consolidated Insurance Companies Registered in Israel (Cont.)

2. Details of other financial investments (Cont.)

B. Non-marketable debt assets - composition *)

	As of March 31, 2021	
	Book value	Fair value
NIS in thousands	Unaudited	
Government bonds		
HETZ bonds and treasury deposits	**16,476,203**	**26,933,045**
Other non-convertible debt assets, excluding deposits in banks	**5,000,263**	**5,746,353**
Deposits in banks	**665,600**	**781,948**
Total non-marketable debt assets	**22,142,066**	**33,461,346**
Impairment applied to income statement (cumulative)	**88,585**	

	As of March 31, 2020	
	Book value	Fair value
NIS in thousands	Unaudited	
Government bonds		
HETZ bonds and treasury deposits	16,760,412	26,957,660
Other non-convertible debt assets, excluding deposits in banks	5,371,841	5,753,633
Deposits in banks	720,575	797,957
Total non-marketable debt assets	22,852,828	33,509,250
Impairment applied to income statement (cumulative)	86,212	

	As of December 31, 2020	
	Book value	Fair value
NIS in thousands	Audited	
Government bonds		
HETZ bonds and treasury deposits	16,278,710	26,706,571
Other non-convertible debt assets, excluding deposits in banks	5,160,746	5,913,302
Deposits in banks	652,923	766,590
Total non-marketable debt assets	22,092,379	33,386,463
Impairment applied to income statement (cumulative)	89,503	

*) The fair value of designated bonds was calculated according to the repayment dates of guaranteed-return liabilities.

Annex: Details of Assets for Investment-Linked Contracts and Other Financial Investments of Consolidated Insurance Companies Registered in Israel (Cont.)

2. Details of other financial investments (Cont.)

C. Stocks

	As of March 31, 2021	
	Book value	Cost
NIS in thousands	Unaudited	
Marketable stocks	**1,171,835**	**1,058,275**
Non-marketable stocks	**714,858**	**611,394**
Total stocks	**1,886,693**	**1,669,669**
Impairment applied to income statement (cumulative)	**185,922**	

	As of March 31, 2020	
	Book value	Cost
NIS in thousands	Unaudited	
Marketable stocks	870,660	966,015
Non-marketable stocks	346,169	376,231
Total stocks	1,216,829	1,342,246
Impairment applied to income statement (cumulative)	184,397	

	As of December 31, 2020	
	Book value	Cost
NIS in thousands	Audited	
Marketable stocks	1,145,858	1,047,030
Non-marketable stocks	546,540	553,570
Total stocks	1,692,398	1,600,600
Impairment applied to income statement (cumulative)	208,187	

Annex: Details of Assets for Investment-Linked Contracts and Other Financial Investments of Consolidated Insurance Companies Registered in Israel (Cont.)

2. Details of other financial investments (Cont.)

D. Other financial investments [1)]

	As of March 31, 2021	
	Book value	Cost
NIS in thousands	Unaudited	
Marketable financial investments	**1,337,929**	**1,209,353**
Non-marketable financial investments	**2,417,115**	**1,674,757**
Total other financial investments	**3,755,044**	**2,884,110**
Impairment applied to income statement (cumulative)	**104,269**	

	As of March 31, 2020	
	Book value	Cost
NIS in thousands	Unaudited	
Marketable financial investments	1,038,664	1,139,564
Non-marketable financial investments	2,006,839	1,519,546
Total other financial investments	3,045,503	2,659,110
Impairment applied to income statement (cumulative)	79,645	

	As of December 31, 2020	
	Book value	Cost
NIS in thousands	Audited	
Marketable financial investments	1,151,649	1,086,789
Non-marketable financial investments	2,406,984	1,657,795
Total other financial investments	3,558,633	2,744,584
Impairment applied to income statement (cumulative)	95,733	

1. Other financial investments primarily include investments in ETF's, participation certificates in mutual funds, investment funds, financial derivatives, futures contracts, options and structured products.

Table of Contents

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Attn.:

Shareholders of Clal Insurance Enterprises Holdings Ltd.

Re: <u>Auditors' Special Report Regarding the Separate Interim Financial Information in Accordance with Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 1970</u>

Introduction

We have reviewed the separate interim financial information presented pursuant to Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 1970 for Clal Insurance Enterprises Holdings Ltd. (hereinafter: the "**Company**") as of March 31, 2021, and for the periods of three months then ended. The Company's Board of Directors and Management are responsible for the separate interim financial information. Our responsibility is to express a conclusion regarding this separate interim financial information, based on our review.

Scope of the Review

We have conducted our review in accordance with Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel, "Review of Financial Information for Interim Periods Prepared by the Entity's Auditor." A review of separate interim financial information consists of inquiries, mainly with the people responsible for financial and accounting matters, and of the application of analytical and other review procedures. This review is significantly limited in scope compared to an audit prepared according to generally accepted auditing standards in Israel, and therefore does not allow us to achieve certainty that we have become aware of all material issues that may have be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, we have not become aware of any matter which would have caused us to believe that the above separate interim financial information has not been presented, in all material respects, in accordance with the provisions of Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 1970.

Tel Aviv,
May 30, 2021

Somekh Chaikin
Certified Public Accountants

Kost Forer Gabbay and Kasierer
Certified Public Accountants

Joint Auditors

Interim Data Regarding the Financial Position

NIS in thousands	As of March 31 2021	As of March 31 2020	As of December 31 2020
	Unaudited		Audited
Assets			
Investments in investee companies	**6,016,179**	4,577,667	5,619,578
Loans and balances of investee companies	**495,031**	-	489,542
Other accounts receivable	**491**	164	141
Other financial investments:			
Marketable debt assets	**129,969**	-	124,067
Stocks	**81**	78	66
Others	**6,503**	21	15,666
Total other financial investments	**136,553**	99	139,799
Cash and cash equivalents	**60,122**	641,935	57,636
Total assets	**6,708,376**	5,219,865	6,306,696
Capital			
Share capital	**155,448**	155,448	155,448
Premium on shares	**1,640,140**	1,638,205	1,638,770
Capital reserves	**1,132,407**	482,510	969,936
Retained earnings	**3,773,398**	2,938,082	3,535,095
Total capital	**6,701,393**	5,214,245	6,299,249
Liabilities			
Other accounts payable	**6,983**	5,620	7,447
Total liabilities	**6,983**	5,620	7,447
Total capital and liabilities	**6,708,376**	5,219,865	6,306,696

The attached supplementary information constitutes an inseparable part of the Company's separate interim financial data.

May 30, 2021				
Approval date of the financial statements	Haim Samet Chairman of the Board	Yoram Naveh Chief Executive Officer	Eran Cherninsky Executive VP Finance Division Manager	Tal Cohen Senior VP, Comptrollership Division Manager

Interim Data Regarding Income

	For the period of three months ended March 31		For the year ended December 31
	2021	2020	2020
NIS in thousands	Unaudited		Audited
Company's share in the income (loss) of investee companies, net of tax	**234,325**	(157,585)	440,711
From investee companies	**5,490**	-	4,027
Others	**2,439**	754	2,837
Total income	**242,254**	(156,831)	447,575
General and administrative expenses	**2,581**	836	8,899
Other expenses	**-**	53	-
Total expenses	**2,581**	889	8,899
Income (loss) before taxes on income	**239,673**	(157,720)	438,676
Taxes on income (tax benefit)	**-**	-	-
Income (loss) for the period	**239,673**	(157,720)	438,676

The attached supplementary information constitutes an inseparable part of the Company's separate interim financial data.

Interim Data Regarding Comprehensive Income

	For the period of three months ended March 31		For the year ended December 31
	2021	2020	2020
NIS in thousands	Unaudited		Audited
Income (loss) for the period	**239,673**	(157,720)	438,676
Other comprehensive income:			
Components of other comprehensive income which, following initial recognition in comprehensive income, have been or will be transferred to the statement of income:			
Change, net, in the fair value of available-for-sale financial assets applied to capital reserves	**1,779**	(39)	6,112
Change, net, in the fair value of available-for-sale financial assets transferred to profit and loss	**(1,584)**	-	(668)
Other comprehensive income (loss) with respect to investee companies which has been or will be transferred to the statement of income, net of tax	**162,276**	(334,870)	147,073
Other comprehensive income (loss) for the period which has been or will be transferred to the statement of income, before tax	**162,471**	(334,909)	152,517
Taxes (tax benefit) with respect to other components of comprehensive income (loss)	**-**	-	-
Other comprehensive income (loss) for the period which following initial recognition in comprehensive income has been or will be transferred to the statement of income, net of tax	**162,471**	(334,909)	152,517
Components of other comprehensive income which will not be transferred to the statement of income:			
Other comprehensive income with respect to investee companies which will not be transferred to profit and loss, net of tax	**-**	9,368	10,550
Other comprehensive income for the period which will not be transferred to profit and loss, net of tax	**-**	9,368	10,550
Other comprehensive income (loss) for the period	**162,471**	(325,541)	163,067
Total comprehensive income for the period	**402,144**	(483,261)	601,743

The attached supplementary information constitutes an inseparable part of the Company's separate interim financial data.

Interim Data Regarding Cash Flows

NIS in thousands	For the period of three months ended March 31 2021 Unaudited	For the period of three months ended March 31 2020 Unaudited	For the year ended December 31 2020 Audited
Cash flows from operating activities			
Income (loss) for the period	**239,673**	(157,720)	438,676
Adjustments:			
Company's share in the income (loss) of investee companies	**(234,325)**	157,585	(440,711)
Dividends from investee companies	**-**	-	3,996
Interest accrued with respect to liabilities to banking corporations	**(15)**	**-**	(1,010)
Accrued interest with respect to capital note to investee company	**(5,489)**	**-**	(4,028)
Loss (profit) from other financial investments	**(1,844)**	21	(1,331)
Taxes on income	**-**	-	-
	(241,673)	157,606	(443,084)
Changes to other items in the data regarding financial position, net:			
Change in other accounts receivable	**(350)**	(47)	(24)
Change in other accounts payable	**(464)**	61	1,888
	(814)	14	1,864
Cash received during the period for:			
Interest received	**15**	-	1,010
Net cash from operating activities	**(2,799)**	(100)	(1,534)
Cash flows from investing activities			
Investment in capital notes of investee company	**-**	(35,500)	(485,500)
Investment in available for sale financial assets	**(35,079)**	-	(152,163)
Consideration from sale of available for sale financial assets	**40,364**	-	19,298
Net cash from (used in) investing activities	**5,285**	(35,500)	(618,365)
Increase (decrease) in cash and cash equivalents	**2,486**	(35,600)	(619,899)
Cash and cash equivalents at beginning of period	**57,636**	677,535	677,535
Cash and cash equivalents at end of period	**60,122**	641,935	57,636

Additional information

1. General

The separate interim financial information is presented pursuant to Regulation 38D to the Securities Regulations (Periodic and Immediate Reports), 1970, and does not contain all of the information which is required according to Regulation 9C and the Tenth Addendum to the Securities Regulations (Periodic and Immediate Reports), 1970, regarding a corporation's separate financial information. The separate interim financial information should be read in conjunction with the separate financial information as of and for the year ended December 31, 2020, and with the condensed consolidated interim financial statements as of March 31, 2021 (hereinafter: the "**Consolidated Interim Statements**").

Quarterly report regarding the effectiveness of internal control over financial reporting and disclosure in accordance with Regulation 38c(a)

Management, under the supervision of the Board of Directors of Clal Insurance Enterprises Holdings Ltd. (hereinafter: the "**Corporation**") is responsible for establishing and implementing adequate internal control over financial reporting and disclosure in the corporation.

For this purpose, the members of management include:

1. Yoram Naveh, CEO of the Company and of Clal Insurance, and CEO of Clal Finance Ltd.;
2. Eran Cherninsky - Financial Division Manager (Officer in Clal Insurance and in Clal Holdings);
3. Hadar Brin Weiss - Legal Counsel (Officer in Clal Insurance and in Clal Holdings)
4. Eran Shahaf - Internal Auditor (Officer in Clal Insurance and in Clal Holdings);
5. Yossi Dori - Investment Division Manager (Officer in Clal Insurance and in Clal Holdings)
6. Avi Ben Nun - Chief Risk Officer (Officer in Clal Insurance and Clal Holdings);

Internal control over financial reporting and disclosure includes controls and policies which are currently established in the corporation, which were planned by the CEO and the most senior corporate officer in the finance department, or under their supervision, or by the individuals who effectively perform the aforementioned positions, under the supervision of the corporation's Board of Directors, which were intended to provide a reasonable measure of assurance regarding the reliability of financial reporting and the preparation of the reports in accordance with the provisions of the law, and to ensure that the information which the corporation is required to disclose in the reports which it publishes in accordance with the provisions of the law was collected, processed, summarized and reported in accordance with the deadline and framework prescribed in law.

Internal control includes, inter alia, controls and policies which are intended to ensure that the information which the corporation is required to disclose, as stated above, is accumulated and transferred to the management of the corporation, including to the CEO and to the most senior corporate officer in the finance department, or to the person who effectively performs the aforementioned positions, in order to allow the reaching of decisions on the appropriate date, with respect to the disclosure requirement.

Due to its inherent restrictions, internal control over financial reporting and disclosure is not intended to provide absolute assurance that the presentation is incorrect, or that the omission of information in the reports will be prevented or discovered.

Clal Insurance Company Ltd. ("Clal Insurance"), a subsidiary of the corporation, is an institutional entity, which is subject to the directives of the Commissioner of the Capital Markets, Insurance and Savings Division in the Ministry of Finance, with respect to the evaluation regarding the effectiveness of internal control over financial reporting.

With respect to internal control in the aforementioned subsidiary, the corporation implements the following provisions: institutional entities circular 2009-9-10, regarding "responsibility of management for internal control over financial reporting", institutional entities circular 2010-9-6, regarding "responsibility of management for internal control over financial reporting - amendment", and institutional entities circular 2010-9-7, regarding "internal control over financial reporting - certifications, reports and disclosures".

In the annual report regarding the effectiveness of internal control over financial reporting and disclosure, which was attached to the periodic report for the period ended December 31, 2020 (hereinafter: the "**Last Annual Report Regarding Internal Control**"), the Board of Directors and management evaluated the internal control in the corporation;

Based on this evaluation, the Company's Board of Directors and management have concluded that the internal control described above, as of December 31, 2020, is effective.

Until the reporting date, no event or matter was brought to the attention of the Board of Directors and management which could have changed the assessment regarding the effectiveness of internal control, as presented in the annual report regarding internal control.

As of the reporting date, based on the evaluation of the effectiveness of internal control in the last annual report regarding internal control, and based on the information which was brought to the attention of management and Board of Directors, as stated above: internal control is effective.

Executive Certification
Certification of the CEO

I, Yoram Naveh, hereby certify the following:

1. I have evaluated the quarterly report of Clal Insurance Enterprises Holdings Ltd. (hereinafter: the "**Corporation**") for the first quarter of 2021 (hereinafter: the "**Reports**").
2. To the best of my knowledge, the reports do not include any incorrect representation of any material fact, and do not lack any representation of any material fact which is required in order for the representations which are included therein to not be misleading with respect to the period of the reports;
3. To the best of my knowledge, the financial statements and the other financial information included in the reports adequately reflect, in all material respects, the corporation's financial position, results of operations and cash flows as of the dates and for the periods to which the reports refer;
4. I have disclosed to the corporation's auditor, to the Board of Directors and to the balance sheet committee of the Company's Board of Directors, based on my most current assessment regarding internal control over financial reporting and disclosure:

   A. All material deficiencies and material weaknesses in the establishment or implementation of internal control over financial reporting and disclosure, which may reasonably have an adverse effect on the corporation's ability to collect, process, summarize or report financial information in a manner which could cast doubt on the reliability of the preparation of financial reporting and the preparation of the financial reports in accordance with the provisions of the law; And:

   B. Any fraud, whether material or immaterial, in which the CEO or any of his direct subordinates are involved, or in which are involved employees who have significant positions in the Company's financial reporting control over financial reporting.
5. I, alone or together with others in the corporation:

   A. I have established controls and policies, or have verified the establishment and implementation, under my supervision, of controls and policies which are intended to ensure that material information pertaining to the corporation, including its consolidated companies, as defined in the Securities Regulations (Annual Financial Statements), 2010, is brought to my attention by others in the corporation and in the consolidated companies, particularly during the preparation period of the reports; And:

   B. I have established controls and policies, or have verified the establishment and implementation, under my supervision, of controls and policies which are intended to reasonably ensure the reliability of financial reporting and the preparation of the financial statements in accordance with the provisions of the law, including in accordance with generally accepted accounting principles.

   C. I have not been made aware of any event or matter which occurred during the period between the date of the periodic report and the date of this report, which could change the conclusion reached by the Board of Directors and management with respect to the effectiveness of internal control over financial reporting and disclosure in the corporation.

The foregoing does not derogate from my liability, or from the liability of any other person, in accordance with any applicable law.

May 30, 2021

Yoram Naveh
Chief Executive Officer

Executive Certification
Certification of the Most Senior Position Holder in the Finance Department

I, Eran Cherninsky, hereby certify the following:

1. I have evaluated the financial statements and the other financial reports which is included in the interim reports of Clal Insurance Enterprises Holdings Ltd. (hereinafter: the "**Corporation**") for the first quarter of 2021 (hereinafter: the "**Reports**").
2. To the best of my knowledge, the interim financial statements and the other interim financial information which is included in the reports do not include any incorrect representation of any material fact, and do not lack any representation of any material fact which is required in order for the representations which are included therein to not be misleading with respect to the period of the reports;
3. To the best of my knowledge, the interim financial statements and the other financial information which is included in the interim reports adequately reflect, in all material respects, the Company's financial position, results of operations and cash flows as of the dates and for the periods to which the reports refer;
4. I have disclosed to the corporation's auditor, to the Board of Directors and to the balance sheet committee of the Company's Board of Directors, based on my most current assessment regarding internal control over financial reporting and disclosure:
   A. All material deficiencies and material weaknesses in the establishment or implementation of internal control over financial reporting and disclosure insofar as it pertains to the interim financial statements and to the other financial information which is included in the interim reports, which may reasonably have an adverse affect on the corporation's ability to collect, process, summarize or report financial information in a manner which could cast doubt on the reliability of the preparation of the financial reports and the preparation of the financial reports in accordance with the provisions of the law; And:
   B. Any fraud, whether material or immaterial, in which the CEO or any of his direct subordinates are involved, or in which are involved employees who have significant positions in the Company's financial reporting control over financial reporting.
5. I, alone or together with others in the corporation:
   A. I have established controls and policies, or have verified the establishment and implementation, under our supervision, of controls and policies which are intended to ensure that material information pertaining to the corporation, including its consolidated companies, as defined in the Securities Regulations (Annual Financial Statements), 2010, is brought to my attention by others in the corporation and in the consolidated companies, particularly during the preparation period of the reports; And:
   B. I have established controls and policies, or have verified the establishment and implementation, under our supervision, of controls and policies which are intended to reasonably ensure the reliability of financial reporting and the preparation of the financial statements in accordance with the provisions of the law, including in accordance with generally accepted accounting principles.
   C. I have not been made aware of any event or matter which occurred during the period between the date of the periodic report and the date of this report, which pertains to the interim financial statements and to any other financial information which is included in the interim period, which could change, in my assessment, the conclusion of the Board of Directors and management with respect to the effectiveness of internal control over financial reporting and disclosure in the corporation.

The foregoing does not derogate from my liability, or from the liability of any other person, in accordance with any applicable law.

May 30, 2021

Eran Cherninsky
Executive VP of Clal Insurance
Financial Division Manager

Executive Certification
Certification of the Comptrollership Division Manager

I, Tal Cohen, hereby certify the following:

1. I have evaluated the financial statements and the other financial reports which is included in the interim reports of Clal Insurance Enterprises Holdings Ltd. (hereinafter: the "**Corporation**") for the first quarter of 2021 (hereinafter: the "**Reports**").
2. To the best of my knowledge, the interim financial statements and the other interim financial information which is included in the reports do not include any incorrect representation of any material fact, and do not lack any representation of any material fact which is required in order for the representations which are included therein to not be misleading with respect to the period of the reports;
3. To the best of my knowledge, the interim financial statements and the other financial information which is included in the interim reports adequately reflect, in all material respects, the Company's financial position, results of operations and cash flows as of the dates and for the periods to which the reports refer;
4. I have disclosed to the corporation's auditor, to the Board of Directors and to the balance sheet committee of the Company's Board of Directors, based on my most current assessment regarding internal control over financial reporting and disclosure:
   A. All material deficiencies and material weaknesses in the establishment or implementation of internal control over financial reporting and disclosure insofar as it pertains to the interim financial statements and to the other financial information which is included in the interim reports, which may reasonably have an adverse affect on the corporation's ability to collect, process, summarize or report financial information in a manner which could cast doubt on the reliability of the preparation of the financial reports and the preparation of the financial reports in accordance with the provisions of the law; And:
   B. Any fraud, whether material or immaterial, in which the CEO or any of his direct subordinates are involved, or in which are involved employees who have significant positions in the Company's financial reporting control over financial reporting.
5. I, alone or together with others in the corporation:
   A. I have established controls and policies, or have verified the establishment and implementation, under our supervision, of controls and policies which are intended to ensure that material information pertaining to the corporation, including its consolidated companies, as defined in the Securities Regulations (Annual Financial Statements), 2010, is brought to my attention by others in the corporation and in the consolidated companies, particularly during the preparation period of the reports; And:
   B. I have established controls and policies, or have verified the establishment and implementation, under our supervision, of controls and policies which are intended to reasonably ensure the reliability of financial reporting and the preparation of the financial statements in accordance with the provisions of the law, including in accordance with generally accepted accounting principles.
   C. I have not been made aware of any event or matter which occurred during the period between the date of the periodic report and the date of this report, which pertains to the interim financial statements and to any other financial information which is included in the interim period, which could change, in my assessment, the conclusion of the Board of Directors and management with respect to the effectiveness of internal control over financial reporting and disclosure in the corporation.

The foregoing does not derogate from my liability, or from the liability of any other person, in accordance with any applicable law.

May 30, 2021

Tal Cohen
Senior VP
Comptrollership Division Manager

Certifications regarding controls and policies with respect to disclosure in the financial statements of Clal Insurance Company Ltd.

Clal Insurance Company Ltd.
Certification

I, Yoram Naveh, hereby certify the following:

1. I have reviewed the quarterly report of Clal Insurance Company Ltd. (hereinafter: the "**Company**") for the quarter ended March 31, 2021 (hereinafter: the "**Report**").

2. Based on my knowledge, the report does not include any incorrect representation of any material fact, and does not lack any representation of any material fact which is required in order for the representations which are included therein, in light of the circumstances in which those representations were included, to not be misleading with respect to the period which is covered in the report.

3. Based on my knowledge, the quarterly financial statements and the other financial information which is included in the report adequately reflect, in all material respects, the Company's financial position, results of operations, changes in equity and cash flows as of the dates and with respect to the periods covered in the report.

4. I, and others in the Company who are making this certification, are responsible for the establishment and implementation of controls and policies with respect to the disclosure and control over financial reporting in the Company; And:

   A. We have established the aforementioned controls and policies, or have caused the establishment of the aforementioned controls and policies under our supervision, which are intended to ensure that material information pertaining to the Company, including its consolidated companies, is brought to our attention by others in the Company and in those companies, and particularly during the preparation period of the report;

   B. We have established internal control over financial reporting, or have overseen the establishment of internal control over financial reporting, which is intended to provide a reasonable measure of assurance regarding the reliability of the financial reporting, and that the financial statements have been prepared in accordance with IFRS and the directives of the Commissioner of Capital Markets;

   C. We have evaluated the effectiveness of controls and policies with respect to the Company's disclosure, and we have presented our conclusions regarding the effectiveness of the controls and policies with respect to the disclosure, as of the end of the period covered in the report, based on our evaluation; And:

   D. We have disclosed in the report any change in the Company's internal control over financial reporting which occurred during this quarter, and materially influenced, or which could have been reasonably expected to materially influence, the Company's internal control over financial reporting; And:

5. I, and others in the Company who are making this certification, have disclosed to the auditor, to the Board of Directors and to the balance sheet committee of the Company's Board of Directors, based on our most current assessment regarding internal control over financial reporting:

   A. All material deficiencies and material weaknesses in the determination or implementation of internal control over financial reporting, which can reasonably be expected to harm the Company's ability to record, process, summarize and report financial information; And:

   B. Any fraud, whether material or immaterial, in which management is involved, or in which are involved employees who have significant positions in the Company's financial reporting control over financial reporting.

The foregoing does not derogate from my liability, or from the liability of any other person, in accordance with any applicable law.

May 30, 2021

Yoram Naveh
Chief Executive Officer

Clal Insurance Company Ltd.
Certification

I, Eran Cherninsky, hereby certify the following:

1. I have reviewed the quarterly report of Clal Insurance Company Ltd. (hereinafter: the "**Company**") for the quarter ended March 31, 2021 (hereinafter: the "**Report**").

2. Based on my knowledge, the report does not include any incorrect representation of any material fact, and does not lack any representation of any material fact which is required in order for the representations which are included therein, in light of the circumstances in which those representations were included, to not be misleading with respect to the period which is covered in the report.

3. Based on my knowledge, the quarterly financial statements and the other financial information which is included in the report adequately reflect, in all material respects, the Company's financial position, results of operations, changes in equity and cash flows as of the dates and with respect to the periods covered in the report.

4. I, and others in the Company who are making this certification, are responsible for the establishment and implementation of controls and policies with respect to the disclosure and control over financial reporting in the Company; And:

   A. We have established the aforementioned controls and policies, or have caused the establishment of the aforementioned controls and policies under our supervision, which are intended to ensure that material information pertaining to the Company, including its consolidated companies, is brought to our attention by others in the Company and in those companies, and particularly during the preparation period of the report;

   B. We have established internal control over financial reporting, or have overseen the establishment of internal control over financial reporting, which is intended to provide a reasonable measure of assurance regarding the reliability of the financial reporting, and that the financial statements have been prepared in accordance with IFRS and the directives of the Commissioner of Capital Markets;

   C. We have evaluated the effectiveness of controls and policies with respect to the Company's disclosure, and we have presented our conclusions regarding the effectiveness of the controls and policies with respect to the disclosure, as of the end of the period covered in the report, based on our evaluation; And:

   D. We have disclosed in the report any change in the Company's internal control over financial reporting which occurred during this quarter, and materially influenced, or which could have been reasonably expected to materially influence, the Company's internal control over financial reporting; And:

5. I, and others in the Company who are making this certification, have disclosed to the auditor, to the Board of Directors and to the balance sheet committee of the Company's Board of Directors, based on our most current assessment regarding internal control over financial reporting:

   A. All material deficiencies and material weaknesses in the determination or implementation of internal control over financial reporting, which can reasonably be expected to harm the Company's ability to record, process, summarize and report financial information; And:

   B. Any fraud, whether material or immaterial, in which management is involved, or in which are involved employees who have significant positions in the Company's financial reporting control over financial reporting.

The foregoing does not derogate from my responsibility or from the responsibility of any other person in accordance with any applicable law.

May 30, 2021

Eran Cherninsky
Executive VP of Clal Insurance
Financial Division Manager

Clal Insurance Company Ltd.
Certification

I, Tal Cohen, hereby certify the following:

1. I have reviewed the quarterly report of Clal Insurance Company Ltd. (hereinafter: the "**Company**") for the quarter ended March 31, 2021 (hereinafter: the "**Report**").

2. Based on my knowledge, the report does not include any incorrect representation of any material fact, and does not lack any representation of any material fact which is required in order for the representations which are included therein, in light of the circumstances in which those representations were included, to not be misleading with respect to the period which is covered in the report.

3. Based on my knowledge, the quarterly financial statements and the other financial information which is included in the report adequately reflect, in all material respects, the Company's financial position, results of operations, changes in equity and cash flows as of the dates and with respect to the periods covered in the report.

4. I, and others in the Company who are making this certification, are responsible for the establishment and implementation of controls and policies with respect to the disclosure and control over financial reporting in the Company; And:

   A. We have established the aforementioned controls and policies, or have caused the establishment of the aforementioned controls and policies under our supervision, which are intended to ensure that material information pertaining to the Company, including its consolidated companies, is brought to our attention by others in the Company and in those companies, and particularly during the preparation period of the report;

   B. We have established internal control over financial reporting, or have overseen the establishment of internal control over financial reporting, which is intended to provide a reasonable measure of assurance regarding the reliability of the financial reporting, and that the financial statements have been prepared in accordance with IFRS and the directives of the Commissioner of Capital Markets;

   C. We have evaluated the effectiveness of controls and policies with respect to the Company's disclosure, and we have presented our conclusions regarding the effectiveness of the controls and policies with respect to the disclosure, as of the end of the period covered in the report, based on our evaluation; And:

   D. We have disclosed in the report any change in the Company's internal control over financial reporting which occurred during this quarter, and materially influenced, or which could have been reasonably expected to materially influence, the Company's internal control over financial reporting; And:

5. I, and others in the Company who are making this certification, have disclosed to the auditor, to the Board of Directors and to the balance sheet committee of the Company's Board of Directors, based on our most current assessment regarding internal control over financial reporting:

   A. All material deficiencies and material weaknesses in the determination or implementation of internal control over financial reporting, which can reasonably be expected to harm the Company's ability to record, process, summarize and report financial information; And:

   B. Any fraud, whether material or immaterial, in which management is involved, or in which are involved employees who have significant positions in the Company's financial reporting control over financial reporting.

The foregoing does not derogate from my responsibility or from the responsibility of any other person in accordance with any applicable law.

May 30, 2021

Tal Cohen
Senior VP
Comptrollership Division Manager