

**Part of the Financial
Statements
translated from the
Hebrew original**

ZUR SHAMIR HOLDINGS LTD.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2015

Please find attached an extract English translation of the Hebrew version of the consolidated financial statements of Zur Shamir Holdings Ltd. which were approved on March 17, 2016.

The full set of financial statements in Hebrew can be viewed on the website of the Israeli Securities Authority (<http://www.magna.isa.gov.il>).

ZUR SHAMIR HOLDINGS LTD.
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015

INDEX

	<u>Page</u>
Auditors' Review Report – Review of the components of internal control over financial reporting	2 - 3
Auditor's Report	4 - 5
Condensed Consolidated Statements of the Financial Position	6 - 7
Condensed Consolidated Statements of Profit or Loss	8
Condensed Consolidated Statements of Comprehensive Income	9
Condensed Consolidated Statements of Changes in Equity	10
Condensed Consolidated Statements of Cash Flows	11 - 14
Condensed Notes to the Consolidated Financial Statements	15 - 19

**Independent Auditors' Report
to the Shareholders of
Zur Shamir Holdings Ltd.**

Review of the components of internal control over financial reporting

**Pursuant to Section 9b(c) to the Israeli Securities Regulations
(Periodic and Immediate Reports), 1970**

We have audited the components of internal control over financial reporting of ZUR SHAMIR HOLDINGS LTD. and its subsidiaries (hereunder collectively - the Company) as at December 31, 2015. These control components were determined as explained in the following paragraph. The Company's Board of Directors and Management are responsible for maintaining effective internal control over financial reporting, and for their assessment of the effectiveness of internal control over financial reporting included in the accompanying periodic report for the said date. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

The components of internal control over financial reporting audited by us were prescribed in accordance with Auditing Standard 104 of the Institute of Certified Public Accountants in Israel "Audit of Components of Internal Control over Financial Reporting", as amended (hereunder – Auditing Standard 104). These components are entity-level controls, including financial statements closing and preparation process controls and information technology general controls (hereunder - "the audited control components") and controls over processes that are very significant to the financial reporting and disclosure in the Company and its subsidiaries (collectively, "the audited control components").

We conducted our audit in accordance with Auditing Standard 104. That Standard requires that we plan and perform the audit to identify the audited control components and obtain reasonable assurance about whether these control components have been effectively maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, identifying the audited control components, assessing the risk that a material weakness exists regarding the audited control components and testing and evaluating the design and operating effectiveness of the audited control components based on the assessed risk. Our audit of these control components also included performing such other procedures as we considered necessary in the circumstances. Our audit only addressed the audited control components, as opposed to internal control over all the material processes in connection with financial reporting and therefore, our opinion addresses solely the audited control components. Moreover, our audit did not address any reciprocal effects between the audited control components and unaudited ones and accordingly, our opinion does not take into account any such possible effects. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion within the context described above.

Because of its inherent limitations, internal control over financial reporting as a whole, and specifically the components therein, may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting with respect to the audited control components as at December 31, 2015.

We have also audited, in accordance with generally accepted auditing standards in Israel, the consolidated financial statements of the Company as of December 31, 2015 and 2014 and for each of the three years in the period ended December 31, 2014 and our report dated March 17, 2016 expressed an unqualified opinion of those financial statements. We also drew attention to Note 42a and Note 42b to the annual consolidated financial statements regarding the exposure to requests to approve claims as class actions in subsidiaries.

Tel-Aviv, Israel
March 17, 2016

KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

AUDITORS' REPORT

To the Shareholders of

ZUR SHAMIR HOLDINGS LTD.

We have audited the accompanying consolidated statements of financial position of ZUR SHAMIR HOLDINGS LTD. (hereunder - the Company) as at December 31, 2015 and 2014, and the related consolidated statements of profit or loss and other comprehensive income, statements of changes in equity, and statements of cash flows for each of the three years in the period ended as at December 31, 2015. These financial statements are the responsibility of the Company's Board of Directors and Management. Our responsibility is to express an opinion on these financial statements based on our audits.

We did not review the financial statements of certain subsidiaries, whose assets constitute about 24.3% and about 25.1% of total consolidated assets as at December 31, 2015 and 2014, respectively, and whose revenues constitute about 6.2%, about 6.2% and about 7.9% of total consolidated revenues for each of the three years ended the last of which ended, December 31, 2015, 2014 and 2013. The financial statements of those companies were audited by other auditors whose reports were furnished to us and our opinion, insofar as it relates to the amounts included for those companies, is based on the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards in Israel, including those prescribed by the Israeli Auditors' Regulations (Auditor's Mode of Performance), 1973. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and information in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Board of Directors and Management of the Company, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provides a reasonable basis for our opinion.

In our opinion, based on our audit and on the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company and its subsidiaries as at December 31, 2015 and 2014 and the results of their activities, the changes in equity and cash flows, for each of the three years in the period ended as at December 31, 2015, in conformity with the International Financial Reporting Standards (IFRS) and in accordance with the disclosure requirements as prescribed by the Regulator of Insurance according to the Supervision of Financial Services (Insurance) Law, 1981. Furthermore, in our opinion, the financial statements referred to above are prepared in accordance with the directives of the Israeli Securities Regulations (Preparation of Annual Financial Statements), 2010, insofar as these Regulations apply to insurance companies.

Without qualifying our opinion, we draw attention to Note 42a and Note 42b to the annual consolidated financial statements regarding exposure to class actions and the approval of claims as class actions of a subsidiaries.

We have also audited, in accordance with Auditing Standard 104 of the Institute of Certified Public Accountants in Israel, "Audit of Components of Internal Control over Financial Reporting", the Company's components of internal control over financial reporting as of December 31, 2015, and our report dated March 17, 2016 expressed an unqualified opinion on the effective existence of those components.

Tel-Aviv,
March 17, 2016

KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

CONDENSED CONSOLIDATED STATEMENTS OF THE FINANCIAL POSITION

	December 31	
	2015	2014
	NIS in thousands	
CURRENT ASSETS		
Cash and cash equivalents	750,016	1,193,078
Cash and cash equivalents for yield dependent contracts	15,519	27,222
Financial assets	749,958	779,248
Derivatives	6,478	4,812
Outstanding insurance premiums	364,465	260,791
Debtors and receivables	138,829	110,710
Deposits	11,965	13,022
Current taxes receivable	5,693	7,766
Reinsurance assets	52,459	51,922
Deferred acquisition costs	77,686	75,075
	<u>2,173,068</u>	<u>2,523,646</u>
Assets designated for sale	<u>334,350</u>	<u>177,364</u>
	<u>2,507,418</u>	<u>2,701,010</u>
Financial assets	2,193,965	2,301,419
Investment property and real estate under construction, net	3,513,745	3,212,538
Reinsurance assets	111,888	100,706
Fixed assets	130,006	123,247
Deferred acquisition costs	151,594	132,965
Long term debts	29,971	32,913
Deposits	75,005	45,508
Goodwill and intangible assets	235,865	214,224
Deferred taxes	1,931	1,450
	<u>6,443,970</u>	<u>6,164,970</u>
	<u>8,951,388</u>	<u>8,865,980</u>

CONDENSED CONSOLIDATED STATEMENTS OF THE FINANCIAL POSITION

	December 31	
	2015	2014
	NIS in thousands	
CURRENT LIABILITIES		
Financial liabilities	928,755	1,162,139
Creditors and payables	392,111	354,215
Current taxes payable	70,197	53,740
Derivatives	21,962	21,235
Liabilities in respect of insurance and investment contracts	865,647	930,459
	<u>2,278,672</u>	<u>2,521,788</u>
NON-CURRENT LIABILITIES		
Financial liabilities	3,614,306	3,473,250
Creditors and payables	9,919	7,298
Liabilities in respect of insurance and investment contracts	1,711,804	1,572,239
Liabilities for employee benefits	17,393	12,393
Derivatives	28,901	32,630
Deferred taxes	186,812	171,839
	<u>5,569,135</u>	<u>5,269,649</u>
CAPITAL		
Share capital	217,531	217,374
Share premium	38,469	38,319
Reserves	(168,134)	(96,329)
Retained earnings	299,501	272,893
Treasury shares	(67,599)	(67,599)
Total capital attributed to the Company's shareholders	319,768	364,658
Non-controlling interests	783,813	709,885
Total capital	<u>1,103,581</u>	<u>1,074,543</u>
	<u>8,951,388</u>	<u>8,865,980</u>

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Year ended December 31		
	2015	2014	2013
	NIS in thousands		
INCOME			
Premiums earned on retention	1,642,030	1,457,376	1,295,913
Income from lease of assets	196,200	176,740	194,444
Increase in value of investment property and real estate under construction, net	43,529	79,277	122,513
Investment income, net and other finance income	84,330	104,449	88,755
Income from management fees	7,119	7,224	7,158
Income from grant of consumer credit	228,018	173,076	139,567
Income from reinsurance commissions	15,115	17,343	17,493
Company's share in losses of affiliate, net	(2,000)	(1,400)	(1,232)
Other income	145	213	364
Total income	2,214,486	2,014,298	1,864,975
EXPENSES			
Payments and change in liabilities in respect of insurance contracts and investment contracts on retention	1,059,636	945,391	885,591
Marketing and other acquisition expenses	334,736	305,003	258,033
Maintenance, administrative and general expenses	253,559	227,883	233,405
Finance expenses	217,932	242,578	281,182
Other expenses	498	584	152
Total expenses	1,866,361	1,721,439	1,658,363
Income before taxes on income	348,125	292,859	206,612
Taxes on income	161,991	150,762	99,982
Net income	186,134	142,097	106,630
Attributed to:			
Company shareholders	45,395	20,025	12,857
Non-controlling interest	140,739	122,072	93,773
	186,134	142,097	106,630
Net earnings per share attributable to holders of the Company (in NIS)			
Basic net earnings	0.71	0.32	0.20
Diluted net earnings	0.69	0.25	0.17

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended December 31		
	2015	2014	2013
	NIS in thousands		
Net income	186,134	142,097	106,630
Other comprehensive income (loss) (after the tax effect):			
Amounts that will be reclassified to profit or loss:			
Profit (loss) in respect of cash flow hedging transactions	9,536	(161)	10,157
Adjustments resulting from the translation of the financial statements of activities abroad	(137,384)	326	(91,683)
Amounts that will not be reclassified subsequently to profit or loss:			
Profit (loss) from remeasurement in respect of defined benefit plan	(343)	1,285	(689)
Total other comprehensive income (loss)	(128,191)	1,450	(82,215)
Total comprehensive income	57,943	143,547	24,415
Total comprehensive income (loss) attributed to:			
Company shareholders	(26,260)	20,636	(37,132)
Non-controlling interests	84,203	122,911	61,547
	57,943	143,547	24,415

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Attributable to equity holders of the Company					Total	Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Reserves	Treasury shares			
	NIS in thousands							
Balance as at January 1, 2013	216,299	35,948	161,379	(55,703)	(67,599)	290,324	405,060	695,384
Net income	-	-	12,857	-	-	12,857	93,773	106,630
Total other comprehensive loss	-	-	-	(49,989)	-	(49,989)	(32,226)	(82,215)
Comprehensive income (loss)	-	-	12,857	(49,989)	-	(37,132)	61,547	24,415
Share based payment cost	-	-	-	309	-	309	14,683	14,992
Realization of option warrants into Company shares and expiration of option warrants in Company shares	175	328	-	(328)	-	175	-	175
Realization of option warrants into subsidiary shares and expiration of option warrants in subsidiary shares	-	974	(648)	(974)	-	(648)	1,495	847
Issue and sale of a subsidiaries' shares to non-controlling interest holders	-	-	88,115	5,067	-	93,182	139,395	232,577
Dividend to non-controlling interest holders	-	-	-	-	-	-	(31,940)	(31,940)
Dividend to the Company's shareholders	-	-	(15,000)	-	-	(15,000)	-	(15,000)
Balance as at December 31, 2013	216,474	37,250	246,703	(101,618)	(67,599)	331,210	590,240	921,450
Net income	-	-	20,025	-	-	20,025	122,072	142,097
Total other comprehensive income	-	-	-	611	-	611	839	1,450
Comprehensive income	-	-	20,025	611	-	20,636	122,911	143,547
Issue and sale, net of a subsidiary's shares to non-controlling interest holders	-	-	84,672	-	-	84,672	65,313	149,985
Buy back of subsidiary shares in the framework of a proposed acquisition exchange	-	-	(25,386)	5,579	-	(19,807)	(4,332)	(24,139)
Realization of option warrants into subsidiaries' shares by non-controlling interests	-	-	(3,121)	-	-	(3,121)	10,183	7,062
Realization of option warrants into Company shares	900	1,069	-	(1,040)	-	929	-	929
Share based payment cost	-	-	-	139	-	139	6,147	6,286
Dividend to the Company's shareholders	-	-	(50,000)	-	-	(50,000)	-	(50,000)
Dividend to non-controlling interest holders	-	-	-	-	-	-	(80,577)	(80,577)
Balance as at December 31, 2014	217,374	38,319	272,893	(96,329)	(67,599)	364,658	709,885	1,074,543
Net income	-	-	45,395	-	-	45,395	140,739	186,134
Total other comprehensive loss	-	-	-	(71,655)	-	(71,655)	(56,536)	(128,191)
Comprehensive income (loss)	-	-	45,395	(71,655)	-	(26,260)	84,203	57,943
Issue of subsidiaries shares, net to non-controlling interest holders	-	-	9,983	-	-	9,983	60,727	70,710
Share based payment cost	-	-	-	-	-	-	5,098	5,098
Realization of option warrants into Company shares	157	150	-	(150)	-	157	-	157
Realization of option warrants into subsidiaries' shares by non-controlling interests	-	-	138	-	-	138	1,763	1,901
Accumulated effect, net as at December 31, 2015 of changes in insurance reserves in general insurance	-	-	11,092	-	-	11,092	18,275	29,367
Dividend to the Company's shareholders	-	-	(40,000)	-	-	(40,000)	-	(40,000)
Dividend to non-controlling interest holders	-	-	-	-	-	-	(96,138)	(96,138)
Balance as at December 31, 2015	217,531	38,469	299,501	(168,134)	(67,599)	319,768	783,813	1,103,581

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	App.	Year ended December 31		
		2015	2014	2013
				NIS in thousands
Cash flows provided by (used in) ongoing current activities	a	(46,579)	(357,691)	145,019
CASH FLOWS FROM INVESTMENT ACTIVITIES				
Exit from consolidation of company consolidated in the past		-	2,385	-
Repayment (grant) of deposits, net		(29,646)	131,638	(214,434)
Acquisition of fixed assets and investment property and investment property under construction		(401,473)	(369,837)	(276,696)
Interest paid and capitalized cost of investment property under construction		(1,525)	(7,474)	(6,705)
Investment in affiliates, net		(2,000)	(1,400)	(689)
Proceeds from the sale of fixed assets and investment property		3,078	363,633	2,487
Proceeds from realization and settlement of hedging transactions		47,634	13,585	-
Acquisition of hedging transactions		(16,110)	-	-
Acquisition of intangible assets		(47,366)	(45,661)	(36,995)
Net cash provided by (used in) ongoing investment activities		(447,408)	86,869	(533,032)
Net cash provided by discontinued investment activities		-	-	12,926
Net cash provided by (used in) investment activities		(447,408)	86,869	(520,106)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	App.	Year ended December 31		
		2015	2014	2013
		NIS in thousands		
CASH FLOWS FROM FINANCE ACTIVITIES				
Settlement of CPI hedging transactions		(22,704)	(4,191)	-
Proceeds from the issue of bonds and subordinated deeds in a subsidiary, net		251,977	347,980	656,120
Proceeds from the realization of options to a subsidiary's shares		1,901	7,062	847
Proceeds from the realization of options to Company's shares		157	929	175
Issue of Company bonds, net tax		-	276,739	133,418
Sale, net and issue of a subsidiary's shares to non-controlling interest holders, net tax		70,710	123,871	269,865
Settlement of bonds and subordinated deeds in a subsidiary		(389,506)	(249,549)	(184,109)
Settlement of Company bonds		(80,195)	(80,400)	(70,358)
Decrease in short-term credit from banking institutions, net		(1)	(11,167)	(4,750)
Receipt (settlement) of long term loans from banking institutions and others, net		358,970	(118,883)	46,190
Dividend paid to shareholders of the Company		(40,000)	(50,000)	(30,000)
Dividend paid to non-controlling interest holders		(96,138)	(80,577)	(54,740)
Net cash provided by finance activities		55,171	161,814	762,658
Exchange rate differences in respect of balances of cash and cash equivalents		(15,949)	(7,648)	(10,010)
Increase (decrease) in cash and cash equivalents		(454,765)	(116,656)	377,561
Balance of cash and cash equivalents as at the beginning of the year	b	1,220,300	1,336,956	959,395
Balance of cash and cash equivalents as at the end of the year	c	765,535	1,220,300	1,336,956

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2015	2014	2013
	NIS in thousands		
(a) CASH FLOWS FROM CURRENT ACTIVITIES			
Net income	186,134	142,097	106,630
Adjustments to the profit or loss items:			
Depreciation and amortization	47,927	38,881	36,806
Loss (profit) from the sale of fixed assets	518	531	(54)
Share based payment cost	5,098	6,286	14,992
Company's share in losses of affiliates, net	2,000	1,400	1,232
Finance expenses, net	217,932	242,578	281,182
Net investment income and other finance income	(14,049)	(3,622)	(8,664)
Increase in value of investment property	(43,529)	(79,277)	(122,513)
Taxes on income	161,991	150,762	99,982
	<u>377,888</u>	<u>357,539</u>	<u>302,963</u>
Other financial investments:			
Net sales (acquisitions) of financial investments	65,301	(801,090)	85,238
Acquisition of investment property in consolidated insurance company	(214,740)	-	-
	<u>(149,439)</u>	<u>(801,090)</u>	<u>85,238</u>
Changes in assets and liabilities items:			
Profits from financial investments for yield dependent contracts	(6,334)	(27,503)	(29,912)
Profits from other financial investments	(200,942)	(194,562)	(123,821)
Change in liabilities in respect of non-yield-dependent insurance contracts	128,565	125,783	124,804
Change in liabilities in respect of yield-dependent contracts	(2,311)	23,252	26,781
Change deferred acquisition costs	(21,240)	(13,535)	(33,809)
Change in reinsurance assets	(16,171)	20,696	25,633
Change in employee benefits liabilities, net	4,454	1,344	1,157
Short-term credit from banking institutions in respect of grant of consumer credit activities	(67,348)	267,850	(106,617)
Buy back of subsidiary shares	-	(5,547)	-
Change in outstanding premium	(103,674)	(31,051)	(28,443)
Change in debtors and receivables	(30,786)	(23,348)	(18,844)
Change in creditors and payables	53,890	17,505	(6,574)
	<u>(261,897)</u>	<u>160,884</u>	<u>(169,645)</u>
Cash paid and received during the year for:			
Interest paid	(194,098)	(193,259)	(218,806)
Interest received	113,861	101,511	94,513
Taxes paid	(130,258)	(134,792)	(64,716)
Taxes received	4,077	2,981	1,129
Dividend received	7,153	6,438	7,713
	<u>(199,265)</u>	<u>(217,121)</u>	<u>(180,167)</u>
Total cash flows provided by (used in) current activities	<u>(46,579)</u>	<u>(357,691)</u>	<u>145,019</u>

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2015	2014	2013
	NIS in thousands		
(b) CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR			
Cash and cash equivalents for yield dependent contracts	27,222	20,337	19,739
Other cash and cash equivalents	<u>1,193,078</u>	<u>1,316,619</u>	<u>939,656</u>
Balance of cash and cash equivalents as at the beginning of the year	<u>1,220,300</u>	<u>1,336,956</u>	<u>959,395</u>
(c) CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR			
Cash and cash equivalents for yield dependent contracts	15,519	27,222	20,337
Other cash and cash equivalents	<u>750,016</u>	<u>1,193,078</u>	<u>1,316,619</u>
Balance of cash and cash equivalents at the end of the year	<u>765,535</u>	<u>1,220,300</u>	<u>1,336,956</u>
(d) SIGNIFICANT NON-CASH TRANSACTIONS			
Acquisition of investment property against creditors and payables	<u>29,934</u>	<u>40,738</u>	<u>13,505</u>
Sale of investment property against debtors	<u>-</u>	<u>22,259</u>	<u>-</u>

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5:- SEGMENTS OF ACTIVITY

a. The Company operates in the following segments of activity:

1. The segment of life assurance and long term savings

The segment of life assurance and long term savings includes the lines of life assurance and health assurance and it focuses mainly on long term savings (in the framework of various types of life assurance policies), as well as insurance coverages for various risks such as: death, disability, disability income insurance, etc.

2. Health insurance segment

The segment of health insurance includes medical expenses, dread disease, travel abroad and more.

3. General insurance segment

The segment of general insurance includes the liability and property branches. Pursuant to the Regulator of Insurance's directives, the general insurance segment is detailed according to the lines of motor act, motor casco, property and other insurances.

a. The motor act insurance line of business

The motor act insurance line of business focuses on coverages that their acquisition by the owner of the vehicle or the driver is compulsory by law and it provides a coverage for bodily injuries (to the driver of the vehicle, the passengers in the vehicle or to the pedestrians), as a result of the use of the motor vehicle.

b. The motor casco line of business

The motor casco line of business focuses on the property damage coverage for the insured vehicle and property damages that the insured vehicle will cause to a third party.

c. Property and other branches

The rest of the insurance lines of business that are not vehicle and liabilities mainly residential line.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5:- SEGMENTS OF ACTIVITY (Cont.)

a. The Company operates in the following segments of activity: (Cont.)

3. General insurance segment (Cont.)

d. Other liabilities branches

Liabilities lines are designated for coverage of the policyholder liabilities in respect of damage he causes to a third party.

These lines include: third party liability, employers' liability and professional liability.

4. Granting of consumer credit segment

Includes granting of consumer credit mainly for the acquisition of private vehicles (mainly second hand), providing loans for any purpose and granting loans for special purposes in various business.

5. Investment property

Includes mainly the lease of office buildings in Israel, Canada, Poland and Belgium.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**NOTE 5:- SEGMENTS OF ACTIVITY (Cont.)**

b. Hereunder is the breakdown of results of the segments of activity:

	Year ended as at December 31, 2015										
	Investment property	Life assurance and long term savings	Health insurance	General insurance				Consumer credit granted	Unallocated and offset in activities between segments	Total	
				Motor act	Motor casco	Property and others	Other liabilities				Total
INCOME											
Premiums earned on retention	-	204,748	144,043	376,276	783,998	124,692	8,273	1,293,239	-	-	1,642,030
Income from lease of properties	202,732	-	-	-	-	-	-	-	-	(6,532)	196,200
Increase in value of investment property and real estate under construction, net	43,529	-	-	-	-	-	-	-	-	-	43,529
Net gains on investments and other finance income	28,354	10,259	3,141	24,793	9,774	3,232	445	38,244	304	4,028	84,330
Income from management fees	-	7,119	-	-	-	-	-	-	-	-	7,119
Income from granting consumer credit	-	-	-	-	-	-	-	-	228,254	(236)	228,018
Income from commissions	-	9,692	2,004	-	-	3,419	-	3,419	-	-	15,115
Group's share in losses of affiliates	-	-	-	-	-	-	-	-	-	(2,000)	(2,000)
Other income	-	-	-	-	-	-	-	-	145	-	145
Total income	274,615	231,818	149,188	401,069	793,772	131,343	8,718	1,334,902	228,703	(4,740)	2,214,486
EXPENSES											
Payments and changes in liabilities for insurance contracts on retention	-	105,364	49,616	265,817	571,405	63,805	4,815	905,842	-	(1,186)	1,059,636
Marketing expenses and other acquisition expenses	-	35,940	30,378	52,560	105,922	23,077	1,296	182,855	88,508	(2,945)	334,736
Maintenance, general and administrative expenses	52,574	20,636	17,137	21,552	45,366	8,841	698	76,457	62,899	23,856	253,559
Finance expenses	129,494	-	-	-	-	95	-	95	8,483	79,860	217,932
Other expenses	52	-	-	-	-	-	-	-	-	446	498
Total expenses	182,120	161,940	97,131	339,929	722,693	95,818	6,809	1,165,249	159,890	100,031	1,866,361
Income (loss) before taxes on income	92,495	69,878	52,057	61,140	71,079	35,525	1,909	169,653	68,813	(104,771)	348,125
Segment assets as at December 31, 2015	3,844,478	710,384	122,138					2,158,483	734,397	1,381,508	8,951,388
Segment liabilities as at December 31, 2015	3,028,729	620,220	59,852					2,159,103	473,855	1,506,048	7,847,807

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**NOTE 5:- SEGMENTS OF ACTIVITY (Cont.)**

b. Hereunder is the breakdown of results of the segments of activity: (Cont.)

	Year ended as at December 31, 2014										
	Investment property	Life assurance and long term savings	Health insurance	General insurance				Consumer credit granted	Unallocated and offset in activities between segments	Total	
				Motor act	Motor casco	Property and others	Other liabilities				
											NIS in thousands
INCOME											
Premiums earned on retention	-	195,134	118,261	341,565	681,216	113,157	8,043	1,143,981	-	-	1,457,376
Income from lease of properties	183,051	-	-	-	-	-	-	-	-	(6,311)	176,740
Increase in value of investment property and real estate under construction, net	79,277	-	-	-	-	-	-	-	-	-	79,277
Net gains on investments and other finance income	6,535	30,184	1,947	22,565	10,939	2,689	354	36,547	-	29,236	104,449
Income from management fees	-	7,224	-	-	-	-	-	-	-	-	7,224
Income from granting consumer credit	-	-	-	-	-	-	-	-	173,679	(603)	173,076
Income from commissions	-	10,548	2,420	-	-	4,375	-	4,375	-	-	17,343
Group's share in losses of affiliates	-	-	-	-	-	-	-	-	-	(1,400)	(1,400)
Other income	2	-	-	-	-	-	-	-	160	51	213
Total income	268,865	243,090	122,628	364,130	692,155	120,221	8,397	1,184,903	173,839	20,973	2,014,298
EXPENSES											
Payments and changes in liabilities for insurance contracts on retention	-	130,131	43,189	240,679	479,512	48,309	4,768	773,268	-	(1,197)	945,391
Marketing expenses and other acquisition expenses	-	34,202	28,059	52,933	99,992	25,060	1,432	179,417	66,297	(2,972)	305,003
Maintenance, general and administrative expenses	50,210	21,421	15,940	18,759	37,539	7,485	490	64,273	46,405	29,634	227,883
Finance expenses	118,747	-	-	-	-	86	-	86	7,520	116,225	242,578
Other expenses	-	-	-	-	-	-	-	-	-	584	584
Total expenses	168,957	185,754	87,188	312,371	617,043	80,940	6,690	1,017,044	120,222	142,274	1,721,439
Income (loss) before taxes on income	99,908	57,336	35,440	51,759	75,112	39,281	1,707	167,859	53,617	(121,301)	292,859
Segment assets as at December 31, 2014	3,851,352	701,518	119,827					2,037,672	592,551	1,563,060	8,865,980
Segment liabilities as at December 31, 2014	2,941,468	622,914	58,967					2,043,931	435,641	1,688,516	7,791,437

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**NOTE 5:- SEGMENTS OF ACTIVITY (Cont.)**

b. Hereunder is the breakdown of results of the segments of activity: (Cont.)

	Year ended as at December 31, 2013										
	Investment property	Life assurance and long term savings	Health insurance	General insurance				Consumer credit granted	Unallocated and offset in activities between segments	Total	
				Motor act	Motor casco	Property					
						and others	Other liabilities				
NIS in thousands											
INCOME											
Premiums earned on retention	-	194,968	94,893	313,334	585,197	102,297	5,224	1,006,052	-	-	1,295,913
Income from lease of properties	200,553	-	-	-	-	-	-	-	-	(6,109)	194,444
Increase in value of investment property and real estate under construction, net	122,513	-	-	-	-	-	-	-	-	-	122,513
Net gains on investments and other finance income	3,965	34,366	2,929	36,666	15,466	3,593	524	56,249	18	(8,772)	88,755
Income from management fees	-	7,158	-	-	-	-	-	-	-	-	7,158
Income from granting consumer credit	-	-	-	-	-	-	-	-	140,958	(1,391)	139,567
Income from commissions	-	10,468	2,815	-	-	4,210	-	4,210	-	-	17,493
Group's share in losses of affiliates	-	-	-	-	-	-	-	-	-	(1,232)	(1,232)
Other income	35	-	-	-	-	-	-	-	91	238	364
Total income	327,066	246,960	100,637	350,000	600,663	110,100	5,748	1,066,511	141,067	(17,266)	1,864,975
EXPENSES											
Payments and changes in liabilities for insurance contracts on retention	-	138,307	39,126	235,985	423,591	47,000	2,768	709,344	-	(1,186)	885,591
Marketing expenses and other acquisition expenses	-	31,464	23,395	38,945	90,085	23,667	972	153,669	52,447	(2,942)	258,033
Maintenance, general and administrative expenses	58,013	19,727	13,888	16,730	32,179	6,915	317	56,141	41,711	43,925	233,405
Finance expenses	131,494	-	-	-	-	82	-	82	6,876	142,730	281,182
Other expenses	-	-	-	-	-	-	-	-	-	152	152
Total expenses	189,507	189,498	76,409	291,660	545,855	77,664	4,057	919,236	101,034	182,679	1,658,363
Income (loss) before taxes on income	137,559	57,462	24,228	58,340	54,808	32,436	1,691	147,275	40,033	(199,945)	206,612
Segment assets as at December 31, 2013	3,602,722	675,257	118,604					1,889,866	283,698	1,300,157	7,870,304
Segment liabilities as at December 31, 2013	2,754,624	598,909	56,953					1,904,606	150,656	1,483,106	6,948,854

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