

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

ZUR SHAMIR HOLDINGS LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2018

UNAUDITED

Please find attached an extract English translation of the Hebrew version of the interim consolidated financial statements of Zur Shamir Holdings Ltd. which were approved on May 22, 2018.

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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2018

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INDEX

	<u>Page</u>
Auditor's Report	2 - 3
Condensed Interim Consolidated Statements of Financial Position	4 - 5
Condensed Interim Consolidated Statements of Profit or Loss	6
Condensed Interim Consolidated Statements of Comprehensive Income	7
Condensed Interim Consolidated Statements of Changes in Equity	8 - 9
Condensed Interim Consolidated Statements of Cash Flows	10 - 12
Notes to the Condensed Interim Consolidated Financial Statements	13 - 17



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AUDITORS' REPORT

To the Shareholders of

ZUR SHAMIR HOLDINGS LTD.

Introduction

We have reviewed the accompanying financial information of ZUR SHAMIR HOLDINGS LTD. and its subsidiaries (hereunder - the Group) which comprise the condensed consolidated statements of financial position as of March 31, 2018, and the related condensed interim consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the period of three months then ended, The Company's Board of Directors and Management are responsible for the preparation and presentation of interim financial information for this period in accordance with IAS 34, "Interim Financial Reporting" and in accordance with the disclosure requirements as prescribed by the Supervisor of Insurance Business pursuant to the Supervision of Financial Services (Insurance) Law, 1981, and are also responsible for the preparation of financial information for this interim period in accordance with Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970, to the extent that these regulations apply to a corporation that unifies insurance companies. Our responsibility is to express a conclusion regarding the financial information for this interim period, based on our review.

We did not review the condensed interim financial information of consolidated subsidiaries whose assets constitute about 22.5% of the total consolidated assets as at March 31, 2018, and whose revenues constitute about 4.7% of the total consolidated revenues for the three-month period then ended. The condensed interim financial information of those companies was reviewed by other auditors whose review reports were furnished to us, and our opinion, insofar as it relates to the financial information in respect of those companies, is based on the review reports of the other auditors.

Scope of review

We conducted our review in accordance with Review Standard 1 of the Institute of Certified Public Accountants in Israel, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review and the review reports of other auditors, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34 and in accordance with the disclosure requirements as prescribed by the Supervisor of Insurance Business pursuant to the Supervision of Financial Services (Insurance) Law, 1981,

Conclusion (Cont.)

In addition to the abovementioned, based on our review and on the review reports of other auditors, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not comply, in all material respects, with the disclosure requirements of Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970, to the extent that these regulations apply to a corporation that unifies insurance companies.

Without qualifying our above conclusion, we draw attention to Note 5 to the financial statements regarding exposure to class actions and the approval of claims as class actions of subsidiaries.

Tel-Aviv,
May 22, 2018

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	<u>March 31,</u>		<u>December 31,</u>
	<u>2018</u>	<u>2017</u>	<u>2017</u>
	<u>Unaudited</u>		<u>Audited</u>
	<u>NIS in thousands</u>		
CURRENT ASSETS			
Cash and cash equivalents	1,075,737	1,025,119	916,362
Cash and cash equivalents for yield-dependent contracts	10,537	9,235	8,279
Financial assets	705,118	969,830	579,471
Derivatives	4,590	15,314	2,198
Outstanding insurance premiums	592,794	514,544	540,705
Debtors and receivables	164,408	152,942	499,240
Deposits	79,956	198,640	78,512
Current taxes receivable	4,044	55,632	75,357
Reinsurance assets	90,718	59,179	55,214
Deferred acquisition costs	112,445	99,411	98,515
	<u>2,840,347</u>	<u>3,099,846</u>	<u>2,853,853</u>
Assets designated for sale	<u>1,153,684</u>	<u>841,561</u>	<u>844,634</u>
	<u>3,994,031</u>	<u>3,941,407</u>	<u>3,698,487</u>
NON-CURRENT ASSETS			
Financial assets	2,436,394	2,042,083	2,557,583
Derivatives	640	18,889	6,485
Investment property and investment property under construction	3,962,732	3,571,645	3,887,801
Reinsurance assets	203,655	126,037	138,995
Fixed assets	182,993	131,777	184,883
Deferred acquisition costs	201,402	183,073	199,426
Debtors and receivables	37,471	66,176	88,458
Deposits	108,389	65,362	107,835
Goodwill and intangible assets	313,341	280,829	304,127
Deferred taxes	9,356	1,013	9,498
	<u>7,456,373</u>	<u>6,486,884</u>	<u>7,485,091</u>
	<u>11,450,404</u>	<u>10,428,291</u>	<u>11,183,578</u>

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	<u>March 31,</u>		<u>December 31,</u>
	<u>2018</u>	<u>2017</u>	<u>2017</u>
	<u>Unaudited</u>		<u>Audited</u>
	<u>NIS in thousands</u>		
CURRENT LIABILITIES			
Financial liabilities	1,250,195	1,320,038	1,419,818
Creditors and payables	613,826	365,592	539,170
Current taxes payable	8,997	6,891	1,107
Derivatives	15,080	14,123	13,340
Liabilities in respect of borrowing securities	-	64,076	-
Liabilities for insurance contracts and investment contracts	1,361,944	1,134,650	1,186,408
	<u>3,250,042</u>	<u>2,905,370</u>	<u>3,159,843</u>
NON-CURRENT LIABILITIES			
Financial liabilities	4,573,118	4,244,071	4,285,904
Creditors and payables	26,132	29,596	37,509
Liabilities for insurance contracts and investment contracts	2,028,461	(* 1,918,097	2,045,495
Employee benefit liabilities	31,460	(* 23,414	31,260
Derivatives	17,567	24,835	20,436
Deferred taxes	184,931	171,516	208,981
	<u>6,861,669</u>	<u>6,411,529</u>	<u>6,629,585</u>
EQUITY			
Share capital	143,085	217,531	143,085
Share premium	45,427	38,469	45,427
Reserves	(134,825)	(188,764)	(142,402)
Retained earnings	318,103	308,578	336,831
Treasury shares	-	(67,599)	-
Total equity attributed to the Company's shareholders	371,790	308,215	382,941
Non-controlling interests	966,903	803,177	1,011,209
Total equity	<u>1,338,693</u>	<u>1,111,392</u>	<u>1,394,150</u>
	<u>11,450,404</u>	<u>10,428,291</u>	<u>11,183,578</u>

*) Reclassified.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT AND LOSS

	Three months ended		Year ended
	March 31,		December 31,
	2018	2017	2017
	Unaudited		Audited
	NIS in thousands		
INCOME			
Premiums earned on retention	574,925	505,871	2,182,752
Income from lease of properties	57,860	52,017	219,189
Increase in value of investment property and property under construction, net	848	-	17,462
Net gains from investments and other finance income	9,097	22,354	110,479
Income from management fees	1,427	1,573	6,222
Income from grant of consumer credit	148,081	87,833	422,680
Income from commissions	9,279	4,815	17,960
Company's share in losses of affiliate	-	-	(578)
Other income	168	35	399
Total income	801,685	674,498	2,976,565
EXPENSES			
Payments and change in liabilities in respect of insurance contracts and investment contracts on retention	400,067	356,894	1,539,327
Marketing and other acquisition expenses	123,306	102,828	449,780
Maintenance, administrative and general expenses	96,626	84,100	348,562
Finance expenses	48,987	53,101	218,555
Other expenses	129	104	921
Total expenses	669,115	597,027	2,557,145
Income before taxes on income	132,570	77,471	419,420
Taxes on income (tax benefit)	52,477	(10,944)	112,885
Net income	80,093	88,415	306,535
Attributed to:			
Company's shareholders	24,566	34,791	103,911
Non-controlling interests	55,527	53,624	202,624
	80,093	88,415	306,535
Net earnings per share attributed to shareholders of the Company (in NIS):			
Basic earnings, net	0.38	0.54	1.63
Diluted earnings, net	0.38	0.54	1.61

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(LOSS)**

	Three months ended		Year ended
	March 31,		December 31,
	2018	2017	2017
	Unaudited		Audited
	NIS in thousands		
Net income	80,093	88,415	306,535
Other comprehensive income (loss) (after the tax effect):			
Amounts that will be reclassified subsequently to profit or loss:			
Net loss in respect of debt instruments measured at fair value through other comprehensive income	(1,387)	-	-
Net profit in respect of debt instruments measured at fair value through other comprehensive income transferred to profit or loss	51	-	-
Profit from cash flow hedging transactions	748	2,874	7,458
Transfer to profit or loss in respect of cash flow hedging transactions, net	1,951	-	-
Adjustments resulting from the translation of financial statements of foreign activities	10,038	(21,756)	(2,594)
Amounts that will not be reclassified subsequently to profit or loss:			
Revaluation in respect of fixed assets	-	-	29,102
Loss from remeasurement in respect of defined benefit plan	-	-	(4,612)
Total other comprehensive income (loss)	11,401	(18,882)	29,354
Total comprehensive income	91,494	69,533	335,889
Total comprehensive income attributed to:			
Company's shareholders	29,853	24,337	118,297
Non-controlling interests	61,641	45,196	217,592
	91,494	69,533	335,889

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company					Non controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Reserves	Total		
	Unaudited						
NIS in thousands							
Balance at January 1, 2018 (Audited)	143,085	45,427	336,831	(142,402)	382,941	1,011,209	1,394,150
Effect of first-time implementation of IFRS 9 and IFRS 15 Standards	-	-	(28,294)	2,246	(26,048)	(29,836)	(55,884)
Balance at January 1, 2018 after first-time implementation	143,085	45,427	308,537	(140,156)	356,893	981,373	1,338,266
Net income	-	-	24,566	-	24,566	55,527	80,093
Total other comprehensive income	-	-	-	5,287	5,287	6,114	11,401
Total comprehensive income			24,566	5,287	29,853	61,641	91,494
Cost of share-based payment	-	-	-	44	44	1,244	1,288
Dividend to Company's shareholders	-	-	(15,000)	-	(15,000)	-	(15,000)
Dividend to non- controlling interests holders	-	-	-	-	-	(77,355)	(77,355)
Balance at March 31, 2018 (Unaudited)	<u>143,085</u>	<u>45,427</u>	<u>318,103</u>	<u>(134,825)</u>	<u>371,790</u>	<u>966,903</u>	<u>1,338,693</u>

	Attributable to equity holders of the Company					Non- controlling interests	Total equity	
	Share capital	Share premium	Retained earnings	Reserves	Treasury shares			
	NIS in thousands							
Balance at January 1, 2017 (Audited)	217,531	38,469	285,787	(178,390)	(67,599)	295,798	791,300	1,087,098
Net income	-	-	34,791	-	-	34,791	53,624	88,415
Total other comprehensive loss	-	-	-	(10,454)	-	(10,454)	(8,428)	(18,882)
Total comprehensive income (loss)	-	-	34,791	(10,454)	-	24,337	45,196	69,533
Cost of share-based payment	-	-	-	80	-	80	3,306	3,386
Dividend to Company's shareholders	-	-	(12,000)	-	-	(12,000)	-	(12,000)
Dividend to non- controlling interests holders	-	-	-	-	-	-	(36,625)	(36,625)
Balance at March 31, 2017 (Unaudited)	<u>217,531</u>	<u>38,469</u>	<u>308,578</u>	<u>(188,764)</u>	<u>(67,599)</u>	<u>308,215</u>	<u>803,177</u>	<u>1,111,392</u>

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN 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 at January 1, 2017 (Audited)	217,531	38,469	285,787	(178,390)	(67,599)	295,798	791,300	1,087,098
Net income	-	-	103,911	-	-	103,911	202,624	306,535
Total other comprehensive income	-	-	-	14,386	-	14,386	14,968	29,354
Total comprehensive income	-	-	103,911	14,386	-	118,297	217,592	335,889
Cost of share-based payment	-	-	-	320	-	320	8,153	8,473
Issue of shares, net of subsidiary to non-controlling interest	-	-	(28,867)	21,376	-	(7,491)	115,663	108,172
Realization of options warrants Into company shares	17	94	-	(94)	-	17	-	17
Cancellation of treasury shares	(74,463)	6,864	-	-	67,599	-	-	-
Dividend to Company's shareholders	-	-	(24,000)	-	-	(24,000)	-	(24,000)
Dividend to non-controlling interests holders	-	-	-	-	-	-	(121,499)	(121,499)
Balance at December 31, 2017 (Audited)	<u>143,085</u>	<u>45,427</u>	<u>336,831</u>	<u>(142,402)</u>	<u>-</u>	<u>382,941</u>	<u>1,011,209</u>	<u>1,394,150</u>

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended		Year ended
	March 31,		December 31,
	2018	2017	2017
	Unaudited		Audited
	NIS in thousands		
CASH FLOWS PROVIDED BY (USED IN) CURRENT ACTIVITIES (App. A)	<u>(130,278)</u>	<u>(84,481)</u>	<u>25,486</u>
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Settlement (grant) of deposits	(899)	(6,730)	9,000
Acquisition of fixed assets and investment property and property under construction	(47,198)	(31,343)	(267,555)
Interest paid and capitalized to cost of investment property under construction	(1,206)	(825)	(4,062)
Investment in affiliate, net	-	-	(578)
Proceeds from sale of fixed assets and investment property	899	400	4,754
Proceeds from hedging transactions	467	1,765	4,528
Payment for hedging transactions	(1,468)	-	(4,346)
Investment of intangible assets	(18,651)	(20,217)	(59,552)
Cash deducted due to acquisitions in the framework of business combination	-	-	(6,000)
Net cash used in investment activities	<u>(68,056)</u>	<u>(56,950)</u>	<u>(323,811)</u>
CASH FLOWS FROM FINANCE ACTIVITIES			
Settlement of CPI hedging transactions and interest rate determination	(2,968)	(5,709)	(15,529)
Proceeds from the issue of bonds and subordinated deeds in a subsidiary, net	437,446	346,874	517,799
Proceeds from the realization of options to Company's shares	-	-	17
Sale, net and issue of subsidiary's shares to non-controlling interest holders, net of tax	-	-	108,172
Settlement of bonds and subordinated deeds in a subsidiary	(66,447)	(66,248)	(235,022)
Settlement of Company bonds	-	-	(51,067)
Change in short-term credit from banking institutions, net	-	(764)	(764)
Receipt of long term loans from banking institutions and others, net	71,334	24,227	168,631
Settlements of long term loans from banking institutions and others, net	(22,328)	(249,689)	(353,480)
Dividend payment to shareholders of the Company	-	(12,000)	(24,000)
Dividend payment to non-controlling interest holders	(57,696)	(38,972)	(74,523)
Net cash provided by (used in) finance activities	<u>359,341</u>	<u>(2,281)</u>	<u>40,234</u>
Exchange rate differences in respect of balances of cash and cash equivalents	<u>626</u>	<u>(497)</u>	<u>4,169</u>
Increase (decrease) in cash and cash equivalents	161,633	(144,209)	(253,922)
Balance of cash and cash equivalents as at the beginning of the period (App. B)	<u>924,641</u>	<u>1,178,563</u>	<u>1,178,563</u>
Balance of cash and cash equivalents as at the end of the period (App. C)	<u>1,086,274</u>	<u>1,034,354</u>	<u>924,641</u>

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended March 31,		Year ended December 31,
	2018	2017	2017
	Unaudited		Audited
	NIS in thousands		
APPENDIX A - CASH FLOWS FROM CURRENT ACTIVITIES			
Net income	80,093	88,415	306,535
Adjustments to profit or loss items:			
Depreciation and amortization	15,984	12,817	58,551
Loss from sale of fixed assets	129	104	903
Share based payment cost	1,288	3,386	8,473
Company's share in losses of affiliate	-	-	578
Finance expenses, net	48,987	53,101	218,555
Net investment losses (income), and other finance expenses (income)	7,286	(5,573)	(1,764)
Increase in value of investment property	(848)	-	(17,462)
Taxes on income (tax benefit)	52,477	(10,944)	112,885
	<u>125,303</u>	<u>52,891</u>	<u>380,719</u>
Other financial investments:			
Net sales (acquisitions) of financial investments	37,309	(273,592)	(562,808)
Acquisition and investments in investment property in consolidated insurance company	-	(152)	(821)
	<u>37,309</u>	<u>(273,744)</u>	<u>(563,629)</u>
Changes in asset and liability items:			
Losses (profits) from financial investments for yield-dependent contracts	1,373	(1,333)	(14,421)
Profits from other financial investments	(93,471)	(65,715)	(317,036)
Change in liabilities for non-yield-dependent insurance contracts	165,138	138,900	322,319
Change in liabilities for yield-dependent contracts	(6,636)	(4,410)	(8,673)
Change in deferred acquisition costs	(15,906)	(19,656)	(35,113)
Change in reinsurance assets	(100,164)	(12,661)	(21,654)
Change in liabilities for employee benefits	200	930	1,769
Short-term credit, net from banking institutions and others in respect of consumer credit grant activities	(312,676)	214,352	295,821
Change in liabilities in respect of borrowing securities	-	(119,050)	(183,126)
Change in deposits used as guarantee for securities borrowing transactions, net	-	121,926	187,511
Change in outstanding premium	(52,089)	(59,725)	(85,886)
Change in debtors and receivables	(33,330)	(30,820)	(138,949)
Change in creditors and payables	23,511	(68,803)	66,430
	<u>(424,050)</u>	<u>93,935</u>	<u>68,992</u>
Cash paid and received during the period for:			
Interest paid	(58,186)	(56,076)	(210,115)
Interest received	73,737	45,370	206,655
Taxes paid	(17,573)	(39,533)	(173,465)
Taxes received	49,378	1,792	1,856
Dividend received	3,711	2,469	7,938
	<u>51,067</u>	<u>(45,978)</u>	<u>(167,131)</u>
Total cash flows provided by (used in) current activities	<u>(130,278)</u>	<u>(84,481)</u>	<u>25,486</u>

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended		Year ended
	March 31,		December 31,
	2018	2017	2017
	Unaudited		Audited
	NIS in thousands		
APPENDIX B - CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE PERIOD			
Cash and cash equivalents for yield-dependent contracts	8,279	10,740	10,740
Other cash and cash equivalents	916,362	1,167,823	1,167,823
Balance of cash and cash equivalents as at the beginning of the period	924,641	1,178,563	1,178,563
APPENDIX C - CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD			
Cash and cash equivalents for yield-dependent contracts	10,537	9,235	8,279
Other cash and cash equivalents	1,075,737	1,025,119	916,362
Balance of cash and cash equivalents as at the end of the period	1,086,274	1,034,354	924,641
APPENDIX D - SIGNIFICANT NON-CASH ACTIVITIES			
Acquisition of fixed asset, investment property and real property construction against creditors and payables	41,280	47,413	38,118
Securitization of loan portfolio against debtors	-	-	314,748
Dividend declared but not yet paid to Company's shareholders	15,000	-	-
Dividend declared but not yet paid to non-controlling interest holders	71,188	3,846	51,528

CONDENSED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

NOTE 3:- 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 it focuses mainly, on insurance coverage for various risks such as: death, disability, disability income insurance, etc. and on long term savings (in the framework of various types of life insurance policies).

2. Health insurance segment

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

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 others and other liabilities.

a. The motor act insurance line of business

The motor act insurance line of business focuses on coverage 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 INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

NOTE 3:- 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. including : third party liability, employers' liability and professional liability.

4. Granting of consumer credit segment

Includes granting of consumer credit activity for the acquisition of vehicles (mainly second hand), granting of credit for loans for any purpose and granting loans for special purposes in different businesses.

5. Investment property

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

CONDENSED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**NOTE 3:- SEGMENTS OF ACTIVITY (Cont.)**

b. Hereunder are the results of the segments of activity:

	Three months ended as at March 31, 2018										
	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
	Unaudited										
NIS in thousands											
INCOME											
Premiums earned on retention	-	62,600	57,312	115,366	301,175	34,197	4,275	455,013	-	-	574,925
Income from lease of properties	59,686	-	-	-	-	-	-	-	-	(1,826)	57,860
Increase in value of investment property and property under construction, net	848	-	-	-	-	-	-	-	-	-	848
Net gains (losses) from investments and other finance income(expenses)	(4,256)	(1,463)	166	6,179	1,553	84	185	8,001	15	6,634	9,097
Income from management fees	-	1,427	-	-	-	-	-	-	-	-	1,427
Income from grant of consumer credit	-	-	-	-	-	-	-	-	148,141	(60)	148,081
Income from commissions	-	3,058	685	3,153	-	2,383	-	5,536	-	-	9,279
Other income	-	-	-	-	-	-	-	-	60	108	168
Total income	56,278	65,622	58,163	124,698	302,728	36,664	4,460	468,550	148,216	4,856	801,685
EXPENSES											
Payments and change in liabilities in respect of insurance contracts and investment contracts on retention	-	21,940	23,158	106,964	224,744	20,661	2,908	355,277	-	(308)	400,067
Marketing and other acquisition expenses	-	14,601	16,873	14,781	31,719	6,226	744	53,470	39,125	(763)	123,306
Maintenance, administrative and general expenses	16,239	5,446	7,022	4,963	11,090	2,101	210	18,364	44,722	4,833	96,626
Finance expenses	24,662	18	-	86	136	11	-	233	6,263	17,811	48,987
Other expenses	-	-	-	-	-	-	-	-	-	129	129
Total expenses	40,901	42,005	47,053	126,794	267,689	28,999	3,862	427,344	90,110	21,702	669,115
Income (loss) before taxes on income	15,377	23,617	11,110	(2,096)	35,039	7,665	598	41,206	58,106	(16,846)	132,570
Other comprehensive income (loss) before taxes on income	12,346	-	-	(812)	(204)	(11)	(24)	(1,051)	-	(979)	10,316
Comprehensive income (loss) before taxes on income	27,723	23,617	11,110	(2,908)	34,835	7,654	574	40,155	58,106	(17,825)	142,886

CONDENSED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**NOTE 3:- SEGMENTS OF ACTIVITY (Cont.)**

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

	Three months ended as at March 31, 2017										
	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
	Unaudited										
NIS in thousands											
INCOME											
Premiums earned on retention	-	59,428	47,399	109,777	250,469	35,078	3,720	399,044	-	-	505,871
Income from lease of properties	53,618	-	-	-	-	-	-	-	-	(1,601)	52,017
Net gains (losses) from investments and other finance income(expenses)	7,241	1,447	197	5,593	1,435	207	153	7,388	(5)	6,086	22,354
Income from management fees	-	1,573	-	-	-	-	-	-	-	-	1,573
Income from grant of consumer credit	-	-	-	-	-	-	-	-	87,842	(9)	87,833
Income from reinsurers commissions	-	2,958	628	-	-	1,229	-	1,229	-	-	4,815
Other income	-	-	-	-	-	-	-	-	35	-	35
Total income	60,859	65,406	48,224	115,370	251,904	36,514	3,873	407,661	87,872	4,476	674,498
EXPENSES											
Payments and change in liabilities in respect of insurance contracts and investment contracts on retention	-	30,996	16,527	97,988	192,167	17,007	2,501	309,663	-	(292)	356,894
Marketing and other acquisition expenses	-	11,508	12,968	13,272	27,771	5,143	856	47,042	32,034	(724)	102,828
Maintenance, administrative and general expenses	15,745	6,281	5,802	6,074	11,941	1,659	255	19,929	32,939	3,404	84,100
Finance expenses	29,591	19	-	-	-	15	-	15	6,329	17,147	53,101
Other expenses	-	-	-	-	-	-	-	-	-	104	104
Total expenses	45,336	48,804	35,297	117,334	231,879	23,824	3,612	376,649	71,302	19,639	597,027
Income (loss) before taxes on income	15,523	16,602	12,927	(1,964)	20,025	12,690	261	31,012	16,570	(15,163)	77,471
Other comprehensive loss before taxes on income	(17,243)	-	-	-	-	-	-	-	-	-	(17,243)
Comprehensive income (loss) before taxes on income	(1,720)	16,602	12,927	(1,964)	20,025	12,690	261	31,012	16,570	(15,163)	60,228

CONDENSED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**NOTE 3:- SEGMENTS OF ACTIVITY (Cont.)**

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

	Year ended as at December 31, 2017										
	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
	Audited										
NIS in thousands											
INCOME											
Premiums earned on retention	-	241,323	208,819	471,157	1,098,833	147,181	15,439	1,732,610	-	-	2,182,752
Income from lease of properties	225,931	-	-	-	-	-	-	-	-	(6,742)	219,189
Increase in value of investment property and property under construction, net	17,462	-	-	-	-	-	-	-	-	-	17,462
Net gains on investments and other finance income	2,080	15,684	1,196	33,145	12,692	2,209	946	48,992	98	42,429	110,479
Income from management fees	-	6,222	-	-	-	-	-	-	-	-	6,222
Income from grant of consumer credit	-	-	-	-	-	-	-	-	423,395	(715)	422,680
Income from commissions	-	10,858	1,776	-	531	4,795	-	5,326	-	-	17,960
Company's share in losses of affiliate	-	-	-	-	-	-	-	-	-	(578)	(578)
Other income	31	-	-	-	-	-	-	-	177	191	399
Total income	245,504	274,087	211,791	504,302	1,112,056	154,185	16,385	1,786,928	423,670	34,585	2,976,565
EXPENSES											
Payments and change in liabilities in respect of insurance contracts and investment contracts on retention	-	128,199	81,485	434,031	811,894	75,532	9,399	1,330,856	-	(1,213)	1,539,327
Marketing and other acquisition expenses	-	45,503	51,761	59,577	125,543	23,677	2,134	210,931	144,596	(3,011)	449,780
Maintenance, administrative and general expenses	62,936	25,543	23,494	20,980	47,387	6,826	663	75,856	142,718	18,015	348,562
Finance expenses	110,330	81	-	-	(525)	58	-	(467)	31,602	77,009	218,555
Other expenses	107	-	-	-	-	-	-	-	-	814	921
Total expenses	173,373	199,326	156,740	514,588	984,299	106,093	12,196	1,617,176	318,916	91,614	2,557,145
Income (loss) before taxes on income	72,131	74,761	55,051	(10,286)	127,757	48,092	4,189	169,752	104,754	(57,029)	419,420
Other comprehensive income (loss) before taxes on income	44,110	(1,129)	(1,260)	(1,158)	(2,957)	(461)	(42)	(4,618)	-	-	37,103
Comprehensive income (loss) before taxes on income	116,241	73,632	53,791	(11,444)	124,800	47,631	4,147	165,134	104,754	(57,029)	456,523