

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

ZUR SHAMIR HOLDINGS LTD.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2016

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 27, 2017.

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, 2016

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**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, 2016. 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, 2016.

We have also audited, in accordance with generally accepted auditing standards in Israel, the consolidated financial statements of the Company as of December 31, 2016 and 2015 and for each of the three years in the period ended December 31, 2016 and our report dated March 27, 2017 expressed an unqualified opinion of those financial statements. We also drew attention to Note 42a to the annual consolidated financial statements regarding the exposure to requests to approve claims as class actions in subsidiaries.

Tel-Aviv, Israel
March 27, 2017

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, 2016 and 2015, 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, 2016. 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 22.4% and about 24.3% of total consolidated assets as at December 31, 2016 and 2015, respectively, and whose revenues constitute about 5.6%, about 6.2% and about 6.2% of total consolidated revenues for each of the three years ended the last of which ended, December 31, 2016, 2015 and 2014. 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, 2016 and 2015 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, 2016, 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 42b to the annual consolidated financial statements regarding exposure to class actions and the approval of claims as class actions of a subsidiary.

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, 2016, and our report dated March 27, 2017 expressed an unqualified opinion on the effective existence of those components.

Tel-Aviv,
March 27, 2017

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

CONDENSED CONSOLIDATED STATEMENTS OF THE FINANCIAL POSITION

	December 31	
	2016	2015
	NIS in thousands	
CURRENT ASSETS		
Cash and cash equivalents	1,167,823	750,016
Cash and cash equivalents for yield dependent contracts	10,740	15,519
Financial assets	1,009,750	749,958
Derivatives	3,204	6,478
Outstanding insurance premiums	454,819	364,465
Debtors and receivables	143,112	138,829
Deposits	320,978	11,965
Current taxes receivable	53,626	5,693
Reinsurance assets	49,118	52,459
Deferred acquisition costs	84,530	77,686
	<u>3,297,700</u>	<u>2,173,068</u>
Assets designated for sale	<u>791,809</u>	<u>334,350</u>
	<u>4,089,509</u>	<u>2,507,418</u>
NON-CURRENT ASSETS		
Financial assets	1,745,676	2,193,965
Derivatives	7,781	-
Investment property and real estate under construction, net	3,638,398	3,513,745
Reinsurance assets	123,437	111,888
Fixed assets	132,050	130,006
Deferred acquisition costs	178,298	151,594
Long term debtors	59,523	29,971
Deposits	59,328	75,005
Goodwill and intangible assets	265,493	235,865
Deferred taxes	2,458	1,931
	<u>6,212,442</u>	<u>6,443,970</u>
	<u>10,301,951</u>	<u>8,951,388</u>

CONDENSED CONSOLIDATED STATEMENTS OF THE FINANCIAL POSITION

	December 31	
	2016	2015
	NIS in thousands	
CURRENT LIABILITIES		
Financial liabilities	1,278,040	928,755
Creditors and payables	435,149	392,111
Current taxes payable	12,840	70,197
Derivatives	24,420	21,962
Liability in respect of borrowing securities	183,126	-
Liabilities in respect of insurance and investment contracts	<u>1,017,491</u>	<u>865,647</u>
	<u>2,951,066</u>	<u>2,278,672</u>
NON-CURRENT LIABILITIES		
Financial liabilities	4,066,815	3,614,306
Creditors and payables	25,424	9,919
Liabilities in respect of insurance and investment contracts	1,904,989	1,711,804
Liabilities for employee benefits	18,261	17,393
Derivatives	27,035	28,901
Deferred taxes	<u>221,263</u>	<u>186,812</u>
	<u>6,263,787</u>	<u>5,569,135</u>
CAPITAL		
Share capital	217,531	217,531
Share premium	38,469	38,469
Reserves	(178,390)	(168,134)
Retained earnings	285,787	299,501
Treasury shares	<u>(67,599)</u>	<u>(67,599)</u>
Total capital attributed to the Company's shareholders	295,798	319,768
Non-controlling interests	<u>791,300</u>	<u>783,813</u>
Total capital	<u>1,087,098</u>	<u>1,103,581</u>
	<u>10,301,951</u>	<u>8,951,388</u>

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Year ended December 31		
	2016	2015	2014
	NIS in thousands		
INCOME			
Premiums earned on retention	1,924,712	1,642,030	1,457,376
Income from lease of assets	215,928	196,200	176,740
Increase in value of investment property and real estate under construction, net	22,276	43,529	79,277
Investment income, net and other finance income	88,306	84,330	104,449
Income from management fees	6,513	7,119	7,224
Income from grant of consumer credit	294,613	228,018	173,076
Income from reinsurance commissions	17,604	15,115	17,343
Company's share in losses of affiliates, net	(1,333)	(2,000)	(1,400)
Other income	211	145	213
Total income	2,568,830	2,214,486	2,014,298
EXPENSES			
Payments and change in liabilities in respect of insurance contracts and investment contracts on retention	1,467,224	1,059,636	945,391
Marketing and other acquisition expenses	383,582	334,736	305,003
Maintenance, administrative and general expenses	276,114	253,559	227,883
Finance expenses	221,741	217,932	242,578
Other expenses	937	498	584
Total expenses	2,349,598	1,866,361	1,721,439
Income before taxes on income	219,232	348,125	292,859
Taxes on income	118,614	161,991	150,762
Net income	100,618	186,134	142,097
Attributed to:			
Company shareholders	2,745	45,395	20,025
Non-controlling interest	97,873	140,739	122,072
	100,618	186,134	142,097
Net earnings per share attributable to holders of the Company (in NIS)			
Basic net earnings	0.04	0.71	0.32
Diluted net earnings	0.03	0.69	0.25

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended December 31		
	2016	2015	2014
	NIS in thousands		
Net income	100,618	186,134	142,097
Other comprehensive income (loss) (after the tax effect):			
Amounts that will be reclassified subsequently to profit or loss:			
Profit (loss) in respect of cash flow hedging transactions	(7,705)	9,536	(161)
Adjustments resulting from the translation of the financial statements of activities abroad	(14,538)	(137,384)	326
Amounts that will not be reclassified subsequently to profit or loss:			
Profit (loss) from remeasurement in respect of defined benefit plan	(737)	(343)	1,285
Total other comprehensive income (loss)	(22,980)	(128,191)	1,450
Total comprehensive income	77,638	57,943	143,547
Total comprehensive income (loss) attributed to:			
Company shareholders	(8,139)	(26,260)	20,636
Non-controlling interests	85,777	84,203	122,911
	77,638	57,943	143,547

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, 2014	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
Total comprehensive income	-	-	20,025	611	-	20,636	122,911	143,547
Issue and sale of shares, net of subsidiaries to non-controlling interests	-	-	84,672	-	-	84,672	65,313	149,985
Buy back of shares in a subsidiary in the framework of an exchange purchase offer	-	-	(25,386)	5,579	-	(19,807)	(4,332)	(24,139)
Realization of option warrants into subsidiary 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)
Total comprehensive income (loss)	-	-	45,395	(71,655)	-	(26,260)	84,203	57,943
Issue, net of a subsidiary's shares 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
Net income	-	-	2,745	-	-	2,745	97,873	100,618
Total other comprehensive loss	-	-	-	(10,884)	-	(10,884)	(12,096)	(22,980)
Comprehensive income (loss)	-	-	2,745	(10,884)	-	(8,139)	85,777	77,638
Share based payment cost	-	-	-	628	-	628	4,785	5,413
Realization of option warrants into subsidiaries' shares by non-controlling interests	-	-	(1,459)	-	-	(1,459)	(254)	(1,713)
Dividend to the Company's shareholders	-	-	(15,000)	-	-	(15,000)	-	(15,000)
Dividend to non-controlling interest holders	-	-	-	-	-	-	(82,821)	(82,821)
Balance as at December 31, 2016	217,531	38,469	285,787	(178,390)	(67,599)	295,798	791,300	1,087,098

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	App.	Year ended December 31		
		2016	2015	2014
		NIS in thousands		
Cash flows provided by (used in) ongoing current activities	a	327,526	(46,579)	(357,691)
CASH FLOWS FROM INVESTMENT ACTIVITIES				
Exit from consolidation of company consolidated in the past		-	-	2,385
Repayment (grant) of deposits, net		(66,300)	(29,646)	131,638
Acquisition of fixed assets and investment property and investment property under construction		(163,725)	(401,473)	(369,837)
Interest paid and capitalized to cost of investment property and investment property under construction		(985)	(1,525)	(7,474)
Investment in affiliates, net		(1,333)	(2,000)	(1,400)
Proceeds from the sale of fixed assets and investment property		31,797	3,078	363,633
Proceeds in respect of hedging transactions		4,851	47,634	13,585
Payment in respect of hedging transactions		(2,291)	(16,110)	-
Acquisition of intangible assets		(57,712)	(47,366)	(45,661)
Net cash provided by (used in) investment activities		(255,698)	(447,408)	86,869

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	App.	Year ended December 31		
		2016	2015	2014
		NIS in thousands		
CASH FLOWS FROM FINANCE ACTIVITIES				
Settlement of CPI hedging transactions		(15,042)	(22,704)	(4,191)
Proceeds from the issue of bonds and subordinated deeds in a subsidiary, net		1,199,057	251,977	347,980
Proceeds from the realization of options to a subsidiary's shares		304	1,901	7,062
Proceeds from the realization of options to Company's shares		-	157	929
Issue of Company bonds, net tax		116,925	-	276,739
Buy back of shares in subsidiary		(2,142)	-	-
Sale, net and issue of a subsidiary's shares to non-controlling interest holders, net tax		-	70,710	123,871
Settlement of bonds and subordinated deeds in a subsidiary		(648,656)	(389,506)	(249,549)
Settlement of Company bonds		(79,785)	(80,195)	(80,400)
Increase (decrease) in short-term credit from banking institutions, net		764	(1)	(11,167)
Receipt (settlement) of long term loans from banking institutions and others, net		(135,772)	358,970	(118,883)
Dividend paid to shareholders of the Company		(15,000)	(40,000)	(50,000)
Dividend paid to non-controlling interest holders		(78,269)	(96,138)	(80,577)
Net cash provided by finance activities		342,384	55,171	161,814
Exchange rate differences in respect of balances of cash and cash equivalents		<u>(1,184)</u>	<u>(15,949)</u>	<u>(7,648)</u>
Increase (decrease) in cash and cash equivalents		413,028	(454,765)	(116,656)
Balance of cash and cash equivalents as at the beginning of the year	b	<u>765,535</u>	<u>1,220,300</u>	<u>1,336,956</u>
Balance of cash and cash equivalents as at the end of the year	c	<u><u>1,178,563</u></u>	<u><u>765,535</u></u>	<u><u>1,220,300</u></u>

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2016	2015	2014
	NIS in thousands		
(a) CASH FLOWS FROM CURRENT ACTIVITIES			
Net income	100,618	186,134	142,097
Adjustments to the profit or loss items:			
Depreciation and amortization	50,235	47,927	38,881
Loss from the sale of fixed assets	836	518	531
Share based payment cost	5,413	5,098	6,286
Company's share in losses of affiliates, net	1,333	2,000	1,400
Finance expenses, net	221,741	217,932	242,578
Net investment income and other finance income	(14,405)	(14,049)	(3,622)
Increase in value of investment property	(22,276)	(43,529)	(79,277)
Taxes on income	118,614	161,991	150,762
	<u>361,491</u>	<u>377,888</u>	<u>357,539</u>
Other financial investments:			
Net sales (acquisitions) of financial investments	(147,026)	65,301	(801,090)
Investments in investment property in consolidated insurance company	(474)	(214,740)	-
	<u>(147,500)</u>	<u>(149,439)</u>	<u>(801,090)</u>
Changes in assets and liabilities items:			
Profits from financial investments for yield dependent contracts	(8,882)	(6,334)	(27,503)
Profits from other financial investments	(210,607)	(200,942)	(194,562)
Change in liabilities in respect of non-yield-dependent insurance contracts	347,649	128,565	125,783
Change in liabilities in respect of yield-dependent	(2,620)	(2,311)	23,252
Change deferred acquisition costs	(33,548)	(21,240)	(13,535)
Change in reinsurance assets	(8,208)	(16,171)	20,696
Change in employee benefits liabilities, net	(252)	4,454	1,344
Short-term credit from banking institutions in respect of grant of consumer credit activities	323,476	(67,348)	267,850
Change in liability in respect of borrowing securities	183,126	-	-
Change in deposits to secure securities borrowing transactions, net	(187,738)	-	-
Buy back of subsidiary shares	(6,600)	-	(5,547)
Change in outstanding premium	(90,354)	(103,674)	(31,051)
Change in debtors and receivables	(98,700)	(30,786)	(23,348)
Change in creditors and payables	49,861	53,890	17,505
	<u>256,603</u>	<u>(261,897)</u>	<u>160,884</u>
Cash paid and received during the year for:			
Interest paid	(200,182)	(194,098)	(193,259)
Interest received	134,929	113,861	101,511
Taxes paid	(190,266)	(130,258)	(134,792)
Taxes received	6,666	4,077	2,981
Dividend received	5,167	7,153	6,438
	<u>(243,686)</u>	<u>(199,265)</u>	<u>(217,121)</u>
Total cash flows provided by (used in) current activities	<u>327,526</u>	<u>(46,579)</u>	<u>(357,691)</u>

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2016	2015	2014
	NIS in thousands		
(b) CASH AND CASH EQUIVALENTS AS AT THE BEGINNING 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 as at the beginning of the year	<u><u>765,535</u></u>	<u><u>1,220,300</u></u>	<u><u>1,336,956</u></u>
(c) CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR			
Cash and cash equivalents for yield dependent contracts	10,740	15,519	27,222
Other cash and cash equivalents	<u>1,167,823</u>	<u>750,016</u>	<u>1,193,078</u>
Balance of cash and cash equivalents at the end of the year	<u><u>1,178,563</u></u>	<u><u>765,535</u></u>	<u><u>1,220,300</u></u>
(d) SIGNIFICANT NON-CASH TRANSACTIONS			
Acquisition of fixed assets, investment property and investment property under construction against creditors and payables	<u>40,337</u>	<u>29,934</u>	<u>40,738</u>
Sale of investment property against debtors	<u>-</u>	<u>-</u>	<u>22,259</u>
Dividend declared and not yet paid to non-controlling interests	<u>4,552</u>	<u>-</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 it focuses mainly 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 assurance policies).

2. Health insurance segment

The segment of health insurance includes medical expenses, personal accident, 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 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 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

Including activities providing credit for the acquisition of vehicle (mostly second-hand), the granting of credit loans for any purpose and providing loans for special purposes in different businesses.

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, 2016										
	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				
NIS in thousands											
INCOME											
Premiums earned on retention	-	225,324	172,621	429,461	948,074	133,850	15,382	1,526,767	-	-	1,924,712
Income from lease of properties	222,313	-	-	-	-	-	-	-	-	(6,385)	215,928
Increase in value of investment property and real estate under construction, net	22,276	-	-	-	-	-	-	-	-	-	22,276
Net gains on investments and other finance income	1,779	10,132	1,089	32,553	10,952	2,249	865	46,619	530	28,157	88,306
Income from management fees	-	6,513	-	-	-	-	-	-	-	-	6,513
Income from granting consumer credit	-	-	-	-	-	-	-	-	294,684	(71)	294,613
Income from reinsurers commissions	-	12,192	1,758	-	-	3,654	-	3,654	-	-	17,604
Group's share in losses of affiliates	-	-	-	-	-	-	-	-	-	(1,333)	(1,333)
Other income	79	-	-	-	-	-	-	-	129	3	211
Total income	246,447	254,161	175,468	462,014	959,026	139,753	16,247	1,577,040	295,343	20,371	2,568,830
EXPENSES											
Payments and changes in liabilities for insurance contracts on retention	-	119,804	69,570	443,367	764,817	61,380	9,492	1,279,056	-	(1,206)	1,467,224
Marketing expenses and other acquisition expenses	-	39,941	38,670	55,874	113,693	23,173	2,020	194,760	113,204	(2,993)	383,582
Maintenance, general and administrative expenses	59,208	23,057	21,006	22,668	44,376	6,905	831	74,780	83,069	14,994	276,114
Finance expenses	113,814	89	-	-	-	46	-	46	13,636	94,156	221,741
Other expenses	138	-	-	-	-	-	-	-	1	798	937
Total expenses	173,160	182,891	129,246	521,909	922,886	91,504	12,343	1,548,642	209,910	105,749	2,349,598
Income (loss) before taxes on income	73,287	71,270	46,222	(59,895)	36,140	48,249	3,904	28,398	85,433	(85,378)	219,232
Segment assets as at December 31, 2016	3,895,085	731,920	160,233					2,481,084	1,571,029	1,462,600	10,301,951
Segment liabilities as at December 31, 2016	3,072,957	628,120	66,840					2,498,197	1,278,802	1,669,937	9,214,853

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, 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				
											NIS in thousands
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 reinsurers 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	713,914	122,138					2,158,483	734,397	1,377,978	8,951,388
Segment liabilities as at December 31, 2015	3,028,729	621,756	59,852					2,159,103	473,855	1,504,512	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
						Total	Total				
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 reinsurers 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	705,796	119,827					2,037,672	592,551	1,558,782	8,865,980
Segment liabilities as at December 31, 2014	2,941,468	624,718	58,967					2,043,931	435,641	1,686,712	7,791,437