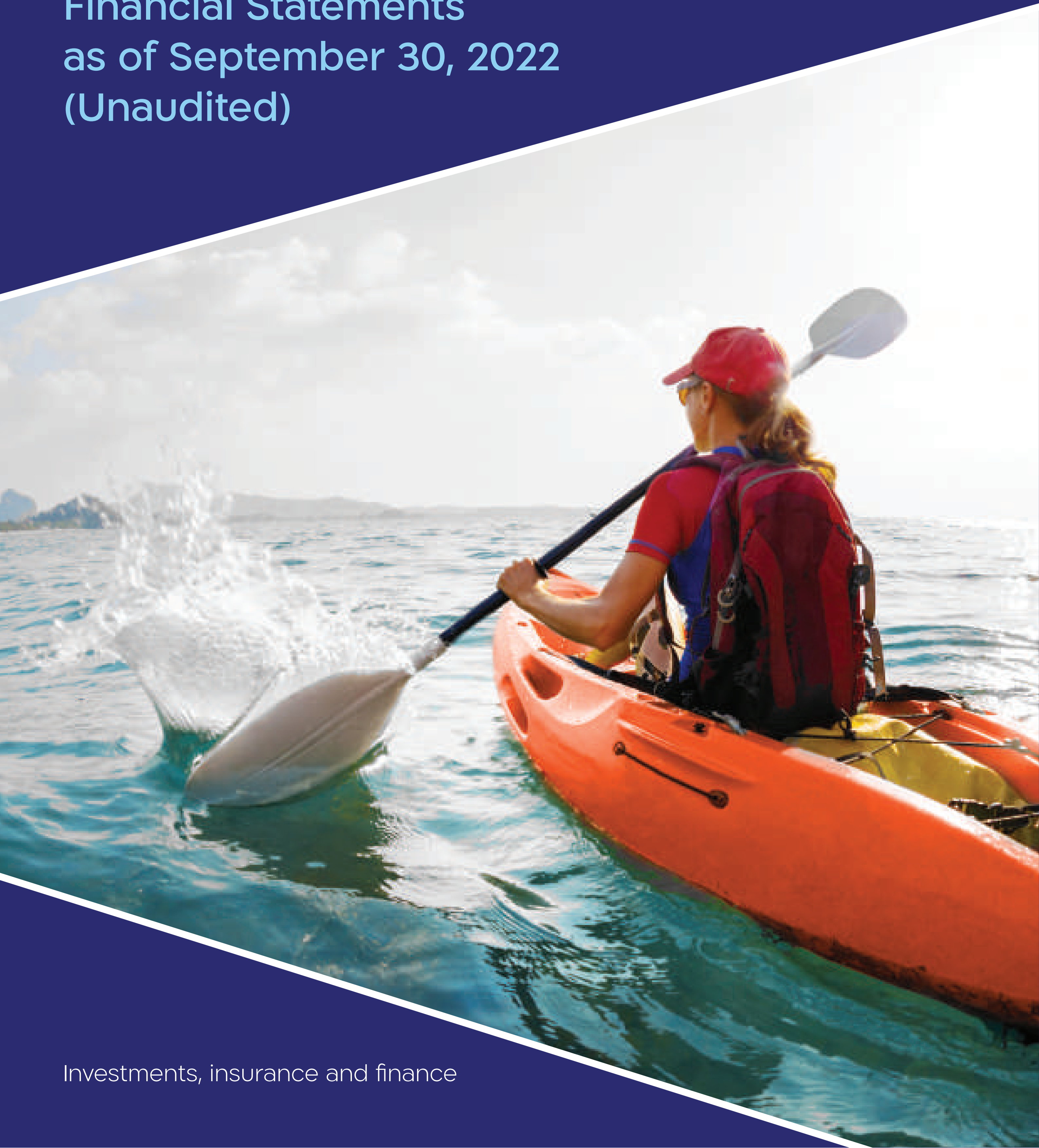
Phoenix

The Phoenix Holdings Ltd.

Consolidated Interim Financial Statements as of September 30, 2022 (Unaudited)



Investments, insurance and finance

Members of the Board

Benjamin Gabbay - Chairman

Ben Langworthy

Dr. Ehud Shapira (Independent Director)

Eliezer Yones

Rachel Levine (External Director)

Rick Kaplan

Roger Abravanel

Stella Amar Cohen

Zhak Cohen

Table of Contents

Phoenix

Part 1

Report of the Board of Directors on the State of the Corporation's Affairs

This English translation from the Hebrew version of the report has been made for convenience and information purposes only. In case of any conflict or discrepancy between the terms of this English translation and the original version prepared in Hebrew, the Hebrew version shall prevail. The Company makes no representations as to the accuracy and reliability of the financial information in this English translation.

Table of Contents

Report of the Board of Directors on the State of the Corporation's Affairs
As of September 30, 2022

The Report of the Board of Directors of The Phoenix Holdings Ltd. (hereinafter - "**The Phoenix Holdings**" or the "**Company**" or the **Corporation**") as of September 30, 2022, outlines the principal changes in the Company's operations in the period from January through September 2022 (hereinafter - the "**Reporting Period**").

The report was prepared in accordance with the Securities Regulations (Periodic and Immediate Reports), 1970. With regard to the insurance, pension, and provident fund operations of the group, the Report was prepared pursuant to the Supervision of Insurance Business Regulations (Reporting), 1998, and in accordance with the directives issued by the Commissioner of the Capital Market, Insurance and Savings Authority (hereinafter - the "**Supervisor**" or the "**Commissioner**"). The report was prepared assuming that the reader also has at his/her disposal the Company's first and second quarters of 2022 financial statements as well as the full 2021 periodic report (hereinafter - the "**Periodic Report**").

The Report of the Board of Directors is an integral part of the quarterly report, and the quarterly report should be read in its entirety, as a single unit (hereinafter - the "**Financial Report**" or the "**Financial Statements**").

1. The Group's Structure, its Areas of Activity, and Developments Therein

1.1. Group structure

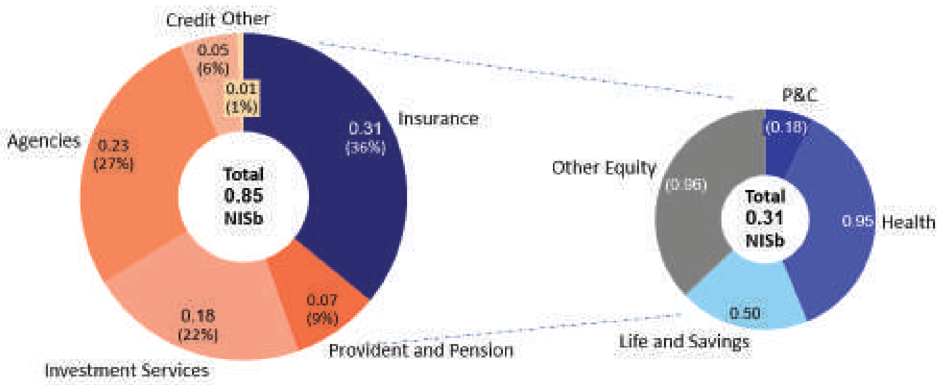
The Company's shareholders

The Company's controlling shareholder is Belenus Lux S.a.r.l. The controlling shareholders of Belenus Lux S.a.r.l are: CP III Cayman GP Ltd., Matthew Botein, Lewis (Lee).

1.2. Areas of activity

1.2.1. For a description of the group's areas of activity and its holding structure, please see Section 1.2 in the chapter entitled Description of the Corporation's Business in the 2021 Periodic Report.

1.2.2. The Company has various sources of income from the activities of its subsidiaries, as outlined in the sections dealing with the various operating segments. Set forth below is the pre-tax comprehensive income attributed to the shareholders in the reporting period; for further details, please see Note 3 to the Financial Report:



The group is engaged in the fields of insurance, financial asset management, holding of insurance agencies, provision of credit and other financial services, including the setting up and sale of alternative products. The group manages approx. NIS 364 billion and is considered to be one of the five largest insurance and finance groups in Israel. The Company operates in the field of insurance through The Phoenix Insurance Company; in the field of asset management, the Company operates through The Phoenix Pension and Provident Fund Ltd., The Phoenix Investments Ltd., and Excellence Investments Ltd.; in the field of holding of insurance agencies, the Company operates through The Phoenix Agencies 1989 Ltd.; in the field of credit provision, the Company operates through Gama Management and Clearing Ltd. with respect to small and medium businesses.

Developments in the group in the reporting period and thereafter

1.2.3. Interest rates, the capital market and inflation

Changes in the risk-free interest rate curve and capital market affect The Phoenix Insurance's assets, liabilities, financial performance, and solvency ratio. The Company manages the interest risks of all of its assets and liabilities.

Interest rates - during the reporting period, the Bank of Israel increased its interest rate from 0.1% to 1.9%. Furthermore, in the reporting period, the shekel yield curve increased. The increase in the shekel yield curve has a positive effect both on the Company's financial results, and on The Phoenix Insurance's solvency ratio.

The capital market - during the reporting period, there were slumps in financial markets in Israel and across the world. These slumps have an adverse effect both on the Company's financial results, and on The Phoenix Insurance's solvency ratio.

Inflation - during the reporting period, the inflation rate increased by 4.3%. Inflation forecasts have also increased. The increase in inflation rates has an adverse effect both on the Company's financial results, and on The Phoenix Insurance's solvency ratio.

During the period from reporting date through immediately prior to the financial statements publication date, financial markets in Israel and across the world recovered, the Bank of

Israel increased the interest rate by further 1.25%, and inflation and inflation expectations in Israel and globally continued to increase.

For more information regarding the effects of changes in the interest rate curve, the capital markets and inflation rates on the Company's financial results, see Section 3 below, and Notes 8A and 8B to the financial statements. As to the effect of the changes in the shekel yield curve and in capital markets on The Phoenix Insurance's solvency ratio, see Section 2.1.5 below, and Section 1A in The Phoenix Insurance's Economic Solvency Ratio Report as of June 30, 2022.

For the purpose if using its financial results, the Company uses a real return of 3% (see Section 5.4.1); in view of that, the changes in the CPI, as stated above, affects the classification of amounts between underwriting profits and investment profits.

1.2.4. Dividend distribution

In August 2022, concurrently with the approval of the Company's Financial Statements as of June 30, 2022, the Company's Board of Directors decided to distribute a dividend in accordance with the Company's dividend distribution policy, which was revised in March 2022,[7] totaling NIS 160 million and NIS 0.64 per share. The said distribution was based, among other things, on a NIS 115 million dividend distribution from The Phoenix Insurance to the Company. Furthermore, the Board of Directors of The Phoenix Insurance also passed a decision as to an increase in the minimum solvency ratio target for purposes of dividend distribution from 108% to 111%. For further details, see Section 2.1.4.C.

1.2.5. Actions taken under the multi-year strategic plan

In March 2022, the Company updated the targets of the multi-year strategic plan. As part of the implementation of the strategic plan, the Company took the following steps during the reporting period:

<u>Acquisition of Epsilon Investment House Ltd.</u>

In November 2022, subsequent to the report date, Excellence Investments Ltd. (hereinafter - "**Excellence**") entered into an agreement with Mr. Shmuel Frenkel, Flaming Star Ltd. (a wholly-owned company of Mr. Frenkel) and Mr. Lior Aviani (hereinafter, jointly - the "**Sellers**"), for the acquisition of the entire issued share capital of Epsilon Investment House Ltd. (hereinafter - "**Epsilon Investment House**"), which holds, among other things, Epsilon Mutual Funds Management (1991) Ltd. (hereinafter - "**Epsilon Funds**") and Epsilon Investment Portfolio Management Ltd.

The completion of the Transaction is subject to the fulfillment of a number of conditions precedent as described in the agreement, including, among other things, obtaining a permit

[7] Please see the immediate report dated March 29, 2022 (Ref. No. 2022-01-037000).

to hold means of control in Epsilon Funds from the Israel Securities Authority for the controlling shareholders of the fund manager, and obtaining the approval of the Competition Commissioner, to the extent that such an approval is required.

1.2.6. Exercise of an option as part of the engagement with "El Al Frequent Flyer Ltd."

In June 2022, a binding agreement was signed for extending a USD 130 million loan (hereinafter - the "**Loan**") by The Phoenix Insurance to El Al Frequent Flyer Ltd. (hereinafter - the "**Borrower**") through the nostro funds.

Furthermore, under the agreement, The Phoenix Insurance has the option to purchase up to 25% of the Borrower's shares; the option may be exercised at any time until the end of the term of the Loan, and subject to other conditions it may even be exercised one year subsequent to the end of the Loan's term.

On September 13, 2022, The Phoenix Insurance announced the exercise of an option to acquire 19.9% of the Borrower's shares (such that after the exercise, an option remains to acquire 5.1% of the Borrower's shares) by way of share acquisition, rather than by way of converting a portion of the loan extended by The Phoenix Insurance, and against payment of consideration of USD 14 million. For more information, see the Company's immediate reports dated June 23, 2022, and September 13, 2022 (Ref. Nos.: 2022-01-077968 and 2022-01-094686).

1.2.7. Investment in a new company in the field of property and casualty insurance

In September 2022, a subsidiary controlled by the Company entered into an agreement with Mr. Uri Omid (who has background and experience in the field of insurance) (hereinafter - the "**Entrepreneur**"), where under the subsidiary shall invest in a new company which is controlled by the Entrepreneur (hereinafter - the "**New Company**"), and which will engage in the field of property and casualty insurance, subject to receiving an insurer license in accordance with the Financial Services Supervision Law (Insurance), 1981. For further details, please see the Bank's immediate report dated September 18, 2022 (Ref. No.: 2022-01-118753).

1.2.8. The Company's preparations for the application of IFRS 17

The Company continues to prepare for applying IFRS 17 (hereinafter - the "**Standard**"), in the Financial Statements of the Company and The Phoenix Insurance as from the quarterly and annual periods beginning on January 1, 2024, in accordance with the roadmap revision paper published in September 2022 by the Capital Market, Insurance and Savings Authority (hereinafter - the "**Roadmap**").

As part of the implementation of the Standard and in accordance with the Roadmap that was published by the Capital Market, Insurance and Savings Authority (hereinafter - the "**Commissioner**"), during the reporting period and through the report publication date, the Company completed the following:

1. A general review as to the planned scope and timing of the audit, that the Company's independent auditors are expected to conduct.
2. Transferring a document describing the methodology used to calculate the risk adjustment.
3. Transferring the results of a quantitative test, and theoretical background about the measurement of the fair value of insurance contracts for a number of selected portfolios, based on December 2021 data.

The Company continues to provide reviews and training sessions to the Balance Sheet Committee in connection with the application of the Standard. For further details, please see Note 2(FF) to the 2021 Periodic Report.

1.2.9. Publication of a shelf prospectus

On August 23, 2022, the Company published a shelf prospectus, which is dated August 24, 2022. For further details, please see immediate report dated August 23, 2022 (Ref. No.: 2022-01-107443).

1.2.10. Private placement of Series 4 Bonds

In September 2022, the Company's Board of Directors approved the private placement to investors who among the investors listed in the First Addendum to the Securities Law, 1968, of NIS 60 million par value of Series 4 registered Company Bonds of NIS 1 par value each, by way of series expansion; the bonds are listed on the Tel Aviv Stock Exchange Ltd. The Bonds are rated -ilAA (with a stable outlook) and Aa3.il (with a positive outlook), by Ma'alot S&P and by Midroog, respectively. For further details, please see immediate report dated September 11, 2022 (Ref. No.: 2022-01-093804).

1.2.11. Listing of restricted Tier 1 capital of The Phoenix Insurance

In August 2021, The Phoenix Insurance completed - through The Phoenix Capital Raising (2009) Ltd. (hereinafter - "The Phoenix Capital Raising") an issuance of subordinated bonds to institutional entities and to the Company. The subordinated bonds were recognized by the Commissioner as an Additional Tier 1 capital instrument of The Phoenix Insurance, and listed by The Phoenix Capital Raising for trade on the TACT Institutionals trading platform operated by the TASE.

The Phoenix Capital Raising has recently arranged the terms for the listing the subordinated bonds for trade in the primary trading list of the TASE, as set out in Section 3.2.6 to the deed of trust published by The Phoenix Capital Raising; however, The Phoenix Capital Raising has not yet received the final approvals, and in any case has not yet listed the subordinated bonds as stated above. As part of the listing process, The Phoenix Insurance undertook to publish data in connection with its economic solvency ratio on a quarterly basis in respect of the quarter preceding the reporting date. For more information in connection with the issuance of the subordinated bonds, see the Company's immediate reports dated August 2, 2021, August 3, 2021, and August 8, 2021 (Ref. Nos.: 2021-01-060658, 2021-01-061159, and 2021-01-062515).

The above-mentioned information in connection with the listing of the subordinated bonds in the primary trading list constitutes forward-looking information, as defined in the Securities Law, 1968, and is based on information available to the Company and its assessments as of the date of this report. Such information and assessments may also not materialize, due to factors that are unknown to the Company and The Phoenix Insurance as of the date of this report and are not under their control, including, inter alia, obtaining the required regulatory approvals, etc.

1.2.12. Issuance of Hybrid Tier 2 Capital by The Phoenix Insurance

In July 2022, The Phoenix Insurance issued - through The Phoenix Capital Raising (2009) Ltd. (hereinafter - "**The Phoenix Capital Raising**"), by way of issuing the new Series M and expanding Series K of The Phoenix Capital Raising - bonds of NIS 1 par value each at the total amount of NIS 400 million par value. The bonds were recognized by the Capital Market, Insurance and Savings Authority as a Tier 2 capital instrument in The Phoenix Insurance. For more information, see the Company's immediate reports dated June 14, 2022, and July 28, 2022 (Ref. Nos.: 2022-01-073339 and 2022-01-078840, respectively). The additional bonds were rated ilAA by Ma'alot S&P and Aa3.il by Midroog.

1.2.13. Ratings

On November 2, 2022, S&P Maalot announced the ratification of an ilAA- rating for the Company and an ilAA+ rating for The Phoenix Insurance. For further details, please see the Company's report dated November 2, 2022 (Ref. No.: 2022-01-132463).

1.2.14. Annual General Meeting

The annual General Meeting of the Company was held in August 2022; the meeting's agenda included the following topics: 1) a discussion regarding the 2021 Periodic Report; 2) reappointing the independent auditors and authorizing the Company's Board of Directors to set the fees paid thereto; 3) reappointing the Company's serving directors, who are not external directors, for further term in office as Company directors: Benjamin Gabbay, Itzhak Shukrie Cohen, Roger Abravanel, Eliezer Yones, Ben Carlton Langworthy, Dr. Ehud Shapira (as an independent director)). For further details, see the Company's immediate reports dated June 28, 2022, and August 4, 2022 (Ref. Nos.: 2022-01-080470 and 2022-01-094686).

1.2.15. Renewal of officers and directors' professional liability insurance

In October 2022, the Company's Compensation Committee approved the engagement in a professional liability insurance policy for officers serving in the Company and in subsidiaries, including those serving on behalf of the controlling shareholders, for an annual insurance period starting on November 3, 2022, in accordance with Regulation 1B1 to the Companies Regulations (Reliefs Regarding Transactions with Interested Parties), 2000. The limit of liability coverage is USD 150 million per case and total per annual insurance period, together with reimbursement of reasonable legal expenses, in addition to the said limit of liability for claims in Israel. For further details, please see the Company's report dated November 2, 2022 (Ref. No. 2022-01-106689).

2. Description of the Business Environment

2.1. Implementation of the Economic Solvency Regime provisions applicable to The Phoenix Insurance Company Ltd.

2.1.1. Provisions regarding the implementation of the Economic Solvency Regime

The Phoenix Insurance is subject to the Solvency II-based Economic Solvency Regime in accordance with the provisions of Circular 2020-1-15 of the Commissioner of the Capital Market, Insurance and Savings (hereinafter - the "Commissioner") - "Amendment to the Consolidated Circular concerning Implementation of a Solvency II-Based Economic Solvency Regime for Insurance Companies" (hereinafter - the "Economic Solvency Regime"), which was published on October 14, 2020. The Economic Solvency Regime is a regulatory directive that regulates capital requirements and risk management processes among insurance companies. The Economic Solvency Regime sets a standard model for calculating eligible capital and the regulatory solvency capital requirement, with the aim of bringing insurance companies to hold buffers to absorb losses arising from the materialization of unexpected risks to which they are exposed. The solvency ratio is the ratio between an insurance company's economic shareholders' equity recognized for solvency purposes and the required capital.

2.1.2. Increasing economic capital according to the transitional provisions

The Phoenix Insurance opted for the alternative provided by the Economic Solvency Regime regarding the transitional provisions, whereby the economic capital may be increased by gradually deducting from the insurance reserves until 2032 (hereinafter - the "Deduction during the Transitional Period"). With regard to the Deduction during the Transitional Period, a letter was addressed to insurance companies managers titled "Principles for calculating Deduction during the Transitional Period in the Solvency II-based Economic Solvency

Regime" (hereinafter - the "Letter of Principles"). Pursuant to the Letter of Principles, the Deduction during the Transitional Period shall be calculated by dividing insurance policies issued through December 31, 2016, into homogeneous risk groups. The aforesaid deduction shall be calculated as the difference between insurance reserves (retention) as per the economic balance sheet, including the risk margin attributed thereto (net of the difference between the fair value and the carrying amount of designated bonds) and the insurance reserves (retention) as per the Financial Statements. This difference shall be deducted on a linear basis until December 31, 2032. The deduction balance at each reporting date (hereinafter - the "Deduction Value During the Transitional Period") shall be proportionate to the expected increase in the solvency ratio calculated excluding expedients during the Transitional Period. In accordance with the provisions of the Economic Solvency Regime, the Deduction during the Transitional Period as of December 31, 2021, was recalculated two years after it was calculated for the first time (after obtaining the Commissioner's approval). In view of material changes in the interest rate curve, the implementation of a research on retirement age and pension uptake rates (hereinafter - the "Research"), and the revision of the set of demographic assumptions and of the mortality improvements model for insurance companies and pension funds (hereinafter - the "Circular"), which took place in the period from December 31, 2021 and June 30, 2022, The Phoenix Insurance believed that the conditions for recalculation of the deduction during the transitional period are met as of June 30, 2022 (after obtaining the Commissioner's approval). As of June 30, 2022, The Phoenix Insurance's solvency ratio is 202% including the implementation of the transitional provisions, and 137% without the implementation of the transitional provisions. The amount of deduction during the transitional period that was calculated as of June 30, 2022 and approved by the Banking Supervision Department is approx. NIS 3,554 million; this amount matches the expected increase rate in The Phoenix Insurance's capital surplus during the transitional period, and reflects, at the very least, the expected expiry of the solvency capital requirements (SCR) and the risk margin of the existing portfolio as of the calculation date. For more information, see Section 2A(2) to The Phoenix Insurance's Economic Solvency Ratio Report as of June 30, 2022.

2.1.3. **Publication of Economic Solvency Ratio Report**

The Economic Solvency Ratio Report as of June 30, 2022, was published at the same time as the Financial Statements as of the third quarter, on November 29, 2022, and was prepared and presented in accordance with the provisions of Chapter 1, Part 4, Section 5 of the Consolidated Circular, according to Circular 2020-1-17 (hereinafter - the "Disclosure Provisions"). In accordance with the Consolidated Circular, the economic solvency ratio report in respect of the December 31 and June 30 data of each year shall be included in the first periodic report published after the calculation date.

2.1.4. Economic solvency ratio and minimum capital requirement (MCR) as of June 30, 2022:

Set forth below are details regarding the economic solvency ratio as published in the latest economic solvency ratio report published by The Phoenix Insurance. The meaning of the terms in this section is the same as in Appendix B to Chapter 2 in Part 2 of Section 5 of the Consolidated Circular - "Economic Solvency Regime".

A. Economic solvency ratio:

	June 30, 2022	As of December 31, 2021
	Unaudited and unreviewed	Audited*
	NIS thousand	
Shareholders equity in respect of SCR	14,471,436	14,212,110
Solvency capital requirement (SCR)	7,156,530	7,666,458
Surplus	7,314,906	6,545,652
Economic solvency ratio (in %)	**202%**	**185%**
<u>Effect of material capital-related measures taken in the period between the calculation date and the publication date of the solvency ratio report:</u>		
Raising of capital instruments**	-	346,133
Shareholders equity in respect of SCR	14,471,436	14,558,243
Surplus	7,314,906	6,891,784
Economic solvency ratio (in %)	**202%**	**190%**

* Any mention of the term "audited" in this report refers to an independent audit held in accordance International Standard on Assurance Engagement (ISAE) 3400 – "The Examination of Prospective Financial Information".

** Subsequent to the balance sheet date, as of June 30, 2022, the Company issued NIS 400 million in Tier 2 capital, which were not recognized in the calculation of the solvency ratio, due to the quantitative cap. The amount raised as of December 31, 2021 is composed of raising of Tier 2 capital at the total amount of NIS 270 million, of which NIS 8 million were not recognized, since they were in excess of the quantitative cap under the transitional provisions, and a capital injection at the total amount of NIS 84 million, which arises from the transfer of Phoeniclass Ltd. from The Phoenix Holdings to The Phoenix Insurance, net of the capital requirements. For further details in connection with the transfer of Phoeniclass Ltd., see immediate report dated May 17, 2022 (Ref. No. 2022-02-048480).

For explanations about key changes in the capital surplus and in the economic solvency ratio as of June 30, 2022, compared with December 31, 2022, see Section 1(a) to The Phoenix Insurance's economic solvency ratio report as of June 30, 2022.

Below is a link to the Economic Solvency Ratio Report on The Phoenix Insurance's website.

https://www.fnx.co.il/sites/docs/genery/for_new_site/investor-relations-eng/Solvency-Reports/Solvency-Report300622-mungash-eng.pdf

B. Minimum capital requirement (MCR)

	June 30, 2022	As of December 31, 2021
	Unaudited and unreviewed	Audited
	NIS thousand	
Minimum capital requirement (MCR) - see Section 5A	1,835,354	1,916,615
Shareholders equity for MCR - see Section 5B	11,260,238	11,024,131

C. Limitations on dividend distribution and solvency ratio without the implementation of the transitional provisions

Dividend

According to the letter published by the Commissioner, in October 2017, (hereinafter - the "**Dividend Distribution Letter**") an insurance company shall be entitled to distribute a dividend only if, following the distribution, the company has a solvency ratio - according to the provisions of the Economic Solvency Regime - of at least 100%, calculated without taking into account the transitional provisions and subject to the solvency ratio target set by the Company's Board of Directors. The aforesaid ratio shall be calculated without the relief granted in respect of the original difference attributed to the acquisition of the provident funds and management companies. In addition, the letter set out provisions for reporting to the Commissioner.

The Phoenix Insurance's policy is to have a solid capital base to ensure its solvency and ability to meet its liabilities to policyholders, to preserve The Phoenix Insurance's ability to continue its business activity such that it is able to provide returns to its shareholders. The Phoenix Insurance is subject to capital requirements set by the Commissioner.

The Phoenix Insurance's Board of Directors has set a minimum economic solvency ratio target and target range based on Solvency II. The economic solvency ratio target range, within which The Phoenix Insurance seeks to be during and at the end of the Transitional

Period, taking into account the Deduction during the Transitional Period and its gradual reduction is 150%-170%.

The minimum economic solvency ratio target, taking into account the transitional provisions, was set at 135%, and the minimum solvency ratio target without taking into account the provisions during the Transitional Period is set to reach 135% at the end of the Transitional Period according to the Company's capital plan. On August 24, 2022, the Board of Directors of The Phoenix Insurance increased the minimum economic solvency ratio target by 3 percentage points without taking into account the provisions during the Transitional Period - from a rate of 108% to a rate of 111%, beginning on June 30, 2022.

Therefore, based on the results as of June 30, 2022 (that are unaudited and unreviewed) as well as the audited results as of December 31, 2021, The Phoenix Insurance meets the minimum capital targets set by the Board of Directors. It is hereby clarified that the aforesaid does not guarantee that The Phoenix Insurance will meet the set capital targets at all times.

D. Solvency ratio without applying the transitional provisions for the Transitional Period, and without adjusting the stock scenario:

The following are data as published in the latest economic solvency ratio report published by The Phoenix Insurance, about the economic solvency ratio calculated without taking into account the transitional provisions and the solvency ratio target set by The Phoenix Insurance's Board of Directors, as required in the letter referred to above. As of June 30, 2022, and December 31, 2021, this ratio is higher than the target set by the Board of Directors.

	As of June 30, 2022	As of December 31, 2021
	Unaudited and unreviewed	Audited
	NIS thousand	
Shareholders equity in respect of SCR	12,071,747	11,112,151
Solvency capital requirement (SCR)	8,794,180	9,818,889
Surplus	3,227,567	1,293,262
Economic solvency ratio (in %)	**137%**	**113%**
Effect of material capital-related measures taken in the period between the calculation date and the publication date of the solvency ratio report:		
Raising of capital instruments*	-	354,205
Shareholders equity in respect of SCR	12,071,747	11,466,356
Surplus	3,227,567	1,647,467

	As of June 30, 2022	As of December 31, 2021
	Unaudited and unreviewed	Audited
	NIS thousand	
Economic solvency ratio (in %)	**137%**	**117%**
Capital surplus after capital-related actions in relation to the Board of Directors' target:		
Minimum solvency ratio target without applying the Transitional Provisions	**111%**	**108%**
Capital surplus over target	**2,310,207**	**861,956**

* Subsequent to the balance sheet date, as of June 30, 2022, the Company issued NIS 400 million in Tier 2 capital, which were not recognized in the calculation of the solvency ratio, due to the quantitative cap. The amount raised as of December 31, 2021, is composed of raising of Tier 2 capital at the total amount of NIS 270 million and a capital injection at the total amount of NIS 84 million, which arises from the transfer of Phoeniclass Ltd. from The Phoenix Holdings to The Phoenix Insurance, net of the capital requirements. For further details in connection with the transfer of Phoeniclass Ltd., see immediate report dated May 17, 2022 (Ref. No. 2022-02-048480).

E. Capital-related measures and significant updates in 2022:

1. On March 28, 2022, The Phoenix Insurance's Board of Directors approved the distribution of a NIS 500 million dividend (this distribution was taken into account in the solvency ratio results as of December 31, 2021, as described above) based on the audited solvency ratio report as of December 31, 2020, and on the Company's estimate of the solvency ratio as of December 31, 2021.
2. During the second quarter of 2022, The Phoenix Insurance conducted an estimate of its solvency ratio as of March 31, 2022; the estimate was not audited or reviewed by the independent auditor, and was conducted based on the outcomes of a full-scale simulation of actuarial calculations, calculation of market risks, credit risks and economic balance sheet as of March 31, 2022. In accordance with the results of this estimate, as of March 31, 2022, and in accordance with the results of the audited calculation of the solvency ratio as of December 31, 2021, on August 24, 2022, The Phoenix Insurance's Board of Directors approved the distribution of a NIS 115 million cash dividend out of the Company's 2022 profits. This distribution was included in the results of the solvency ratio as of June 30, 2022.
3. These dividend distributions, which are described in Sections 1 and 2 above, were approved after the revision of the Company's capital management plan, and indicated that The Phoenix Insurance meets the minimum capital target set by the Board of Directors as of

the distribution dates, net of the transitional provisions, and meet the 150%-170% target range, in which The Phoenix Insurance seeks to be during and after the Transitional Period, given the Deduction During the Transitional Period and its gradual reduction. Therefore, The Phoenix Insurance was in compliance with the requirements of the letter regarding the restrictions on dividend distribution as published by the Commissioner.

4. During the third quarter, The Phoenix Insurance raised additional Tier 2 capital at the total amount of NIS 400 million. This capital raising is above the quantitative cap for recognition as Tier 2 capital, and therefore does not affect the solvency ratio as of June 30, 2022.
5. For information about the effect of changes in the risk-free interest rate curve, see Section 2.1.5 below.

2.1.5. **Sensitivity to changes in the interest curves:**

Changes in the linked shekel risk-free yield curve affect the Company’s economic solvency ratio, especially in the mid- to long-terms, affect The Phoenix Insurance’s economic solvency ratio. During 2022, there was a substantial increase in the risk-free linked interest rate curve, has had a positive effect on The Phoenix Insurance's solvency ratio.

The following table summarizes the positive (negative) risk-free linked interest (“spot") rates:[4]

Range/years		December 31, 2021	September 30, 2022	23/11/2022
Short term	**1-3**	Between (2.39) % and (2.55) %	Between (0.17)% and 0.29%	Between 0.39% and 0.49%
Mid-term	**4-10**	Between (2.23) % and (1.26) %	Between 0.40% and 0.65%	Between 0.51% and 0.63%
Mid-long term	**11-15**	Between (1.11) % and (0.64) %	Between 0.68% and 0.81%	Between 0.64% and 0.70%
Long term	**16-25**	Between (0.54) % and 0.01 %	Between 0.83% and 1.02%	Between 0.71% and 0.90%

The Phoenix Insurance estimated the sensitivity of the economic solvency ratio to a 50-bps increase in the risk-free interest, after applying the transitional provisions, and including adjusting the stock scenario; the estimation was carried out based on the data and results of the calculation of the economic solvency ratio as of December 31, 2021. The estimation resulted in a 20% increase in the economic solvency ratio (after applying the transitional provisions and adjusting the stock scenario).

It should be noted that the sensitivity is not necessarily linear; i.e., sensitivity at other rates is not necessarily a simple extrapolation of the sensitivity test presented.

[4] The risk-free linked interest rate curves were taken from Fair Spread Ltd. To calculate the solvency ratio, the Company takes into account other components in addition to the risk-free interest rate.

For the results of the sensitivity tests of the economic solvency ratio to various risk factors, including sensitivity to decrease in interest rates, see Section 8 to The Phoenix Insurance's Economic Solvency Ratio Report as of December 31, 2021.

2.2. Arrangements in force

Set forth below are material regulatory directives published during the reporting period and thereafter, and which are not included in the Report on the Corporation's Business for 2021 and the Report of the Board of Directors for the first quarter and second quarter of 2022. For further details regarding material regulatory directives published during the reporting period, please see Section 4.1.1 to the 2021 Report on the Corporation's Business and Section 2.2 to the Report of the Board of Directors for the first quarter and second quarter of 2022.

2.2.1. The circular on Services Rendered to Customers by Agents and Advisors - Amendment was published in August 2022 The amendment sets out provisions regarding the activity of insurance agents, including, among other things, with respect to the following: it was determined that license holders that market products or services, which are not supervised by the Capital Market, Insurance and Savings Authority, shall be required to separate the two areas of activity, be transparent in that regard and provide disclosure thereon; a license holder is required to contact a customer when an insurance portfolio is acquired, and inform him/her that the identity of the license holder has changed; when an insurance agent collects a payment from a customer, he/she is required to provide details of such payment in writing to the customer; it was determined that a license holder shall only purchase the contact details of a potential customer (lead) if it verified that the customer agreed to have his/her details will be used for such a purpose; a ban was imposed on advertising a service of funds withdrawal from a pension product or a service of tracing pension products. For information regarding the draft circular on Services Rendered to Customers by Agents and Advisors - Amendment, which was published in September 2022, see Section 2.3.1 below.

2.2.2. An amendment to the provisions of the Consolidated Circular Regarding Reports to the Commissioner was published in September 2022. The circular deals with a revision of the provisions of the Consolidated Circular Regarding Reports to the Commissioner, including, among other things: adding a new report following Amendment No. 26 to the Provident Funds Law, which deals with ensuring the supplementing of returns of eligible pension funds; the integration of existing reporting requirements pertaining to various issues (prohibition on money laundering, internal rating model, Economic Solvency Ratio Report, etc.) into the consolidated circular; the revision of the actuarial reporting of a new pension fund, and the cancellation of the requirement to report LFR.

2.2.3. In September 2022, Amendment to the Consolidated Circular - Supervising Actuary Circular and Chief Actuary was published. As part of the circular, provisions were set, which deal, among other things, with the following: a requirement to appoint a single Chief Actuary, who will head the insurer's actuary science function, and will report directly to the insurer's general manager; the Chief Actuary and the Supervising Actuary's duties; and provisions regarding reporting to the Board of Directors, the insurer's general manager and the Commissioner. The circular will come into effect on January 1, 2023; however, it prescribes transitional provisions whereby the date of coming into effect of the provision whereby an insurer that appointed two Chief Actuaries prior to the coming into effect of this provision shall only appoint a single Chief Actuary, and the date of coming into effect of the provision whereby the Chief Actuary shall report to the insurer's general manager - shall be the date on which IFRS 17 will come into effect - January 1, 2024.

2.2.4. In September 2022, an amendment to the Circular Regarding a Web Interface for Tracing Insurance Products was published, which mainly deals with expanding access to Har Habituach website to authorized viewers on behalf of the insurance agent, and giving the option to receive more detailed information in the said website in view of the changes that were carried out in the new standard motor property insurance policy.

2.2.5. In September 2022, an amendment to The Signing-On to Insurance Plans circular was published, which provides as follows: the two-stage signing-on procedure as part as proactive marketing to a senior citizens will only apply if the signing-on procedure was not conducted in a in-person meeting.

2.2.6. In September 2022, an amendment to the Insurance Confirmation Circular was published, which deals with adding another type of insurance confirmation - "confirmation of agreement to take out insurance".

2.2.7. In October 2022, the Supervision of Financial Services Regulations (Provident Funds) (Direct Expenses regarding Execution of Transactions (Amendment), 2022 was published in the Official Gazette, further to the recommendation of the Yafeh Committee, which was published by the Commissioner in order to review this issue. Set forth below are the key changes set as part of the amendment: (1) Instead of setting a direct fees percentage point cap, each institutional entity will set, in advance, and for each investment track under its management, a cap on the "management fees to external parties" it may charge in a financial year; (2) all other types of direct expenses (such as: securities' sale and purchase fees and custodian fees in respect of securities), shall not be subject to the management fees to external parties cap; (3) the types of direct fees, that may be collected as part of tracks specializing in investment in liquid assets and tracks specializing in tracking indexes, were limited; (4) for new investment tracks, that contain a variable management fees component in accordance with the track's profit, it was determined that entities will not be allowed to collect any direct expenses other than direct expenses in respect of taxes. (at this stage, this option is impractical, since no provisions have been made for these tracks); (5) It was determined that whenever there is a legal obligation to present the management fees to a planholder or a policyholder, the total expected cost to be incurred by that person during that year in respect of management fees and direct expenses shall also be presented to the planholder or policyholder. The amendment will come into effect on January 1, 2023, and the existing arrangement will continue to apply through that date (with retroactive effect as of April 6, 2022). In addition, in November 2022, a draft circular on the Manner of Presenting the Expected Annual Cost for a Planholder or a Policyholder, was published in which it is suggested to regulate the manner of presenting the expected annual cost in a uniform manner by the institutional entities, until the amendment of the circulars where under the rate of management fees should be presented, including the circular on "Acceptance of Planholders by a Pension or a Provident Fund", the circular on "Annual Report and Quarterly Report to Planholders and Policyholders in an Institutional Entity", the circular on "Management Fees in Pension Savings Instruments" and the circular on "The Explanation Document".

2.2.8. An amendment to the Investment Tracks in Provident Funds Circular was published in September 2022. The circular deals with revising and expanding the range of specialized investment tracks that an institutional entity may manage, while implementing the Yafeh Committee's recommendations to assess the issue of direct expenses, including: a list of specialized investment tracks that an institutional entity may manage, based on five clusters set out in the circular; the circular stipulates that an institutional entity is required to manage, at the very least, a combined liquid track and an index-tracking track; it is also determined that a planholder who selected a monetary investment track shall also select the duration of the period during which he/she will invest through that investment track, and the track into which the funds will be transferred at the end of that period; the circular further stipulates that an institutional entity will set in the Articles of Association of an advanced education fund a default investment track from among the following tracks: a flexible specialized track or a flexible index-tracking track. Furthermore, in November 2022, a draft circular on Investment Tracks in Provident Funds - Amendment was published, which suggests the deferral to January 1, 2024, of the date on which the circular will come into effect, with the exclusion of the following provisions that will come into effect on January 1, 2023: (1) the requirement that institutional entities will manage a combined liquid track and an index-tracking track; and (2) giving institutional entities the option to set up a sustainable investment track and an environmental investment track; (3) the transitional provisions set out in Section 17 to the circular.

2.2.9. An amendment to the Child Long-Term Investment Provident Fund for Savings Circular was published in September 2022; the amendment deals with changes to the default track in which a management company will manage the savings if the parent does not select another investment track; the track will be changed from a track for savers preferring low risk to a track for savers preferring increased risk.

2.2.10. In September 2022, a number of provisions revising the Health Insurance Reform were published; those provisions mainly deal with the deferral of the date on which the reform in health insurance will come into effect from December 1, 2022, to February 1, 2023.

2.2.11. The amendment set in The Economic Efficiency Law (Legislative Amendments for the Implementation of the Budgetary Targets for Fiscal Years 2021 and 2022), 2021: Chapter C: Ensuring the Stability of Pension Funds Returns came into force in October 2022. As part of the amendment, the existing mechanism for ensuring the stability of pension fund savings through designated bonds was replaced with a new mechanism that ensures stability by supplementing returns. According to the law, for pension fund assets accrued as from the effective date of the amendment, the state will undertake to supplement pension fund returns up to a rate of 5.15%, and the pension fund assets underlying the commitment to supplement the returns will be invested in the capital market.

2.3. Draft laws, regulations and bills

Following are drafts of material regulatory provisions published during the reporting period and thereafter, which are not included in the 2021 Report on the Corporation’s Business or in the Report of the Board of Directors for the first quarter of 2022. For further details regarding additional drafts of material regulatory provisions published during the reporting period, please see Section 4.1 to the 2021 Report on the Corporation’s Business, as well as Section 2.3 to the Report of the Board of Directors for the first quarter and second quarter of 2022.

2.3.1. Further to the publication of the circular on Services Rendered to Customers by Agents and Advisors - Amendment, as set out in Section 2.2.1 above, in September 2022, a draft circular on Services Rendered to Customers by Agents and Advisors - Amendment was published. The key amendments suggested in the draft are: extending the period during which a license holder is required to contact transferred customers when an insurance portfolio is acquired; a clarification to the effect that the provisions of the circular do not put in place a new requirement from the license holder to ensure that a power of appointment is signed, since such a requirement is set in the Power of Appointment Circular; and a clarification that the provisions of the circular do not deal with payments to a license holder; rather, they deal with the rules a license holder should abide by in connection with transferred customers.

2.3.2. A Roadmap for the Adoption of International Financial Reporting Standard (IFRS) 17 - Insurance Contracts - Draft - Revision, was published in September 2022. The draft suggests a number of revisions to the roadmap: (1) Changing the disclosure requirements in the 2023 financial statements; (2) adding a requirement of reporting to the Capital Market, Insurance and Savings Authority the company’s results and financial position in accordance with IFRS 17 and IFRS 9; and (3) revising the time table for checking the appropriateness of the controls relating to IT systems and the related processes.

2.3.3. In September 2022, a draft Amendment to the Provisions of the Consolidated Circular - Chapter 4 of Title 5 "Management of Investment Assets" (Procedures for Provision of Loans) was published. The draft suggests a number of changes to the provisions of Proper Conduct of Banking Business Directive 451, that apply, by way of reference, to institutional entities, in order to adapt them to the scope and characteristics of institutional entities' activity in the area of provision of housing loans; not to apply to institutional entities the requirement of offering uniform tracks in respect of the mix of mortgage loans.

2.3.4. A draft of the Commissioner's Position on Principles for Recognizing Transactions Aimed to Reduce the Capital Requirements under an Economic Solvency Regime was published in October 2022. This position of the Commissioner aims to set guidelines for recognizing transactions for reducing capital requirements; it is published in the wake of a number of unusual reinsurance transactions that the Commissioner was required to deal with; those transactions do not reflect an effective risk transfer, or the nature of the transaction is not reflected appropriately in the model for the calculation of the economic solvency ratio. As a supplementary move to the publication of the said position, the Commissioner also published - in October 2022 - a draft Amendment to the Provisions of the Consolidated Circular - Chapter 3 Part 4 of Title 5 "Reporting to the Commissioner of Capital Market" - Reporting Material Transactions Aimed at Reducing Capital Requirements. The draft suggests to regulate the requirement to report to the Commissioner complex and material reinsurance transactions before they are signed, so as to allow the Commissioner to assess the effectiveness of the transfer of risk to the reinsurer, and to ensure that the nature of the transaction is reflected appropriately in the model for the calculation of the economic solvency ratio.

2.3.5. In September 2022, the recommendations of the report issued by the team for assessing the provisions of the chapter dealing with the segregation between significant non-financial corporations and significant financial corporations, were published; the team was set up in accordance with the Law for the Promotion of Competition and Reduction of Concentration, 2013 (hereinafer - the "Market Concentration Law"). The team's recommendations included, among other things, a reference to corporations that issue debt for the insurance companies; among other things, it was recommended to revise the definition of "finanical entities" in the Market Concentration Law to specifically include an insurer's issuance company. Furthermore, it is stated in the report that as part of the discussions held in connection with the report concerns were raised regarding developments in institutional entities' holdings over the years, which lead to concentration among institutional entities in the economy. In view of the different views raised by the team, and in view of the scope and economy-wide consequences of this issue, the team decided to conduct an assessment and further work on this issue outside the framework of the report.

3. Developments in the Macroeconomic Environment

Set forth below is a summary description of trends, events and developments in the group's macroeconomic environment, that have or are expected to have an effect on the group.

3.1. Financial markets in Israel

The Bank of Israel continued to aggressively increase its interest rate by 0.75%, reaching a level of 2.00%; according to the Bank of Israel's estimates, its interest rate will reach 2.75% in the second quarter of 2023. Inflation continued to sizzle, reaching annual levels of 4.6% in August, which is lower than in other countries across the world, due to, among other things, a higher stability in electricity prices in Israel. The growth rate for the first quarter was reduced to 2.7%, but the growth rate for the first quarter increased by a surprising 6.8%. The Bank of Israel reduced its growth forecast for 2022 from 5.5% to 5.0%, and for 2023 from 4.0% to 3.5%. Since the beginning of July, the Shekel shot up sharply against the currency basket, and especially against the Euro, which has devalued against many currencies across the world. During the balance sheet period, a military conflict broke out in the Gaza Strip; the resulting disruption to economic activity was negligible. The unemployment rate in Israel remained low and relatively stable at 3.4%, but the Israeli Consumer Confidence Survey recorded a sharp decline from 99 points to 71 points, and the Bank of Israel's Composite State-of-the-Economy Index continued its moderating trend.

The TA 125 Index remained stable in the period, the yield of 10-year government bonds increased to 3.18%, the TEL-Bond 60 Index decreased by 2.2%, and the shekel strengthened against most currencies; against the dollar, the shekel weakened to levels of NIS 3.57 per one USD, and against the Euro it weakened to levels of NIS 3.49 per one Euro.

Subsequent to the balance sheet date

The growth figure for the third quarter was published, which was slightly surprising, representing a 2.1% increase in growth. Earlier, the Bank of Israel revised upwards its growth forecast for the entire 2022 from 5.0% to 6.0%, but at the same time, revised downwards the 2023 growth forecast from 3.5% to 3.0%. The inflation environment remained high, reaching 5.1% in October, and the unemployment rate increased but is still relatively low at 4.1%. In the wake of the volatile economic environment, the Bank of Israel continued with interest hikes, with interest reaching a level of 3.25%. The shekel remained relatively stable against the currency basket and strengthened against the dollar (that weakened against other currencies). Elections were held in and a right-wing government was elected.

The TA 125 Index was down by 1.0% in the period, the yield of 10-year government bonds decreased to 3.2%, the TEL-Bond 60 Index remained stable, and the shekel remained stable against most currencies; against the dollar at a level of NIS 3.57 per one USD, and against the Euro at a level of NIS 3.48 per one Euro.

3.2. Capital markets abroad

During the period it transpired that the US economy has contracted in the second quarter as well (by -0.6%), which technically placed it in "recession" territory. However, current macro metrics did not reflect a recession in the broad sense of the word. The labor market continued to grow; this was especially apparent in July with 537 thousand new positions, compared with a forecast of 250 thousand new positions, and ISM's Purchasing Managers Index also pointed to a higher-than-expected expansion - 52.8 points. On the other hand, there was a decline in mortgage applications and in the sales of properties under construction (an annual decline of 22.5%); there was also a sharp decline in prices of goods, and annual inflation cooled down for the first time since 2020. Despite the cooling down of the economy and inflation levels, bond yields continued to increase due to further hikes in the Federal Reserve's interest rate, which reached a level of 3.25%. The war between Russia and Ukraine has continued, and so did the disruption to the supply of gas from Russia to Europe, which threatens to trigger an even worse slowdown in the Eurozone's economy (which has grown in the second quarter by 0.6% - less than expected). The euro responded with devaluation, to the extent that its exchange rate was even lower than that of the US Dollar; this was despite the fact that the European Central Bank's hike in interest rate was higher than expected (which, by the way, moved interest rates away from negative territory), due to the continued hitting up of inflation in the Eurozone - reaching annual levels of 10% in August. The IMF reduced its global growth forecast for 2022 from 3.6% to 3.2%; 2023 - 2.9%. The geopolitical tensions between China and Taiwan have escalated; this involved threats by the Chinese, which included military drills of the Chinese army around Taiwan, and warnings issued by the west.

The yield on 10-year US bonds soared to a level of 3.83%, the S&P 500 Index decreased by 5.3%, the Euro-STOXX decreased by 4%; and the euro devalued against the USD, reaching an exchange rate of 0.98.

Subsequent to the balance sheet date

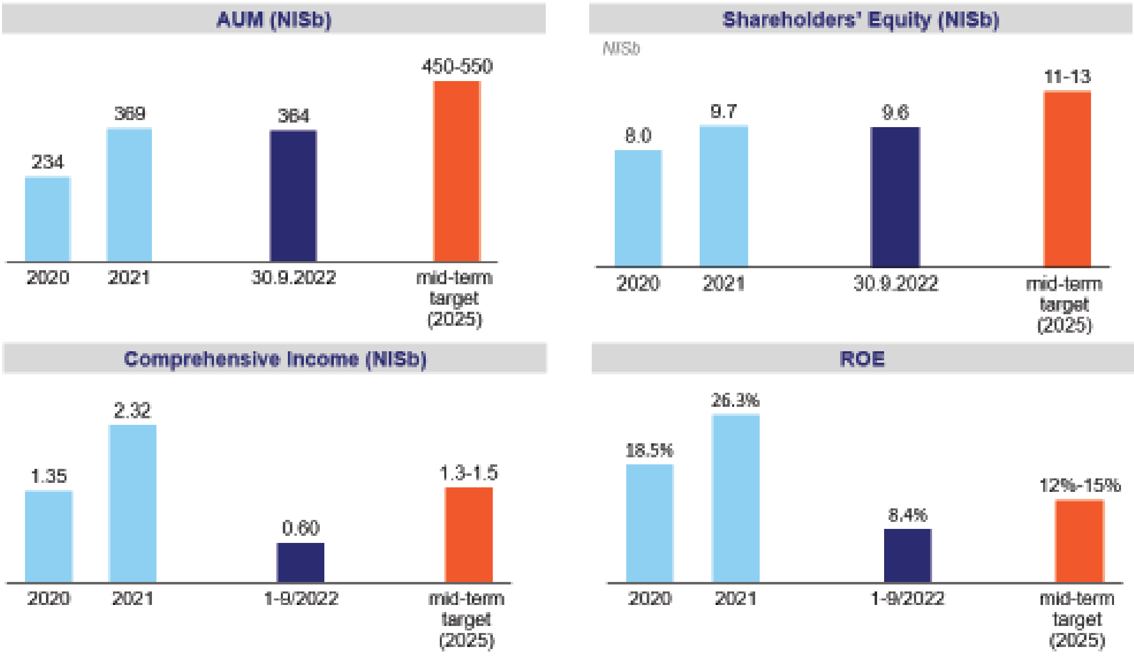
US GDP data for the third quarter came as a surprise, reflecting an annual growth of 2.6%. In Europe, the economy was sluggish, with an annual growth rate of 0.2%. The International Monetary Fund continued downgrading the global growth forecast for 2023 from 2.9% to 2.7%. The global labor market continued the positive trend; in Europe, unemployment rates remained low at 6.6% compared to the European Union, and unemployment rate in the USA was 3.7%. Inflation levels in the USA continued cooling down at a moderate rate, reaching an annual rate of 7.7%, and inflation is expected to decrease further; in Europe, inflation levels continued to increase, reaching 10.6%. Economic metrics have driven central banks in the USA and Europe to continue with aggressive interest rate hikes of 0.75% in the USA, reaching a level of 4.0% in the USA and 2.0% in Europe; these hikes continued driving up the yields on bonds. At a certain stage, central banks in Europe and the USA started to indicate that the pace of interest rate hikes is likely to slow in their forthcoming interest rate decisions. Yields on government bonds continued to increase across the world, net and in the USA interest rate hikes at levels of more than 5% were - for the first time - baked into yields at the beginning of the second quarter of 2023. China sticks to its zero Covid policy that burdens the global economy, and Russia continues its war with Ukraine, which results in disruptions to the global goods market.

The yield on 10-year US bonds decreased to 3.7%, the S&P 500 Index increased by 12.3%, the Euro-STOXX increased by 18.5%; and the euro strengthened against the dollar, reaching an exchange rate of 1.05.

4. Business Targets and Strategy

The group's business strategy and targets constitute forward-looking information, as defined in Section 32A of the Securities Law, and are based on the data and information available to the group as of the report date, its plans as a result thereof, the market situation and the group's position. The group's business strategy and targets may change from time to time. In addition, the achievement of the group's targets and strategy is uncertain and is not under the sole control of the group. The group's business strategy and targets may not materialize due to, among other things, changes in the group's priorities, new needs of the group, market developments, macro changes, other business opportunities, etc.

The multi-year strategic plan - which was approved in December 2020 - is based on four fundamental principles: yield-focused growth, technological innovation and efficiency, maximization of the portfolio's value and capital management, all of which are relevant to the group's key areas of activity: insurance, asset management, agencies and credit. Since the publication of the plan, the Company has acted consistently to implement and execute it. The Company reviews its targets from time to time in the light of its achievements and market conditions; accordingly, in March 2022, the Company's Board of Directors adopted an update to the strategic plan (hereinafter - the "**Strategic Plan**"), as part of which the Company's targets for the plan's period were updated as described in the chart below.



The interim targets are based on (a) multi-year work plans for a 5-year period (from its approval date); (b) an assumption of net return on investment of 3%. Compared to the plan's objective, actual results are based on the actual returns in the financial markets in Israel and around the world, macroeconomic growth, the Company's results and other variables. For the Company's actual results taking into account a real 3% return, see Sections 5.4-5.6.

5. The Board of Directors' Explanations for the State of the Corporation's Business

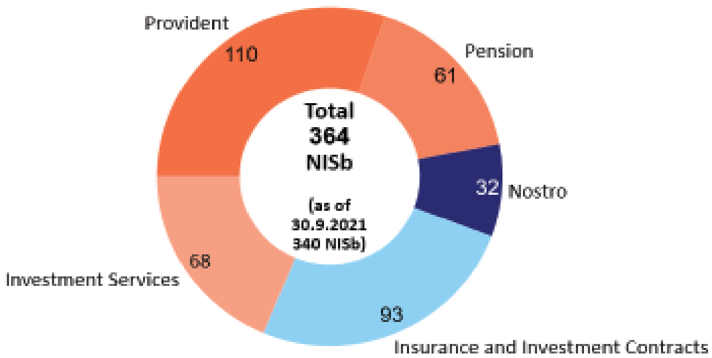
5.1. General

The group's operations are affected by constant changes in regulations and regulatory reforms. In addition, as the controlling shareholder of institutional entities, the group must also deal with the minimum capital requirements that apply to the activity of the institutional entities, which impose, among other things, restrictions on dividend distribution by the institutional entities.

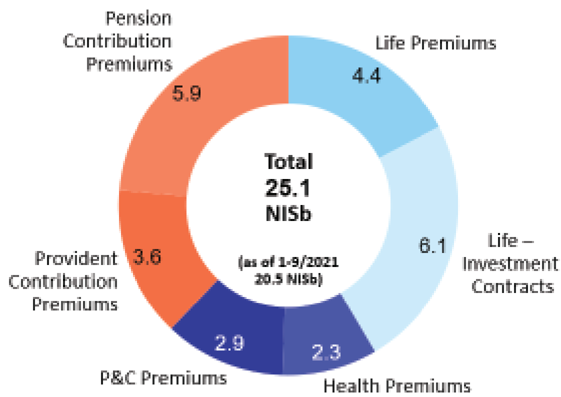
The group's operations and results are significantly affected by the capital markets, including, among other things, the low-interest environment that has implications for its insurance liabilities and on the returns embodied in the group's financial asset portfolios, and consequently - on the management fees and financial margins from investments as well.

5.2. Condensed data from the group's consolidated Financial Statements

Assets under management as of September 30, 2022



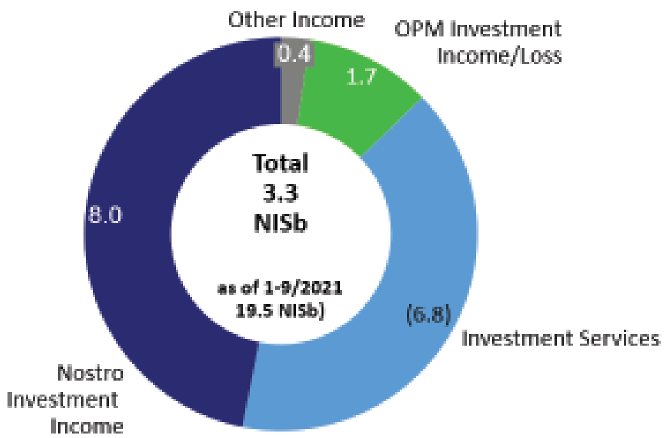
Premiums, gross, contributions towards benefits and proceeds in respect of investment contracts for 1-9/2022



Total assets under management by provident funds, excluding guaranteed return provident fund tracks, pension funds, ETFs, and customers' investment portfolios are not included in the Financial Statements. Proceeds in respect of investment contracts are not included in premiums; rather, they are charged directly to liabilities in respect of insurance contracts and investment contracts.

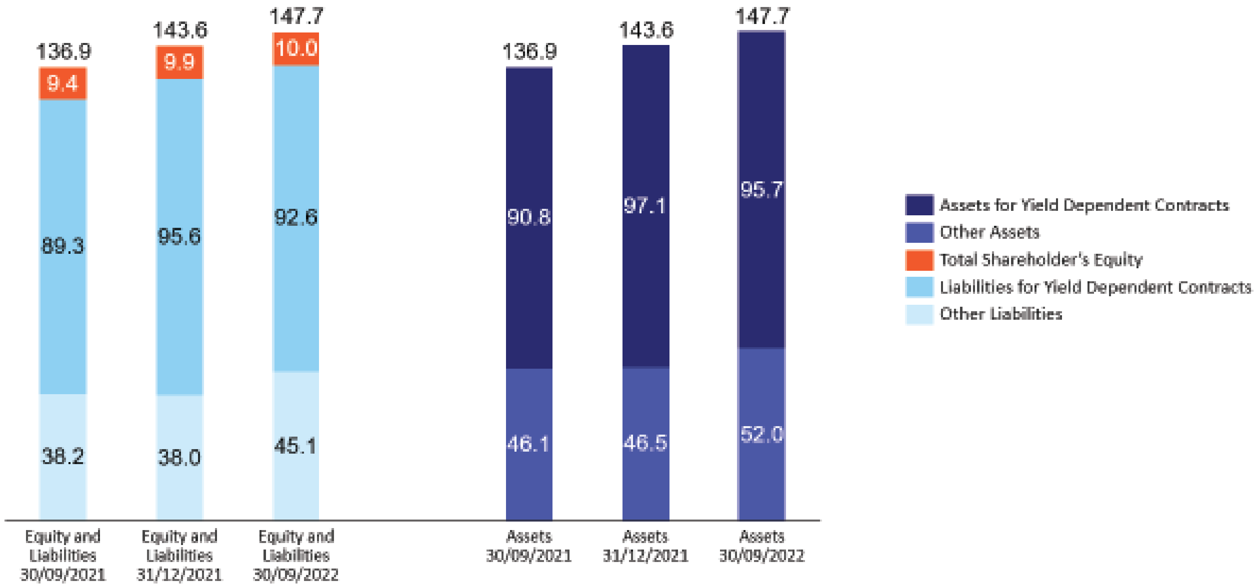
For further details on the premiums in the various operating segments, please see Note 3 to the Financial Statements.

Income for 1-9/2022



5.3. Description of the development of the group's financial position

Set forth below are key data from the consolidated balance sheets (in NIS billion):



Assets:

Total financial assets in respect of yield-dependent contracts and cash and cash equivalents in respect of yield-dependent contracts as of September 30, 2022, amounted to approximately NIS 95.7 billion, compared to approximately NIS 90.8 billion as of September 30, 2021, and NIS 97.1 billion as of December 31, 2021.

Other assets as of September 30, 2022, amounted to NIS 52.0 billion, compared with NIS 46.1 billion as of September 30, 2021, and NIS 46.5 billion as of December 31, 2021.

Liabilities:

Liabilities in respect of insurance contracts and yield-dependent investment contracts amounted to approximately NIS 92.6 billion as of September 30, 2022, compared to approximately NIS 89.3 billion as of September 30, 2021, and NIS 95.6 billion as of December 31, 2021.

Other liabilities as of September 30, 2022, amounted to NIS 45.1 billion, compared with NIS 38.2 billion as of September 30, 2021, and NIS 38 billion as of December 31, 2021.

The increase in other assets a d ltner liabilities stems, among other things, from Excellence's (a Company subsidiary) performance of spread transactions involving financial instruments; the said transactions are presented at fair value through profit or loss. Those transactions are presented in the Company's books of account at their gross amount. Spread transactions include derivatives, underlying assets, credit and deposits, which are managed by the Company as a single financial transaction, whose purpose is to fix the spread with no exposure to market risk or third-party credit risk. These transactions are normally conducted with banking corporations with a maximum ILAAA rating, in dedicated accounts that the bank may offset against one another. As of the financial statements date, the income generated from the said spread transactions is immaterial.

In view of the increase in this activity, the Company is currently assessing the option of entering into an agreement with the bank in connection therewith; such an agreement will be in line with the transaction's characteristics as a single transaction settled on a net cash flow basis.

5.4. Description of the development of the group's comprehensive income

5.4.1. General

5.4.1.1. At each reporting period, the Company reviews its sources of income, according to the segments breakdown, as outlined in Section 5.4.2 below. The Company also reviews its profitability and to what extent it meets the work plans in terms of separating operating profit which assume a real return of 3% net (less bonuses to employees and managers from excess returns), and gain from capital market effects above or below a real return of 3%, effects of interest and other special items as described below.

5.4.1.2. Special effects are considered by the Company as changes in profit or loss outside the ordinary course of the Company's business, including actuarial changes as a result of studies, changes in actuarial models, exceptional effects due to structural changes and exceptional purchase expenses following the implementation of the strategy of increasing the market share in the (hereinafter - "**Special Items**").

5.4.1.3. In the health insurance and in property and casualty insurance segments, the profitability analysis is based on a breakdown to underwriting profits, which assumes a real return of 3%, and profit stemming from capital market effects (hereinafter - the "**underwriting profits**"), which include income from nostro investments above or below a real return of 3%, the effect of the interest rate curve and other Special Items.

As from the financial statements as of March 31, 2022, the Company takes into account a 3% real return for analysis purposes in the health insurance subsegment also on its LAT reserve for the individual long-term care subsegment; the Company reclassified its comparative figures.

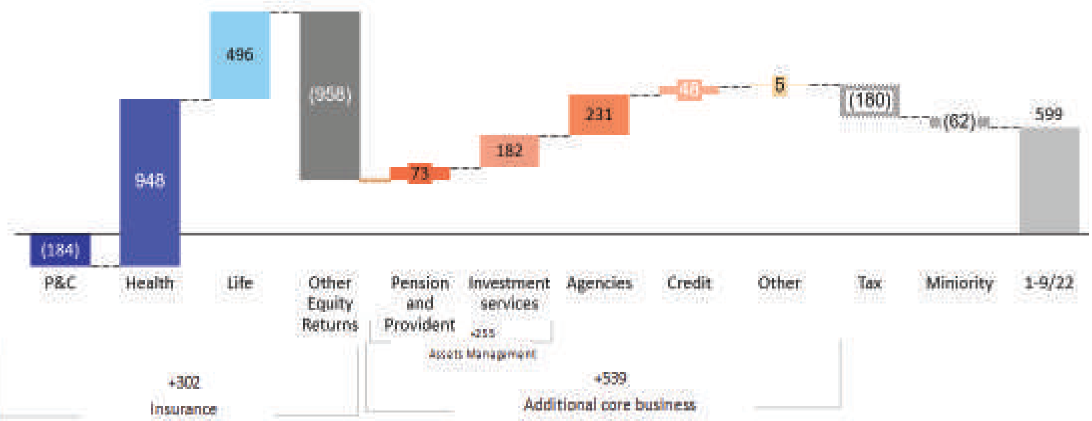
As from the financial statements as of June 30, 2022, the Company separates - for analysis purposes - the UGL component (excess value of illiquid assets) in the property and casualty insurance segment from its underwriting profits, and classifies it to interest effects. The Company reclassified the comparative figures.

5.4.1.4. In the life insurance and long-term savings segment, the profitability analysis is based on a breakdown to underwriting profits - which assumes a real return of 3%, including income from variable management fees in the profit participating portfolio based on said rate, fixed management fees and a financial margin in guaranteed return policies, which assumes said return both for the free portion and non-free portion of the portfolio, investment income after offsetting return credited to policyholders, and profit stemming from capital market effects, which include income from nostro investments and management fees calculated above or below a real return of 3%, the effect of the interest rate curve, including changes in the K factor, and other Special Items.

5.4.1.5. In order to separate the financial results between profits attributed to insurance and profits arising from other core activities, the Company splits the "other" segment. The split is made for convenience purposes and the Company views the capital and unattributed segment as a single operating segment.

The Company allocates the assets which are not measured at fair value in accordance with the provisions of the law and Company's procedures, and specifically the allocation in accordance with the consolidated circular on testing the appropriateness of the LAT reserve (see Note 3 to the financial statements). This allocation may have an effect on investment income allocated to the different segments. Financial liabilities that serve the Company's equity requirements and finance expenses in respect thereof are not allocated to the operating segments. In the capital segment, the financial margin arises from investment income, with a 3% real return assumption, net of actual finance expenses.

5.4.2. **<u>Set forth below is the composition of the Company's financial performance by segment for the 9-month reporting period and their comparison to the corresponding period last year (in NIS million):</u>**

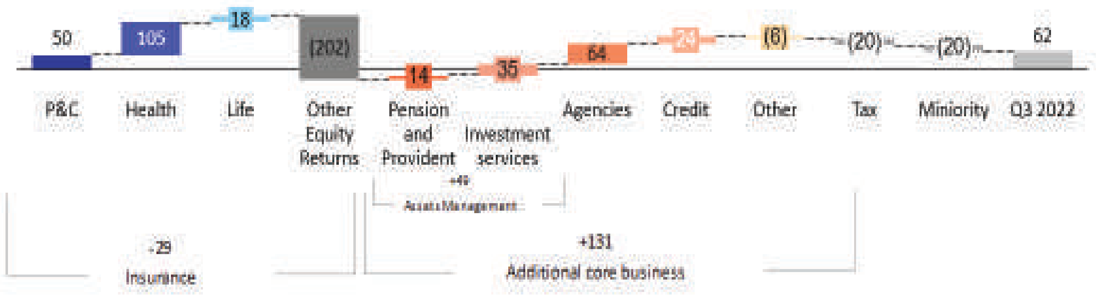


1-9/2021	*459*	*180*	*866*	*107*	*43*	*94*	*173*	*247*	*47*	*(618)*	*(41)*	*1,557*
Diff	*(643)*	*768*	*(370)*	*(1,065)*	*30*	*88*	*58*	*(199)*	*(42)*	*438*	*(21)*	*(958)*

(*) Pension and provident - the Company decided to launch a new operating segment - "asset management - pension and provident" as from December 2021.

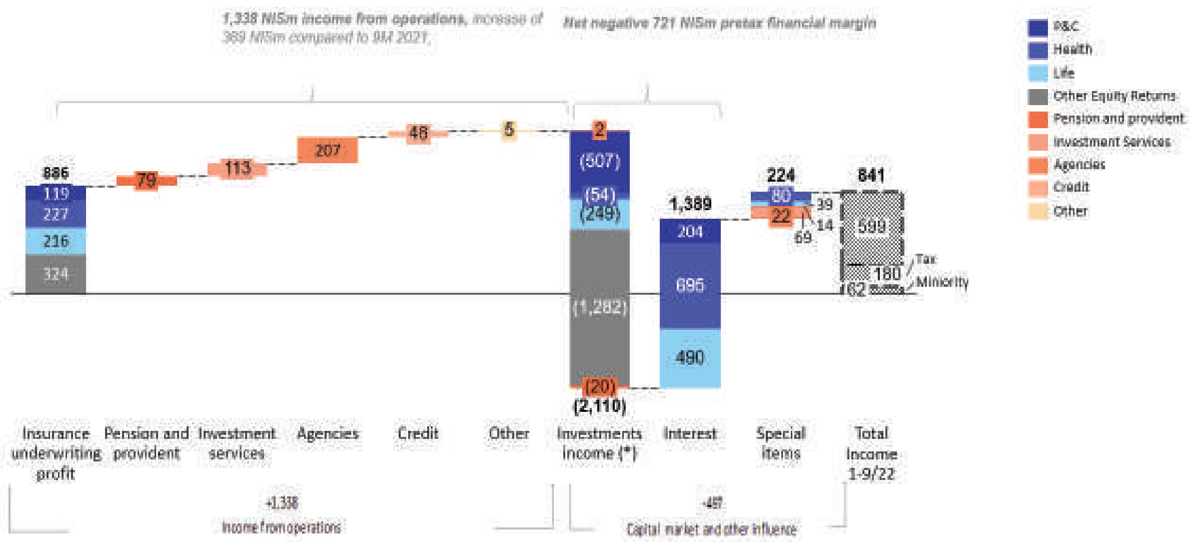
For the effects on the results at the segment level, please see details in Sections 5.5-5.6 below.

<u>Set forth below is the composition of the Company's financial performance by segments in the third quarter of 2022 compared with the corresponding quarter last year (in NIS million):</u>



	P&C	Health	Life	Other Equity Returns	Pension and Provident	Investment services	Agencies	Credit	Other	Tax	Minority	Q3 2022
Q3/2021	49	161	204	(12)	14	30	62	11	45	(142)	(18)	404
Diff	1	(56)	(186)	(190)	0	5	2	13	(51)	122	(2)	(342)

5.4.3. **<u>Set forth below is the composition of the sources of the Company's pre-tax income by operating profit and profit from capital market effects, interest rate and Special Items for a period of 9 months in the reporting period (in NIS million):</u>**



	Insurance underwriting profit	Pension and provident	Investment services	Agencies	Credit	Other	Investments Income (*)	Interest	Special Items	Total Income 1-9/22
1-9/21	630	48	107	155	27	2	841	18	388	2,216
Diff	256	31	6	52	21	3	(2,951)	1,371	(164)	(1,375)

(*) See Section 5.4.1.

(**) For information about the Special Items at segment level, see Section 5.4.5, and results at segment level in Sections 5.5-5.6 below.

(***) Reclassified.

Operating profit after deducting effects of the capital market, Special Items and interest increased by NIS 369 million in the reporting period, compared with the corresponding quarter last year.

In the reporting period, the nominal return from nostro investments was 0%, and the real return in the reporting period was (4.24%). After transferring annual real return of 3%, and an amount in respect of variable management fees, which is calculated based on the said real return, the negative effect of the capital market after the said deduction is NIS 2,110 million, see Section 5.4.1 regarding the review of sources of profit.

Total decrease in investment income (in excess of real return of 3%) in the reporting period compared to the corresponding period last year amounted to NIS 2,951 million.The said decrease is in respect of the change in investment income, which decreased in the reporting period by NIS 2,512 million compared to the corresponding period last year (in excess of real return of 3%), in view of the slumps in financial markets in Israel and globally, and a NIS 439 million change in collection of variable management fees (in excess of real return of 3%) in the reporting period compared to the collection in the corresponding quarter last year, due to the slumps in financial markets in Israel and globally, which caused a decrease in the value of planholders' portfolio in the reporting period compared with the corresponding period last year.

As of September 30, 2022, the effect of the decline in planholders' portfolios will lead to non-collection of future variable management fees in the amount of approx. NIS 672 million, before tax (as of the report publication date - NIS 636 million before tax).

The decrease in investment income was partially offset against an increase in the risk-free interest rate curve in the reporting period compared with the corresponding period last; this increase caused a NIS 1,371 million decrease in insurance reserves in the reporting period, compared with the corresponding period last year.

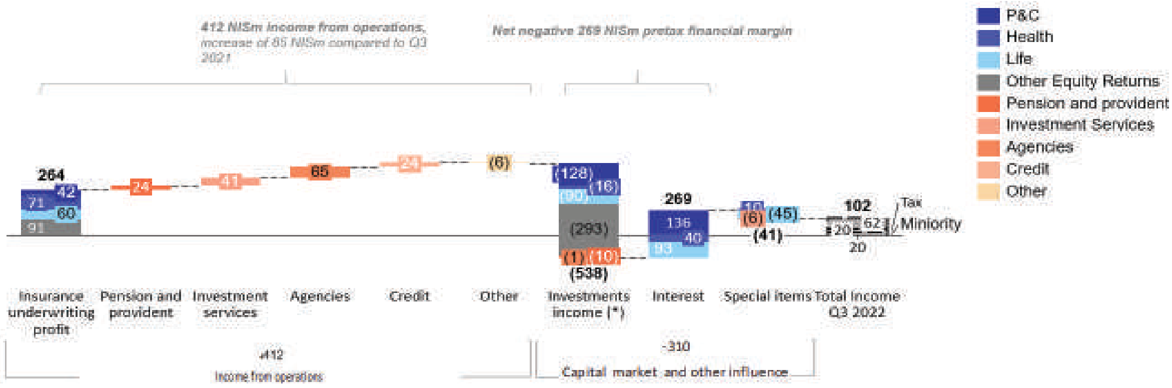
The total net effect of the interest and capital market effects (in excess of a real return of 3%) in the reporting period amounted to a pre-tax loss of NIS 721 million as reflected in the above chart.

During the reporting period, the special items line item decreased by NIS 164 million compared with the corresponding period last year; most of the decrease stemmed from the recognition of a higher one-off earning in the corresponding period last year as a result of assuming control in Gama and the sale of control in Ad 120, and compared to the recognition of a one-off earning from the transfer of the Company's rights in Phoeniclass Ltd. to The Phoenix Insurance, assuming control in Capital and assuming control in a subsidiary agency in the reporting period.

Furthermore, in the reporting period, the special items line item includes the effect of a study on retirement age and pension uptake rates, which was partially offset by revising the assumptions of the mortality schedules; for further details, see Note 8(a) to the Financial Statements.

For further details regarding the effects on the results at the segment level, please see Sections 5.5-5.6 below.

5.4.4. **Set forth below is the composition of the sources of the Company's pre-tax income by operating profit and profit from capital market effects, interest and non-recurring effects in the third quarter of 2022 compared to the corresponding period last year (in NIS million):**

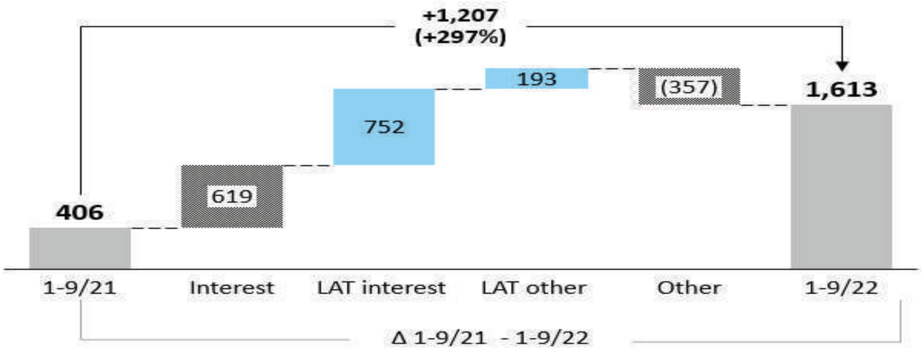


Q3/2021	207	21	35	53	11	0	53	80	104	564
Diff	57	3	6	12	13	(6)	(591)	189	(145)	(462)

(*) See Section 5.4.1.

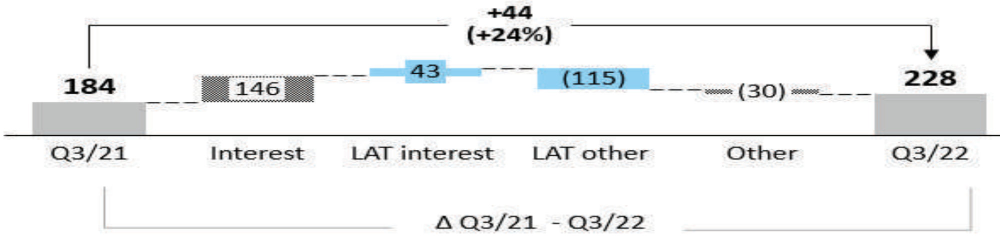
(**) For information about the Special Items at segment level, see Section 5.4.5, and results at segment level in Sections 5.5-5.6 below.

5.4.5. **Set forth below is the composition of the differences between the interest rate effects and main special items on pre-tax insurance liabilities for the 9-month in the reporting period compared to the corresponding period last year (in NIS million):**



	+1,389 Interest		+224 Special items		
Results					
1-9/2022	694	695	106	118	1,613
P&C	204	–	–	–	204
Health	–	695	106	(26)	775
Life	490	–	–	39	529
Pension and Provident	–	–	–	14	14
Financial Services	–	–	–	69	69
Agencies	–	–	–	22	22
1-9/2021	75	(57)	(87)	475	406
P&C	7	–	–	–	7
Health	–	(57)	(87)	150	6
Life	68	–	–	128	196
Other Equity	–	–	–	(45)	(45)
Pension and Provident	–	–	–	(15)	(15)
Financial Services	–	–	–	(13)	(13)
Agencies	–	–	–	5	5
Credit	–	–	–	220	220
Other	–	–	–	45	45

Set forth below is the composition of the differences between the interest effects and main special items effects on pre-tax insurance liabilities in the third quarter of 2022 compared with the corresponding quarter last year (in NIS million):



Results	+269 Interest		(41) Special items		
Q3-22	229	40	15	(56)	228
P&C	136	-	-	-	136
Health	-	40	15	(5)	50
Life	93	-	-	(45)	48
Financial Services	-	-	-	(6)	(6)
Q3-21	83	(3)	130	(26)	184
P&C	(1)	-	-	-	(1)
Health	-	(3)	130	(16)	111
Life	84	-	-	-	84
Other Equity	-	-	-	(45)	(45)
Pension and Provident	-	-	-	(10)	(10)
Financial Services	-	-	-	(5)	(5)
Agencies	-	-	-	5	5
Other	-	-	-	45	45

As of September 30, 2022, the Company's LAT reserve amounts to NIS 404 million in the health insurance segment. For information on the sensitivity to interest rates, see Section 6 and Section 2.1.5.

5.4.6. **Set forth below are data regarding the Company's return on equity:**

	1-9/2022	1-9/2021	7-9/2022	7-9/2021	1-12/2021
Return on shareholders' equity for the period (based on comprehensive income for the period) (*)	8.4%	25.1%	2.6%	19.5%	26.3%

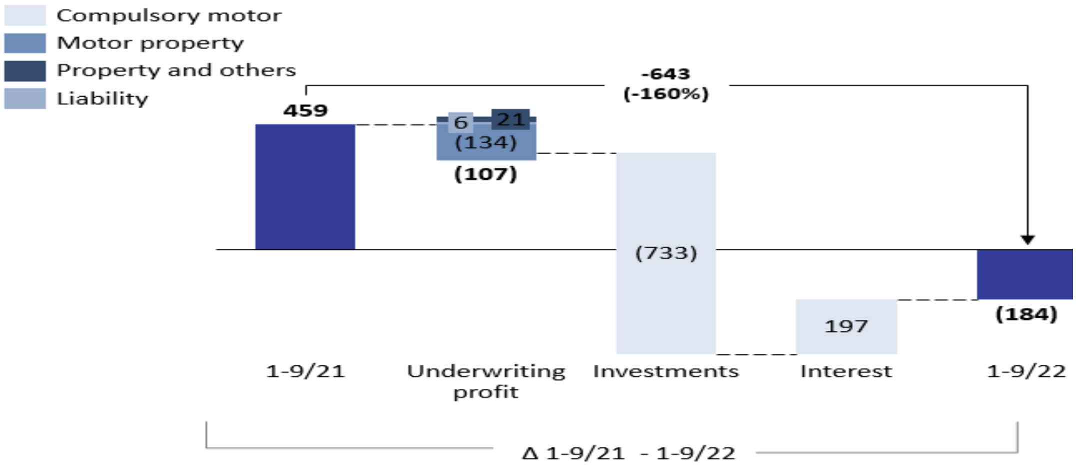
(*) Return on equity is calculated based on the income for the period or comprehensive income for the period attributable to Company's shareholders, adjusted to reflect a one-year period and divided by the average equity for the period.

Following is a description of the developments in the group's financial performance, by operating segment:

5.5. Description of developments in core areas - insurance

5.5.1. Property and casualty insurance

Set forth below is a composition of the main effects and changes on the results of the property and casualty insurance subsegment for the reporting period compared to the corresponding period last year (in NIS million, before tax):



Results

1-9/2022	***119***	***(507)***	***204***	***(184)***
(*) 1-9/2021	*226*	*226*	*7*	*459*

(*) Reclassified, see Section 5.4.1.3 above.

The NIS 107 million decrease in underwriting profits in the reporting period compared with the corresponding period last year stems mainly from the motor property subsegment as a result of an increase in costs of claims and in incidence in the reporting period; the Company is taking steps to improve underwriting results in the motor property subsegment. The increase in underwriting profits in the property and other subsegments as well as the liability segment in the reporting period, compared with the corresponding period last year, stems mainly from a positive development in claims in respect of previous years in the employers liability insurance subsegment.

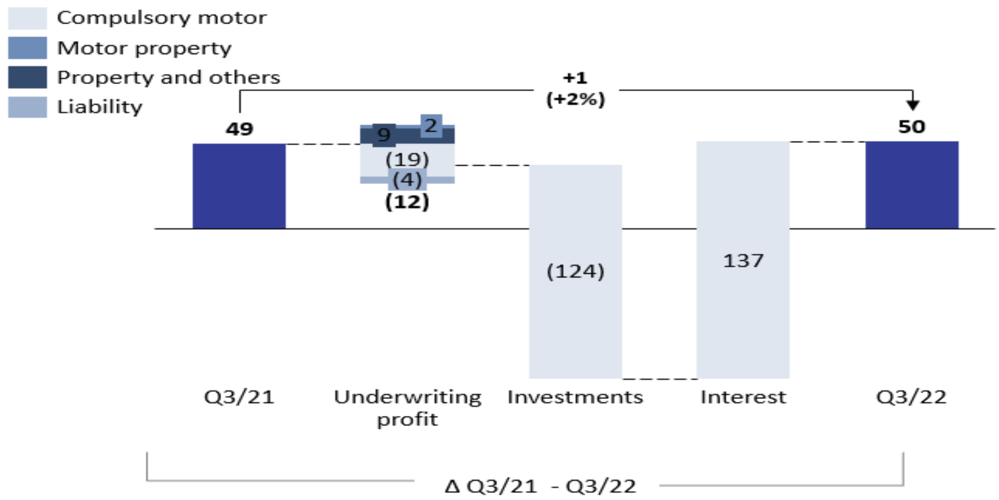
The NIS 733 million decrease in investment income in the reporting period compared to the corresponding period last year stemmed from slumps in financial markets in Israel and across the world during the reporting period compared with the corresponding period last year.

The NIS 197 million increase in interest income in the Reporting Period compared with the corresponding period last year stems from a decrease in insurance liabilities in compulsory motor insurance and liability as a result of a NIS 41 million increase in discount rate, a decrease in the revaluation of illiquid assets to their fair value, which increased insurance liabilities in compulsory motor insurance and liability insurance by NIS 20 million, and a classification of NIS 176 million in excess value of illiquid assets from the health insurance subsegment to the P&C insurance subsegment as from the financial statements as of June 30, 2022.

In the reporting period, the Company offset from the reserve balance in P&C insurance NIS 163 million in excess value of illiquid assets (of which NIS 176 million were classified from the health insurance subsegment). The mechanism for offsetting the excess value assets was implemented in accordance with Section 1C to the Position of Commissioner of the Capital Market, Insurance and

Savings - Best Practice for Calculating Reserves. For further details, please see Note 8(6) to the financial statements.

<u>Following is the composition of the main effects and changes on the results of the property and casualty insurance subsegment for the third quarter of 2022 compared to the corresponding quarter last year (in NIS million before tax):</u>



Results

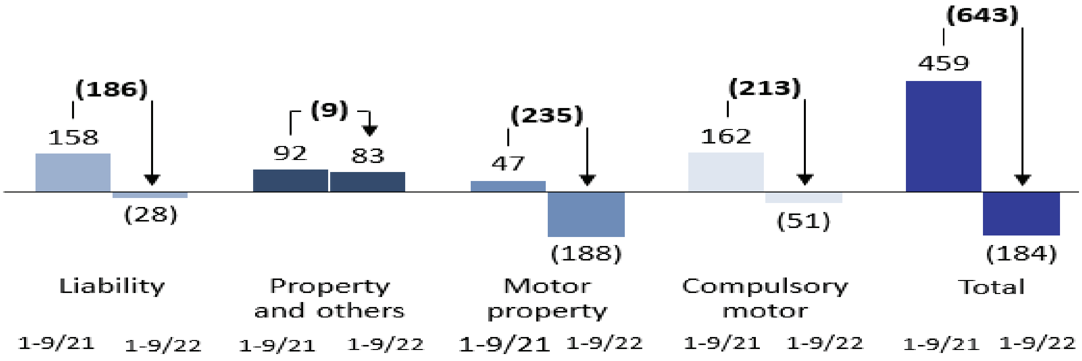
Q3-22	***42***	***(128)***	***136***	***50***
Q3-21	*54*	*(4)*	*(1)*	*49*

(*) Reclassified, see Section 5.4.1.3 above.

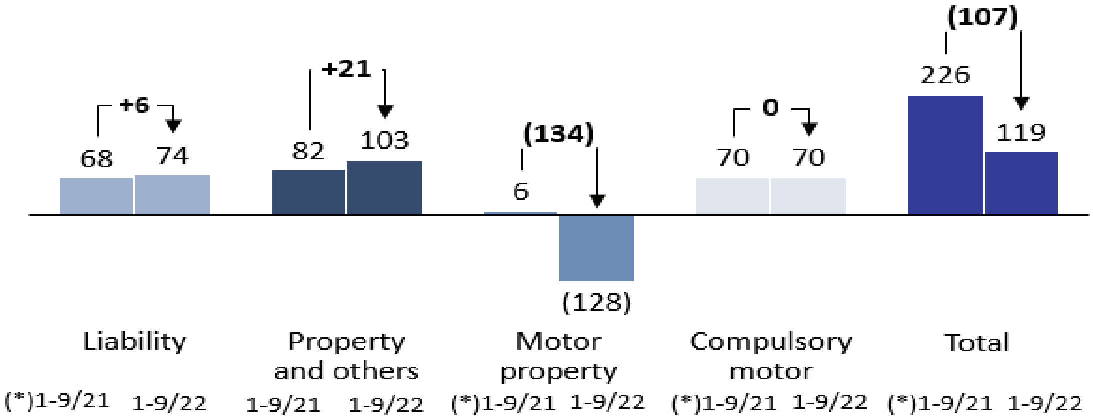
The NIS 12 million decrease in underwriting profits in the third quarter of the reporting period compared with the corresponding quarter last year stems mainly from the motor property subsegment as a result of an increase in costs of claims and in incidence in the reporting period; the Company is taking steps to improve underwriting results in the motor property subsegment. On the other hand, underwriting profits in the other property subsegments improved in the third quarter of the reporting period, compared with the corresponding quarter last year, mainly in the flight cancellation insurance and personal accidents insurance subsegments.

The NIS 124 million decrease in investment income in the third quarter of the reporting period compared to the corresponding period last year stemmed from slumps in financial markets in Israel and across the world in the third quarter of the reporting period compared with the rallies in the corresponding quarter last year. The NIS 137 million increase in interest income in the third quarter in the Reporting Period compared with the corresponding quarter last year stems mainly from a decrease in insurance liabilities in compulsory motor insurance and from a decrease in liabilities as a result of a NIS 41 million increase in discount rate, and a classification of NIS 96 million in excess value of illiquid assets from the health insurance subsegment to the P&C insurance subsegment, see Section 5.4.1.3 above, and Note 8A(6) to the financial statements.

5.5.1.1. **Set forth below is the pre-tax comprehensive income (loss) in the various subsegments of property and casualty insurance (P&C) for the reporting period compared with the corresponding period last year (in NIS million):**



Set forth below is the pre-tax underwriting profit in the various subsegments of property and casualty insurance (P&C) for the reporting period compared with the corresponding period last year (in NIS million):



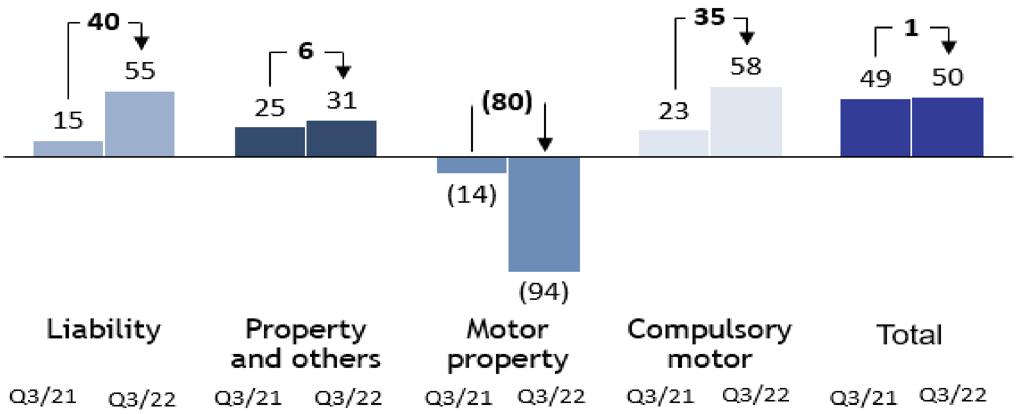
(*) Reclassified, see Section 5.4.1.3 above.

The NIS 107 million decrease in underwriting profits in the reporting period compared with the corresponding period last year stems mainly from the motor property subsegment as a result of an increase in costs of claims and in incidence in the reporting period.

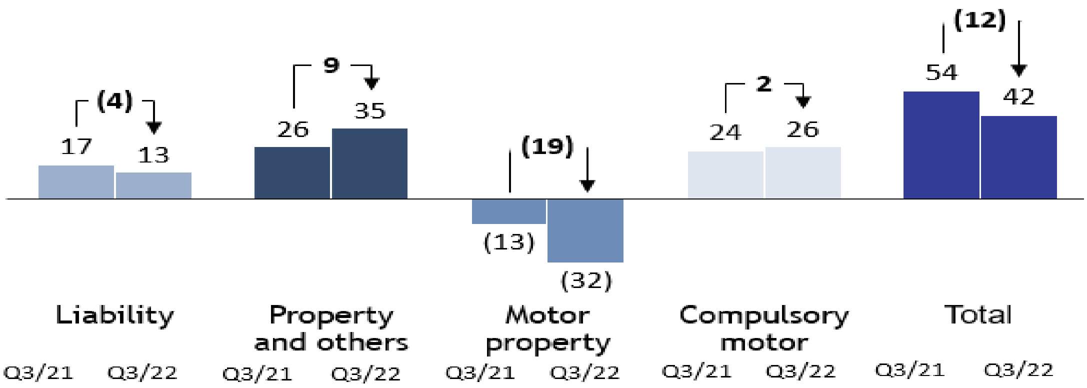
The increase in underwriting profits in the liability subsegments in the reporting period, compared with the corresponding period last year, stems mainly from a positive development in claims in respect of previous years in the employers liability insurance subsegment.

The increase in underwriting profits in other property subsegments compared with the corresponding period last year stems mainly from improvement in underwriting profits in the property loss insurance, home insurance subsegments and personal accidents subsegment.

5.5.1.2. **<u>Set forth below is the pre-tax comprehensive income (loss) in the various subsegments of property and casualty insurance for the third quarter of 2022 and their comparison with the corresponding quarter last year (in NIS million)</u>:**



<u>Set forth below is the pre-tax underwriting profit (loss) in the various subsegments of property and casualty insurance for the third quarter of 2022 and their comparison with the corresponding quarter last year (in NIS million):</u>



(*) Reclassified, see Section 5.4.1.3 above.

The NIS 12 million decrease in underwriting profits in the third quarter of the reporting period compared with the corresponding quarter last year stems mainly from a NIS 19 million decrease in the motor property subsegment as a result of an increase in costs of claims and in incidence. The Company is taking steps to improve its underwriting profits in the motor property subsegment.

On the other hand, underwriting profits in the other property subsegments improved in the third quarter of the reporting period by NIS 9 million, compared with the corresponding quarter last year, mainly in the home insurance and personal accidents insurance subsegments.

5.5.1.3. **Set forth below is the gross loss ratio and combined ratio, and retention loss ratio in the motor property and other subsegments:**

	Motor property (*) In NIS million				
	1-9/2022	1-9/2021	7-9/2022	7-9/2021	1-12/2021
Gross loss ratio	90.5%	74.4%	98.5%	80.9%	80.3%
Retention loss ratio	90.5%	74.4%	98.5%	80.8%	80.3%
Gross combined ratio	116.3%	102.3%	126.3%	109.0%	108.9%
Retention combined ratio	116.3%	102.3%	126.3%	109.0%	108.9%

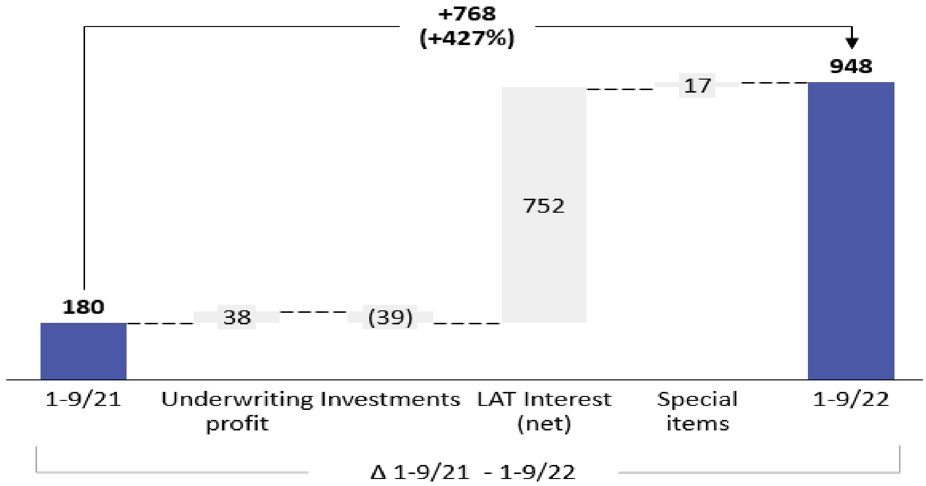
	Property and other subsegments In NIS million				
	1-9/2022	1-9/2021	7-9/2022	7-9/2021	1-12/2021
Gross loss ratio	30.3%	33.8%	20.8%	38.9%	33.2%
Retention loss ratio	19.2%	22.5%	14.3%	24.9%	23.5%
Gross combined ratio	57.5%	60.9%	48.3%	67.5%	61.2%
Retention combined ratio	51.6%	59.4%	51.1%	64.8%	60.4%

(*) Includes UGL (excess value of illiquid assets); for more information, see Section 5.5.1 above and Note 8(6) to the Financial Statements.

5.5.2. Health insurance

Earnings on investments affects the profitability of this segment, some of whose products (such as long-term care coverage) are characterized by accrual of significant reserves over long periods. Investment profit is affected by financial market fluctuations, as well as changes in interest rates and the rate of change in the Israeli consumer price index, which affect the yields on liquid financial asset portfolios held against insurance and contingent claims reserves. It should be noted that at this stage, the Company has ceased to market long-term care insurance policies in view of the guaranteed return in long-term care insurance plans, and the complexity of the related reinsurance in this area.

<u>Set forth below is the composition of the main effects and changes on the results of the health insurance subsegment for the reporting period compared to the corresponding period last year (in NIS million):</u>



Results

1-9/2022	***227***	***(54)***	***695***	***80***	***948***
(*) 1-9/2021	*189*	*(15)*	*(57)*	*63*	*180*

(*) Reclassified, see Section 5.4.1.3 above.

The NIS 38 million increase in underwriting profits in the reporting period compared with the corresponding period last year is mainly due to an increase in underwriting profits from long-term care insurance policies, and specifically underwriting profits from critical illness and travel insurance policies compared with the corresponding period last year.

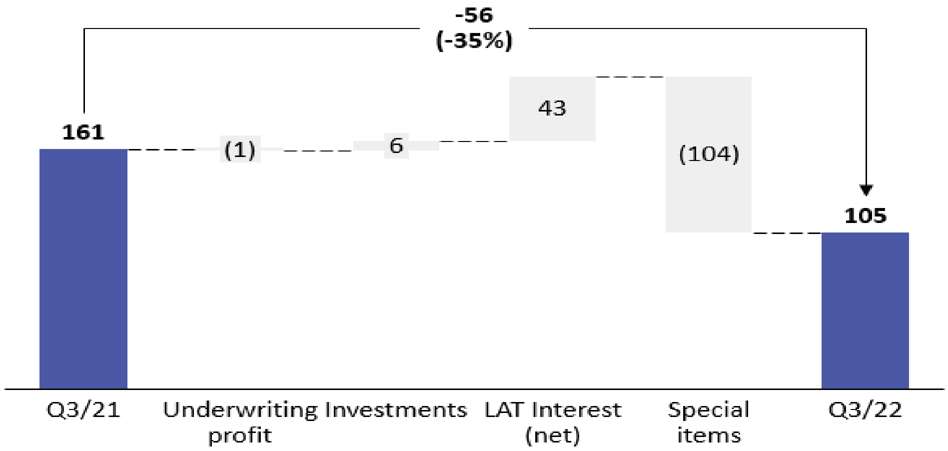
The NIS 39 million decline in investment income in the reporting period compared with the corresponding period last year stems from slumps in financial markets in Israel and globally during the reporting period, compared with the corresponding period last year.

The impact of increase in the risk-free interest rate curve in the Reporting Period caused a NIS 752 million increase in profit, including the change in excess value of illiquid assets carried to LAT, and after the classification of NIS 176 million in excess value of illiquid assets from the health insurance subsegment to the P&C insurance subsegment; for more information, see Section 5.4.1.3 above.

In addition, the results in the reporting period were affected by a NIS 17 million increase in the Special Items line item. In the Reporting Period, most of the increase in profit is attributed to the recognition of a one-off earning of NIS 99 million as a result of the transfer of the Company’s rights in Phoeniclass Ltd. to The Phoenix Insurance; this one-off earning was recognized in LAT as part of the excess value of illiquid assets (as of September 30, 2022, the remaining LAT reserve was NIS 404 million), and was partially offset against the increase in the individual health insurance reserve, compared to the corresponding period last year, in which the Company recognized the excess fair value from the completion of the Ad 120 transaction, that was partially offset as a result in changes in morbidity assumptions and model changes.

For further details, please see Note 8 to the Financial Statements.

Following is a composition of the main effects and changes on the results of the health insurance subsegment for the third quarter of 2022 compared to the corresponding quarter last year (in NIS million):



Δ Q3/21 - Q3/22

Results					
Q3-22	***71***	***(16)***	***40***	***10***	***105***
Q3-21	*72*	*(22)*	*(3)*	*114*	*161*

(*) Reclassified, see Section 5.4.1.3 above.

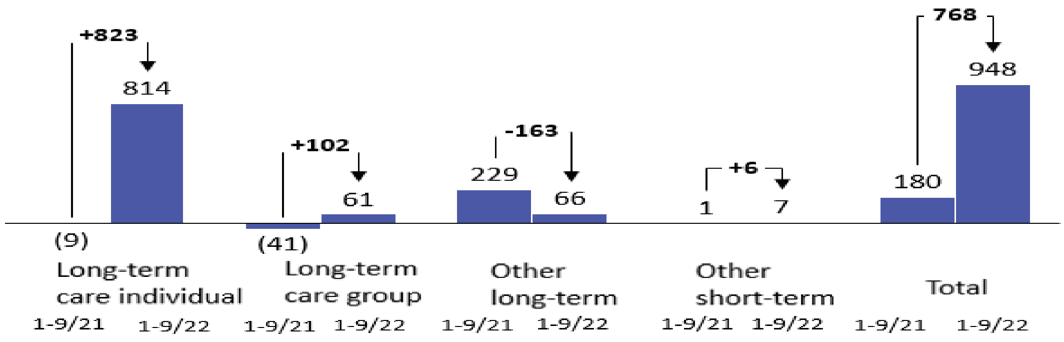
The impact of the decrease in investment income in the third quarter of the Reporting Period compared to the corresponding quarter last year triggered a NIS 6 million increase in profit due to lower declines in financial markets in Israel and across the world in the quarter compared with the corresponding quarter last year.

The impact of increase in the risk-free interest rate curve in the third quarter of the Reporting Period compared with the decrease in the risk-free interest rate curve in the corresponding quarter last year caused a NIS 43 million increase in profit, including the change in excess value of illiquid assets carried to LAT, and after the classification of NIS 96 million in excess value of illiquid assets from the health insurance subsegment to the P&C insurance subsegment; for more information, see Section 5.4.1.3 above.

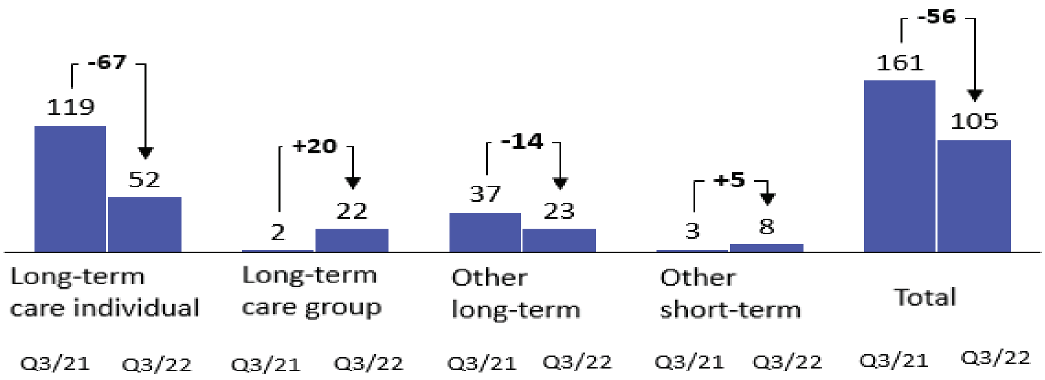
In addition, the results in the third quarter of the Reporting Period compared with the corresponding quarter last year were affected from a NIS 104 million decrease in profit in the Special Items line item, mainly as a result of the recognition - in the corresponding quarter last year - of excess fair value from the completion of the Ad 120 transaction, which was partially offset as a result of changes in morbidity assumptions and model changes.

For further details, please see Note 8 to the Financial Statements.

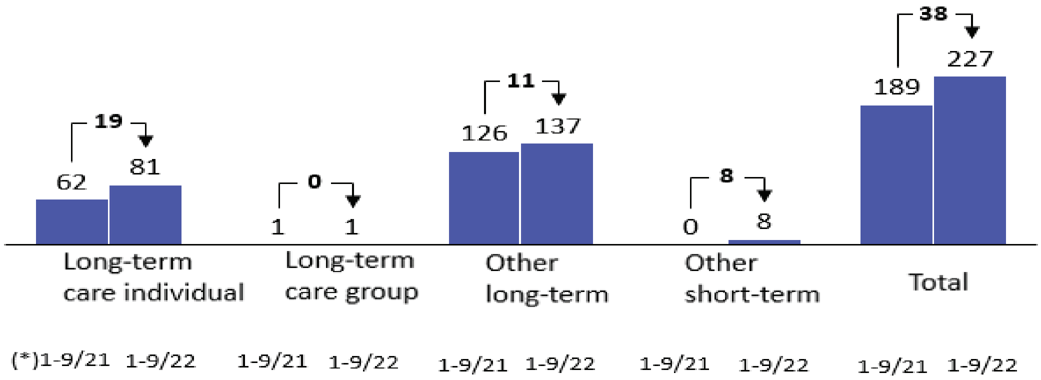
5.5.2.1. **<u>Set forth below is the pre-tax comprehensive income (loss) in the various subsegments of health insurance for the reporting period compared with the corresponding period last year (in NIS million):</u>**



<u>Set forth below is the pre-tax comprehensive income (loss) in the various subsegments of health insurance in the third quarter of the reporting period compared with the corresponding quarter last year (in NIS million):</u>



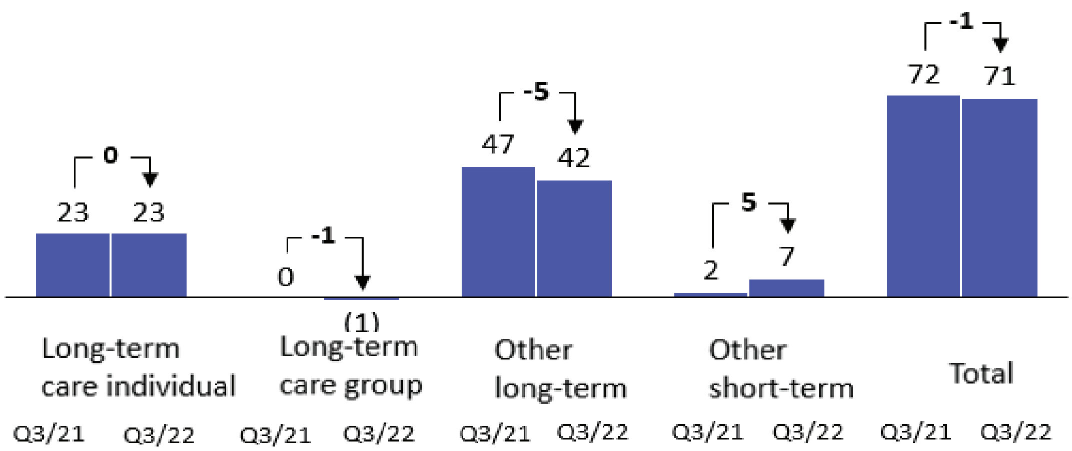
5.5.2.2. **<u>Set forth below is the pre-tax underwriting income (loss) in the various subsegments of health insurance for the reporting period compared with the corresponding period last year (in NIS million):</u>**



(*) Reclassified, see Section 5.4.1.3 above.

The NIS 38 million increase in underwriting profits in the reporting period compared with the corresponding period last year is mainly due to individual long-term care insurance policies (NIS 19 million), stemming mainly from the increase in the CPI. The NIS 21 million increase in underwriting profits from long-term policies in the reporting period compared with the corresponding period last year is mainly due to an increase in underwriting profits from critical illness and personal accidents insurance policies.

Set forth below is the (pre-tax) underwriting income (loss) in the various subsegments of health insurance in the third quarter of the reporting period compared with the corresponding quarter last year (in NIS million):

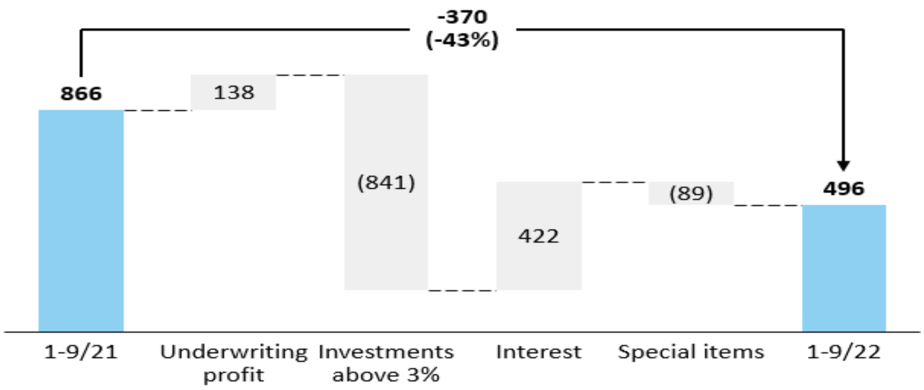


(*) Reclassified, see Section 5.4.1.3 above.

5.5.3. Life insurance and savings

5.5.3.1. Profits on investments have a material effect on the profitability of this segment, which is characterized by accrual of significant reserves over long periods. Investment profit is affected by financial market fluctuations, as well as changes in interest rates and the rate of change in the Israeli consumer price index, which affect the yields on liquid financial asset portfolios held against insurance and contingent claims reserves. It should be noted that a significant portion of the investment income was carried to participating policies and has no direct effect on the Company's results.

<u>Set forth below is the composition of the main effects and changes on the results of the life insurance subsegment for the reporting period compared to the corresponding period last year (in NIS million):</u>



Δ 1-9/21 - 1-9/22

Results					
1-9/2022	***216***	***(249)***	***490***	***39***	***496***
1-9/2021	*78*	*592*	*68*	*128*	*866*

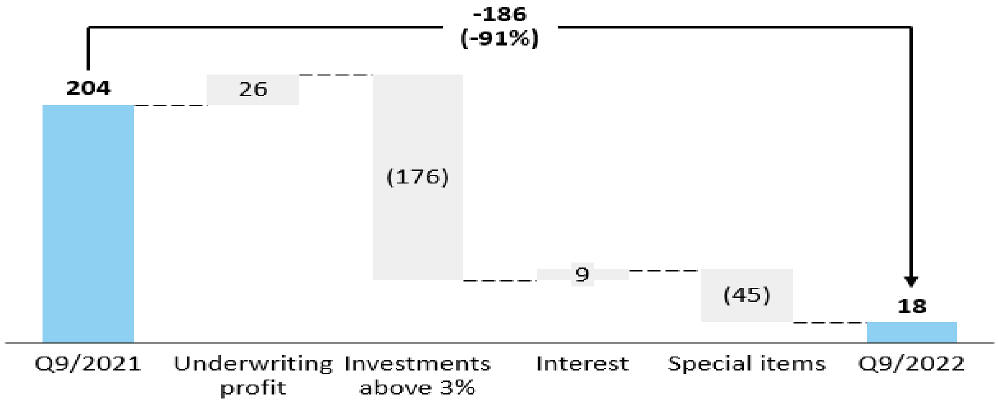
The results in the reporting period were affected by the NIS 138 million increase in underwriting profits, which stemmed mainly from an increase in the fixed management fees that was partially offset against the decrease in the profitability of the life insurance products, and from an improvement as a result of a decrease in annuities uptake rate compared with the expected uptake. In addition, compared with the corresponding period last year, the results in the reporting period were mainly impacted by the decrease in investment income that were offset against the increase in risk-free interest that triggered a decrease in insurance reserves. The NIS 841 million decrease in investment income (in excess of real return of 3%) stemmed from a NIS 402 million decrease in income from the nostro portfolio, mainly due to the slumps in financial markets in Israel and globally, and from a NIS 439 million decrease in variable management fees (in excess of real return of 3%) as a result of non-collection of variable management fees in the first quarter of the reporting period compared to the collection in the corresponding period last year, due to the slumps in financial markets in Israel and globally, which caused a decrease in the value of planholders’ portfolio in the reporting period compared with the corresponding period last year. As of September 30, 2022, the effect of the decline in planholders' portfolios will lead to non-collection of future variable management fees in the amount of approx. NIS 672 million, before tax (as of the report publication date - NIS 636 million before tax).

Investment income in the reporting period also includes the NIS 87 million effect in respect of the Frequent Flyer transaction; for more information, see Section 1.2.6 above.

The impact of the change in interest in the reporting period compared with the corresponding period last year caused a NIS 422 million increase in earnings mainly due to the increase in the interest rate curve in the reporting period compared with the corresponding period last year.

The NIS 89 million decrease in the special items line item stems from a NIS 39 million profit in the reporting period mainly as a result of the effects of a study on retirement age and pension uptake rates, which was partially offset by implementation of a circular regarding the revision of mortality assumptions, and by changes in assumptions, model revisions and provisions for claims compared with a NIS 128 million increase in profit in the corresponding period last year as a result of changes in assumptions, model revisions, and provisions for claims.

<u>Following is a composition of the main effects and changes on the results of the life insurance subsegment for the third quarter of 2022 compared to the corresponding quarter last year (in NIS million):</u>



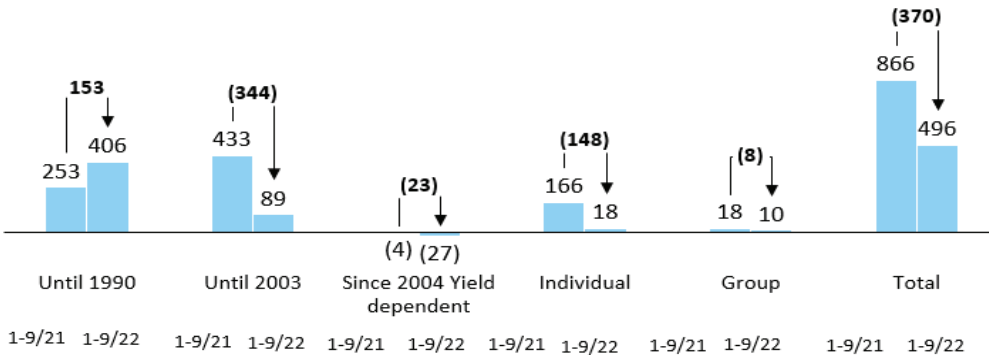
Δ Q3/21 - Q3/22

Results					
Q3-22	***60***	***(90)***	***93***	***(45)***	***18***
Q3-21	*34*	*86*	*84*	*-*	*204*

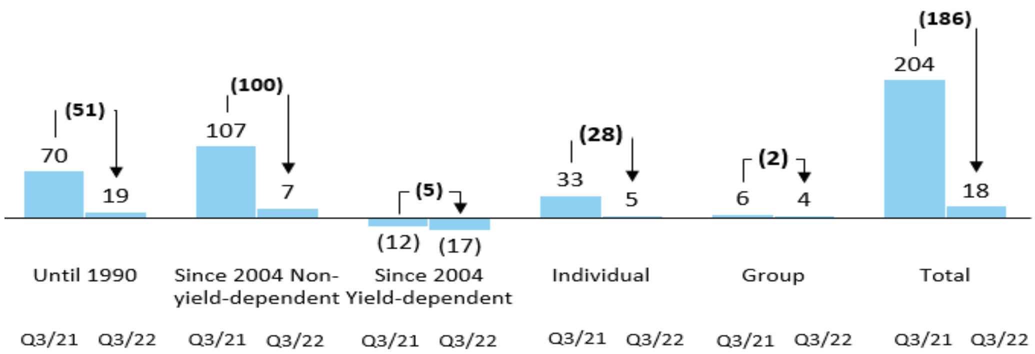
The results in the third quarter of the reporting period were affected by the NIS 26 million increase in underwriting profits, which stemmed mainly from an increase in the fixed management fees that was partially offset against the decrease in the profitability of the life insurance products, and from an improvement as a result of a decrease in annuities uptake rate compared with the expected uptake. The results in the third quarter of the reporting period were affected compared to the corresponding quarter last year, mostly due to a decline in investment income; the NIS 176 million decrease in investment income (in excess of real return of 3%) stemmed from a NIS 117 million decrease in income from the nostro portfolio, mainly due to the slumps in financial markets in Israel and globally, and from a NIS 59 million decrease in variable management fees (in excess of real return of 3%) as a result of non-collection of variable management fees in the third quarter of the reporting period compared to the collection in the corresponding quarter last year, due to the slumps in financial markets in Israel and globally, which caused a decrease in the value of planholders' portfolio in the third quarter of the reporting period compared with the corresponding quarter last year. As of September 30, 2022, the effect of the decline in planholders' portfolios will lead to non-collection of future variable management fees in the amount of approx. NIS 672 million, before tax (as of the report publication date - NIS 618 million before tax). Investment income in the third quarter also includes the NIS 87 million effect in respect of the Frequent Flyer transaction; for more information, see Section 1.2.6 above.

The NIS 45 million decrease in the Special Items line-item stems from changes in assumptions, model revisions, and provisions for claims compared with the corresponding period last year.

5.5.3.2. **Set forth below is the pre-tax comprehensive income (loss) in the various subsegments of life insurance for the reporting period compared with the corresponding period last year (in NIS million):**



Set forth below is the pre-tax comprehensive income (loss) in the various subsegments of life insurance in the third quarter of the reporting period compared with the corresponding quarter last year (in NIS million):



5.5.3.3. The rate of redemptions out of the average reserve (in annual terms) was approximately 5.0% compared with 3.7% in the corresponding period last year. The increase stemmed in part from internal transfers to The Phoenix Pension and Provident's provident funds. It should be noted that the general state of the economy, transition from product to product, employment rates, employees' wages, and market competition all affect this rate.

5.5.3.4. Set forth below are details concerning estimated net investment earnings attributed to policyholders of yield-dependent insurance policies and management fees calculated according to the Insurance Commissioner's guidelines, based on the return and the insurance reserves balances:

	1-9/2022	1-9/2021	7-9/2022	7-9/2021	1-12/2021
	In NIS million				
Investment gains (losses) credited to policyholders net of management fees	(7,108)	6,986	(1,666)	1,070	10,222
Management fees	453	819	153	188	1,221

(*) Excluding investment income credited (debited) to policyholders in the health insurance segment.

5.5.3.5. **Weighted returns on participating policies**

Set forth below are the nominal returns on participating policies in respect of policies issued through 2004 (from 1992 to 2003):

	Policies issued up to 2004 (Fund J)				
	1-9/2022	1-9/2021	7-9/2022	7-9/2021	1-12/2021
Nominal returns before payment of management fees	(7.06%)	11.77%	(1.60%)	2.02%	17.40%
Nominal returns after payment of management fees	(7.50%)	9.87%	(1.75%)	1.72%	14.44%
Real returns before payment of management fees	(10.98%)	9.36%	(2.80%)	1.22%	14.64%
Real returns after payment of management fees	(11.40%)	7.50%	(2.95%)	0.92%	11.76%

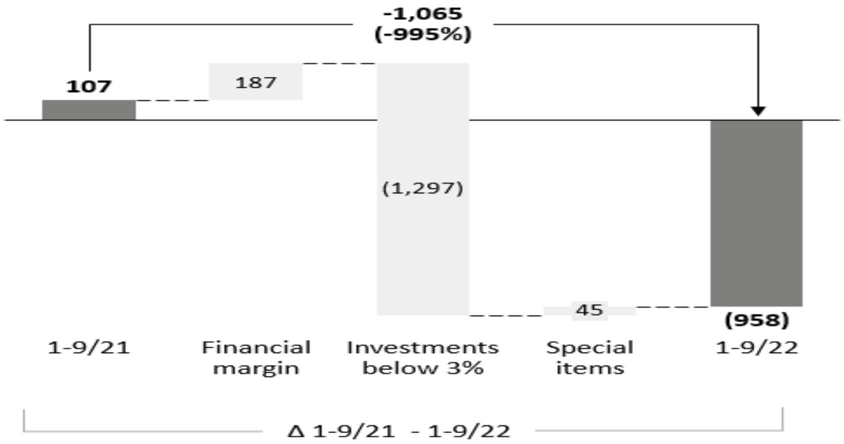
Fluctuations in these returns are a function of capital market returns in Israel and abroad, changes in the consumer price index, and changes in the exchange rate of the shekel against major currencies.

5.5.3.6. **The nominal returns on yield-dependent policies in respect of policies issued from 2004 and thereafter**

	Policies issued from 2004 and thereafter				
	1-9/2022	1-9/2021	7-9/2022	7-9/2021	1-12/2021
Nominal returns before payment of management fees	(8.24%)	10.30%	(1.75%)	1.40%	15.33%
Nominal returns after payment of management fees	(8.90%)	9.52%	(1.98%)	1.17%	14.25%
Real returns before payment of management fees	(12.11%)	7.92%	(2.95%)	0.61%	12.63%
Real returns after payment of management fees	(12.74%)	7.16%	(3.17%)	0.38%	11.57%

5.5.4. Capital gains - other

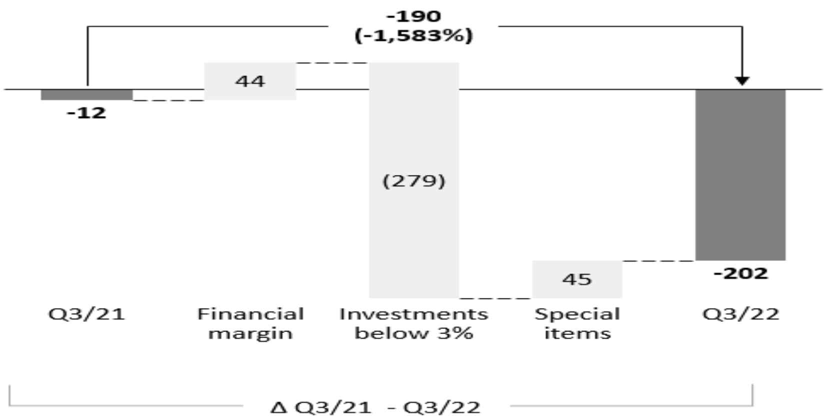
Set forth below is the composition of the main effects and changes in respect of other capital gains for the reporting period compared to the corresponding period last year (in NIS million):



Results				
1-9/2022	324	(1,282)	-	(958)
1-9/2021	137	15	(45)	107

The NIS 1,065 million decrease in other capital gains in the reporting period compared with the corresponding period last year stems mainly from slumps in financial markets in Israel and globally.

Set forth below is the composition of the main effects and changes of other capital gains for the third quarter of 2022 compared to the corresponding quarter last year (in NIS million):



Results				
Q3-22	91	(293)	-	(202)
Q3-21	47	(14)	(45)	(12)

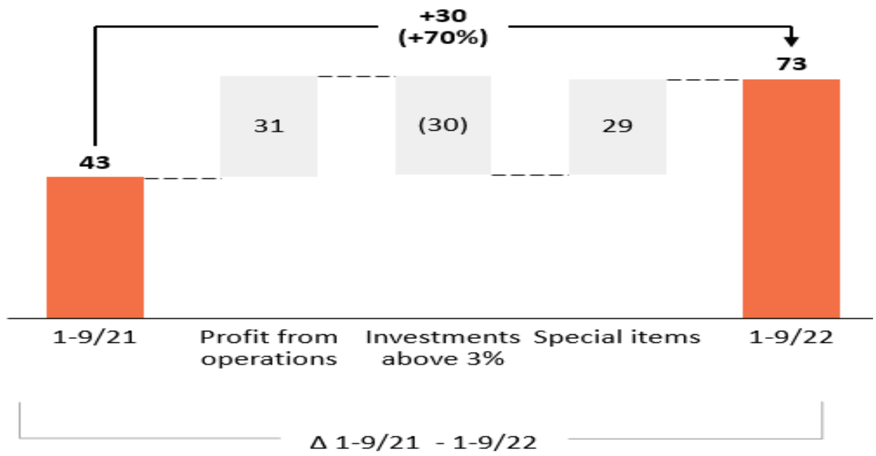
The NIS 190 million decrease in other capital gains in the second quarter of the reporting period compared with the corresponding quarter last year, stems mainly from slumps in financial markets in Israel and globally.

5.6. Description of developments in other core activities

5.6.1. The field of asset management - pension and provident

The group manages various types of pension funds and provident funds through The Phoenix Pension and Provident Fund. In addition, the group manages - through Halman-Aldubi IEC Gemel Ltd. - the central provident fund for annuity of Israel Electric Corporation employees. As of the report date, the Company holds - directly and indirectly - 100% of the shares of The Phoenix Pension and Provident, and 100% of the shares of Halman-Aldubi IEC Gemel Ltd.

<u>Set forth below is the composition of the main effects and changes on the results of the investment management - pension and provident subsegment for the reporting period compared to the corresponding period last year (in NIS million):</u>



Results

1-9/2022	***79***	***(20)***	***14***	***73***
1-9/2021	*48*	*10*	*(15)*	*43*

<u>Set forth below is the composition of the main effects and changes on the results of the asset management - pension and provident segment for the third quarter of 2022 compared to the corresponding quarter last year (in NIS million):</u>

Results

Q3-22	***24***	***(10)***	***-***	***14***
Q3-21	*22*	*3*	*(10)*	*15*

The NIS 30 million and NIS 2 million increase in underwriting profits in the reporting period and in the third quarter, respectively, compared with the corresponding periods last year is mainly due to synergies arising from the acquisition of the Halman Aldubi investment house.

The NIS 30 million and NIS 13 million decline in investment income in the reporting period and in the third quarter, respectively, compared with the corresponding periods last year stems mainly from slumps in financial markets in Israel and globally during the reporting period, compared with rallies in the corresponding periods last year, which impacted, inter alia, the margins of a yield-guaranteed provident fund and the margins of the management company's nostro investments.

The increase in the special items line item in the reporting period and in the third quarter compared with last year totaling NIS 29 million and NIS 10 million, respectively, stems mainly from a one-off pre-tax profit of NIS 14 million in the reporting period as a result of the sale of the IRA portfolio, which was owned by Halman Aldubi compared with recognition of provisions for a class action in the corresponding period last year.

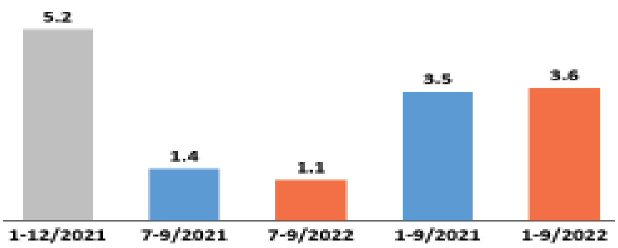
5.6.1.1. Provident funds subsegment

The group manages provident and advanced education funds through The Phoenix Pension and Provident, a wholly owned subsidiary of the Company, which manages benefits and severance pay funds, advanced education funds, a central benefits and severance pay fund, a yield-guaranteed provident fund, an investment provident fund, a child long-term investment provident fund for savings, a self-directed benefits provident fund, and a personally managed advanced education fund.

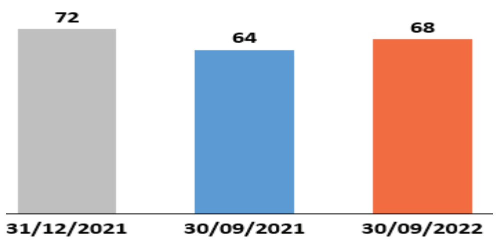
The pre-tax comprehensive income in the reporting period amounted to approximately NIS 66 million compared to approximately NIS 27 million during the corresponding period last year. the pre-tax comprehensive income in the third quarter in the reporting period amounted to approximately NIS 11 million compared to approximately NIS 7 million during the corresponding quarter last year.

Set forth below are developments in contributions towards benefits and total assets under management:

Contributions towards benefits (NIS billion)



Assets under management (NIS billion)



Based on Ministry of Finance data,[5] aggregate contributions towards benefits in the provident funds subsegment in the first three quarters of 2022 totaled approximately NIS 38.6 billion, compared to a total of approximately NIS 40.6 billion in the corresponding period last year, reflecting a decrease

[5] Based on Gemel Net data.

of approximately 4.8%. According to the Ministry of Finance data, as of September 30, 2022, total assets under management in the provident funds subsegment amounted to approximately NIS 636 billion, compared to approximately NIS 650 billion as of September 30, 2021, a decrease of approximately 2.2%.

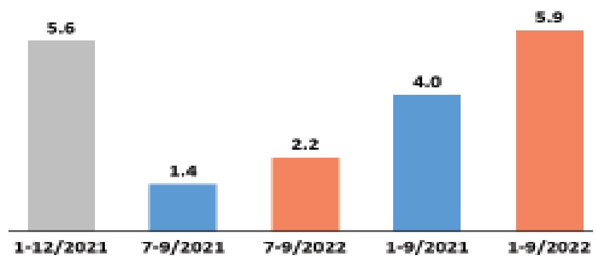
5.6.1.2. Pension funds subsegment

The group's pension subsegment is conducted through The Phoenix Pension and Provident, a wholly-owned subsidiary of the Company.

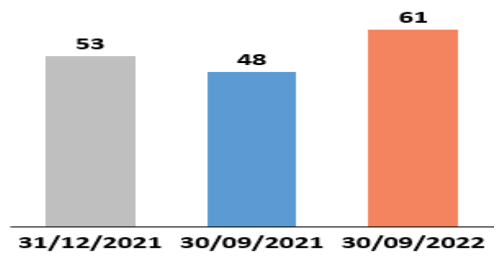
The pre-tax earnings in the reporting period amounted to NIS 7 million compared with pre-tax earnings of NIS 16 million in the corresponding period last year. the pre-tax comprehensive income in the third quarter in the reporting period amounted to approximately NIS 3 million compared to approximately NIS 8 million during the corresponding quarter last year. The decrease in pre-tax profit stemmed mainly from slumps in financial markets in Israel and globally during the reporting period and the third quarter, compared with rallies in the corresponding periods last year, which impacted the management company's nostro investments.

Set forth below are developments in contributions towards benefits and total assets under management:

Contributions towards benefits (NIS billion)



Assets under management (NIS billion)



Based on Ministry of Finance data,[6] aggregate contributions towards benefits in the new comprehensive provident funds subsegment in the first three quarters of 2022 totaled approximately NIS 42.9 billion, compared to a total of approximately NIS 36.9 billion in the corresponding period last year, reflecting an increase of approximately 16.5%.

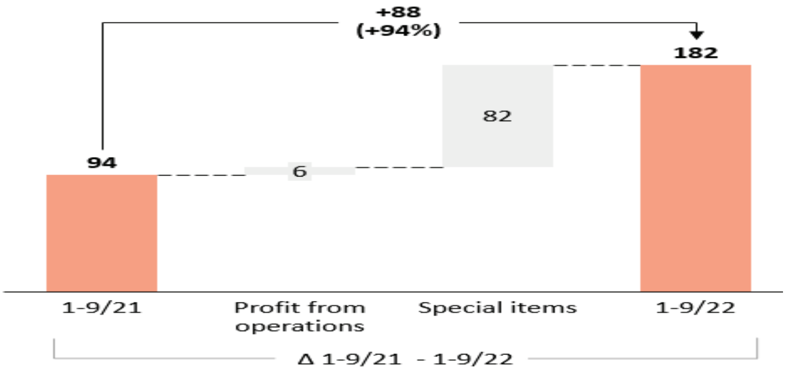
According to Ministry of Finance data, as of September 30, 2022, total assets under management in the new comprehensive pension funds subsegment amounted to a total of approximately NIS 580 billion, compared to approximately NIS 542 billion on September 30, 2021, an increase of approximately 6.9%.

[6] Based on Pension Net data.

5.6.2. Investment management - financial services

Most of the segment's activities are carried out through Excellence, and as from June 30, 2022, through The Phoenix Advanced Investments.

Set forth below is the composition of the main effects and changes on the results of the financial services subsegment for the reporting period compared to the corresponding period last year (in NIS million):

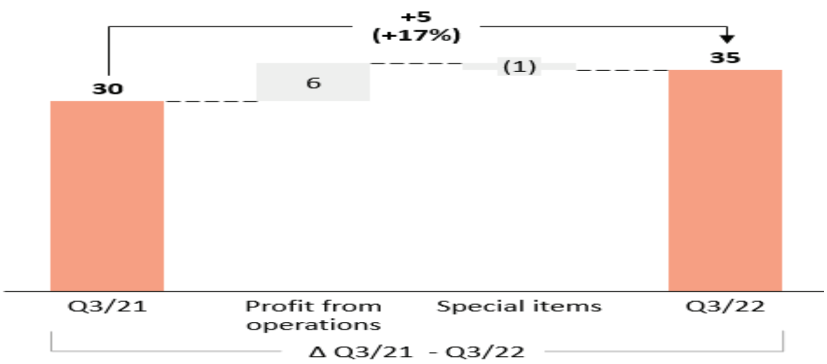


Results

1-9/2022	***113***	***69***	***182***
1-9/2021	*107*	*(13)*	*94*

The NIS 6 million increase in operating profit in the reporting period compared with the corresponding period last year arises mainly from an increase in the interest spread from deposits and loans, which was offset against non-collection of variable management fees. The NIS 82 million increase in the special items line-item stems mainly from the recognition of a one-off capital gain as a result of assuming control in Capital, which was offset against an increase in acquisition expenses as a result of the growth strategy in the retail brokerage portfolio, and zero management fees in KSM.

Following is the composition of the main effects and changes on the results of the financial services segment for the third quarter of 2022 compared to the corresponding quarter last year (in NIS million):



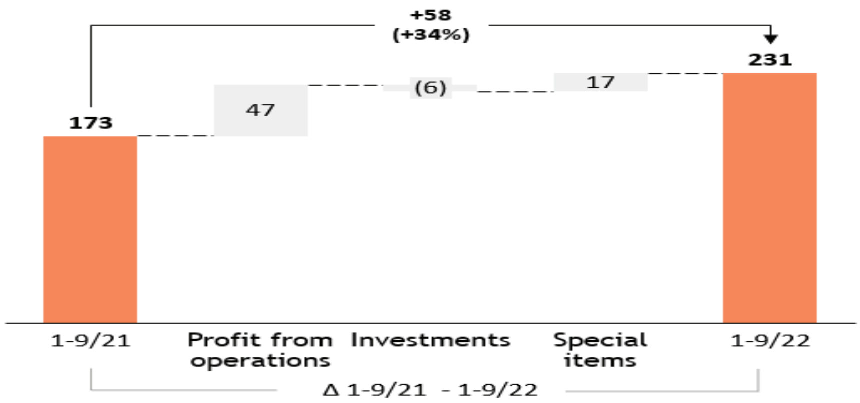
Results

Q3-22	***41***	***(6)***	***35***
Q3-21	*35*	*(5)*	*30*

The NIS 6 million increase in underwriting profits in the reporting period compared with the corresponding period last year arises mainly from an increase in the interest spread from deposits and loans, and from an increase in management fees. The NIS 1 million decrease in the special items line-item stems mainly from an increase in acquisition expenses as a result of the growth strategy in the retail brokerage portfolio, and zero management fees in KSM.

5.6.3. The insurance agencies segment

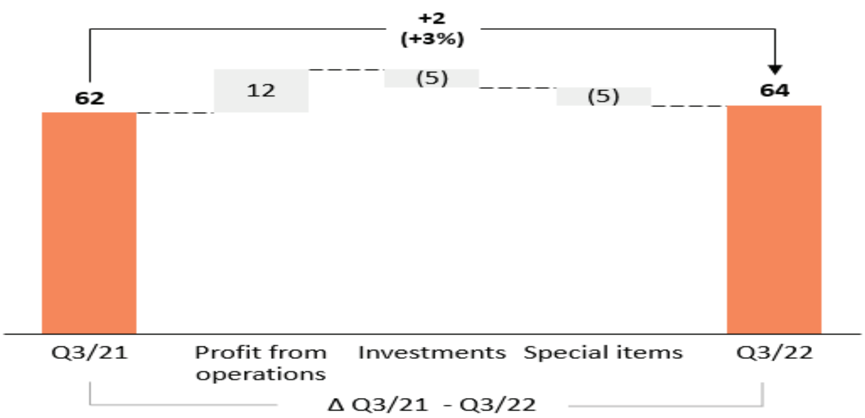
Set forth below is the composition of the main effects and changes on the results of the insurance agencies subsegment for the reporting period compared to the corresponding period last year (in NIS million):



Results

1-9/2022	**207**	**2**	**22**	**231**
1-9/2021	160	8	5	173

Following is the composition of the main effects and changes on the results of the insurance agencies segment for the third quarter of 2022 compared to the corresponding quarter last year (in NIS million):



Results

Q3-22	**65**	**(1)**	**-**	**64**
Q3-21	53	4	5	62

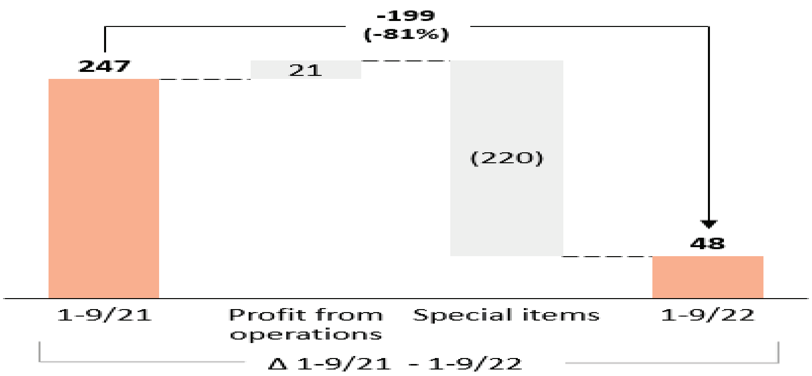
Most of the increase in the Insurance Agencies Segment’s operating profit stems primarily from continued growth, increase in agencies’ sales further to the continued implementation of the

Company's strategy of acquiring new agencies and operations. Furthermore, the NIS 17 million increase in the special items line-item stems from assuming control during the reporting period in an agency held by a subsidiary agency of the Company.

5.6.4. The Credit Segment

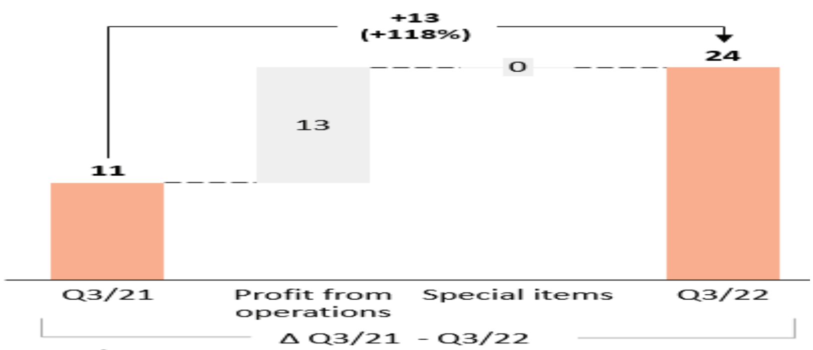
In June 2021, Gama Management and Clearing Ltd. completed its IPO on the TASE following the Supplementary Prospectus for of the sale offer and initial public offering of shares, and listing of its shares on the TASE, dated May 31, 2021. Simultaneously with the execution of the Offering in accordance with the Prospectus, The Phoenix Investments purchased additional Gama shares, such that after the Offering and the acquisition of the Purchased Shares, The Phoenix Investments holds approximately 60% of Gama's issued and paid-up share capital and voting rights therein and became the controlling shareholder in Gama. During the reporting period, the Company consolidated Gama's financial statements for the first time.

<u>Set forth below is the composition of the main effects and changes on the results of the credit segment subsegment for the reporting period compared to the corresponding period last year (in NIS million):</u>



Results			
1-9/2022	48	-	48
1-9/2021	27	220	247

<u>Set forth below is the composition of the main effects and changes on the results of the credit segment for the third quarter of 2022 compared to the corresponding quarter last year (in NIS million):</u>

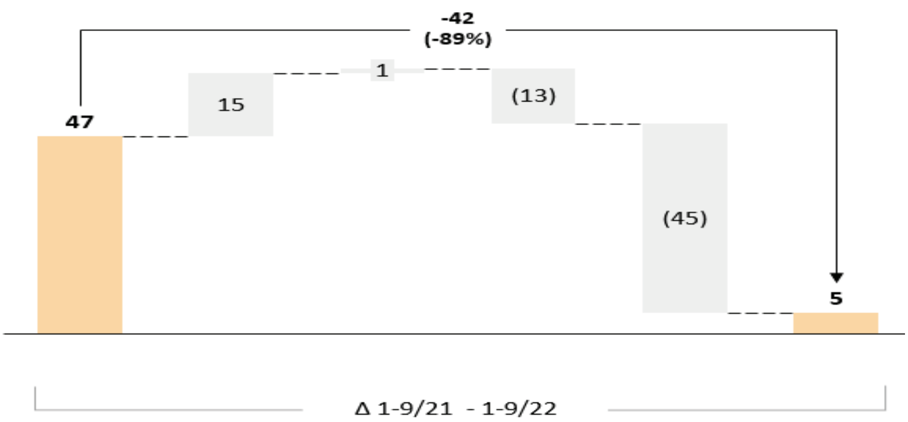


Results			
Q3-22	24	-	24
Q3-21	11	-	11

It should be noted that Gama's operating profit in the reporting period is included based on full consolidation, subsequent to assuming control (60%), as described above, compared with the profit in the corresponding period last year, which was included in accordance with the Company's stake in Gama at the time (49%). The NIS 220 million decrease in the Special Items line item in the reporting period mainly arises from the recording of a one-off capital gain in the corresponding period last year as a result of assuming control in Gama. The increase in operating profit in the Reporting Period and in the third quarter compared with the corresponding periods last year is mainly attributed to improvement in Gama's credit spreads.

5.6.5. Other segments and operation not attributed to the operating segments

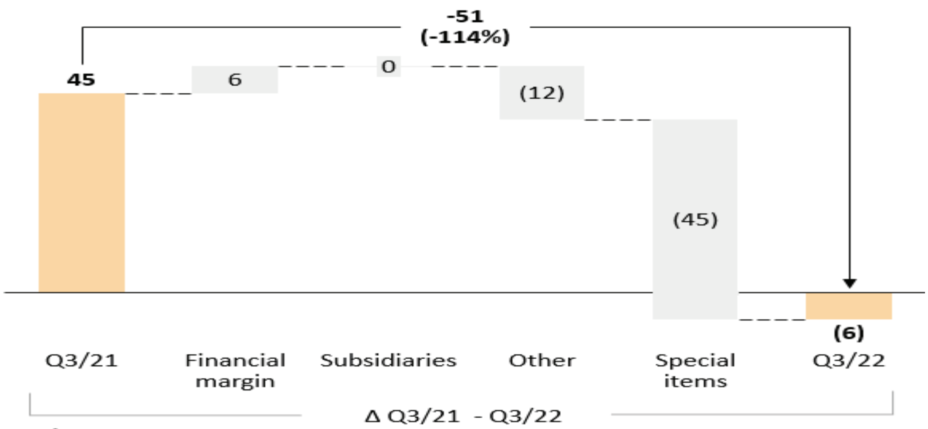
<u>Set forth below is the composition of the main effects and changes on the results of "other" segment and activity that is not attributed to activity segments in the reporting period compared to the corresponding period last year (in NIS million, before tax):</u>



Results

1-9/2022	***28***	***-***	***(23)***	***-***	***5***
1-9/2021	*13*	*(1)*	*(10)*	*45*	*47*

<u>Following is the composition of the main effects and changes on the results of "other" segment and activity that is not attributed to activity segments in the third quarter of 2022 compared to the corresponding quarter last year (in NIS million before tax):</u>



Results

Q3-22	***8***	***-***	***(14)***	***-***	***(6)***
Q3-21	*2*	*-*	*(2)*	*45*	*45*

The results in the reporting period and in the third quarter compared with last year were mainly affected by a NIS 45 million decrease in the Special Items line item. In the corresponding period last year, the NIS 45 profit arose from earnings due to early redemption of a capital note in the insurance company, that was offset by an early repayment of the Company's bonds.

5.7. Analysis of cash flow development, sources of financing and liquidity

5.7.1. The cash flow for the first three quarters of 2022

The consolidated cash flows from operating activities in the reporting period amounted to approximately NIS 1,478 million. The consolidated cash flows used in investing activities in the reporting period amounted to approximately NIS 342 million and included mainly a total of NIS 227 million used to purchase intangible assets and to capitalize costs of intangible assets, NIS 122 million used to purchase property, plant and equipment, and a total of NIS 122 million used for investments in associates. The consolidated cash flows provided by financing activities in the reporting period amounted to approximately NIS 1,199 million; the cash flows included, among other things, a total of NIS 1,827 million arising from the issuance of financial liabilities, a total of NIS 648 million used to repay financial liabilities, a total of NIS 581 million used to pay a dividend to the shareholders, and a total of NIS 538 million from short-term credit from banking corporations. The group's cash and cash-equivalent balances increased from a total of approximately NIS 15,940 million at the beginning of the reporting period to approximately NIS 18,275 million at the end of the reporting period.

5.7.2. Funding sources and liquidity

For liquidity purposes, the Company relies, among other things, on net financial assets and on distribution of dividends by some of its investees. Set forth below is a breakdown of the material investees for liquidity purposes.

It is hereby clarified that some of the investees are subject to regulatory provisions in addition to the distribution restrictions set in the Companies Law, 1999:

A. The Phoenix Insurance - the dividends from The Phoenix Insurance depend on the solvency ratio target set by the Board of Directors, which is higher than the minimum target set by the Banking Supervision Department; the dividends also depend on the policy set by the Board of Directors of The Phoenix Insurance, see Section 2.1 above. For the purpose of making a conservative assessment of the Company's future cash flows, the Company assumes a payment of dividend by The Phoenix Insurance to the Company in accordance with the work plan. The Company considers its holding in a Restricted Tier 1 capital instrument of The Phoenix Insurance, which is traded on the TACT-Institutionals trading platform as a source of liquidity, and classifies this holding as a financial investment.

B. The Phoenix Pension and Provident - the dividend paid by The Phoenix Pension and Provident depend on the capital requirements set by the Banking Supervision Department, and on The Phoenix Pension and Provident's dividend distribution policy. The Company does not expect payment of dividend by The Phoenix Pension and Provident in the next two years. However, for purposes of the future cash flow, the Company takes into account the repayment of the loan it extended to The Phoenix Pension and Provident.

Furthermore, the Company controls the following entities which are not subject to special Regulatory Restrictions in addition to the Companies Law:

A. The Phoenix Agencies - the Company presents the net financial assets of The Phoenix Agencies within its net financial assets. These assets include a short-term loan extended by The Phoenix Agencies or agencies under its control to The Phoenix Insurance for the purpose of central management of the net financial assets.

B. The Phoenix Investments - the Company presents the net financial assets of The Phoenix Investments as part of its net financial assets. The Company assumes a payment of dividend by Excellence to The Phoenix Investments in accordance with the work plan.

It should be noted that such work plans are reflected in the Company's targets as stated in Section 4 above.

Set forth below is a table providing a breakdown of the net financial debt (the table includes the following companies: the Company, The Phoenix Investments and The Phoenix Agencies as stated above, and does not include The Phoenix Insurance and The Phoenix Pension and Provident, which are subject to Regulatory Restrictions in addition to the distribution restrictions set out in the Companies Law, 1999):

	As of September 30, 2022	**As of December 31, 2021**
	NIS thousand	
Financial assets		
Cash and cash equivalents	76	154
Other financial investments	1,143	1,101
Total assets	1,214	1,255
Less current maturities		
Financial liabilities - current (*)	19	316
Current financial assets net of current maturities	**1,196**	**940**
Non-current financial liabilities		
Non-current financial liabilities	1,488	1,130
Other liabilities	5	10
Total liabilities	1,493	1,140
Net financial debt	**(297)**	**(200)**
LTV	**3%**	**2%**

(*) The other financial investments include an investment in a Restricted Tier 1 capital instrument of The Phoenix Insurance, which is traded on the TACT-Institutionals trading platform, amounting to NIS 986 million (fair value as of September 30, 2022, in accordance with Fair Spread Ltd. data - NIS 968 million).

(**) The Company LTV is calculated as net financial debt as described above, in relation to the Company's market value as of March 31, 2022. For the calculation of LTV in accordance with financial covenants, please see Section 9.2 below.

6. Disclosure on Exposure to, and Management of, Market Risks

Generally, during the reporting period there were no material changes in the exposure to market risks and the manner of management of those risks compared to what is described in the 2022 Periodic Report. Except the outlined below:

In September 2022, the Company issued NIS 60 million p.v. of bonds (expansion of series 4). The bonds are not linked to the CPI (principal and interest), and bear unlinked annual interest, as stated above, at the rate of 1.28%, which is paid in four annual payments in 2022-2028. Following this expansion, changes were made to the exposure to NIS interest compared to the data as of June 30, 2022.

The following table summarizes the results of the tests assessing the sensitivity to unlinked NIS interest of pre-tax comprehensive income as of September 30, 2022. The results are in NIS million, and do not include the insurance company:

	Profit (loss) from changes in the risk factor				Profit (loss) from changes in the risk factor		
Type of instrument	**Absolute increase of 2%**	**10% increase**	**5% increase**	**Fair value**	**5% decrease**	**Decrease of 10%**	**Absolute decrease of 2%**
Government bonds	(0.9)	(0.1)	(0.1)	13.8	0.1	0.1	1.0
Corporate bonds	(0.6)	(0.1)	(0.0)	13.3	0.0	0.1	0.6
Capital note to the insurance company	-	-	-	-	-	-	-
MAOF options	-	-	-	-	-	-	-
Total assets	**(1.5)**	**(0.2)**	**(0.1)**	**27.1**	**0.1**	**0.2**	**1.5**
Loans from banking corporations	-	-	-	-	-	-	-
The Phoenix bonds	26.0	4.5	2.2	(649.1)	(2.3)	(4.6)	(30.3)
Total liabilities	**26.0**	**4.5**	**2.2**	**(649.1)**	**(2.3)**	**(4.6)**	**(30.3)**
Total	**24.5**	**4.3**	**2.2**	**(622.1)**	**(2.2)**	**(4.4)**	**(28.7)**

(*) The value of The Phoenix's bonds in accordance with the model is 0.3% higher than their market value.

The underlying assumptions of the calculations

Fair value: Fair value was calculated using the discounted cash flow model, using the appropriate interest rate for the cash flow period. The discount rate was calculated in accordance with the market interest rate for the cash flow period plus the risk premium derived from the security's rating. The market interests were taken from the Reuters database that feeds The Phoenix's risk management system, and the risk premium data (the credit spreads) were taken from a fair spread.

Scenarios: For the interest risk, the calculation was based on absolute increase/decrease of 2% during the course of a day. This scenario was set after testing the underlying data of the interest rate curves; the test showed that during the past 10 years, there have been no absolute changes exceeding 2% per day. The scenarios' results were calculated at single asset level, such that they were not skewed due to the aggregation of different instruments.

Linkage bases of assets and liabilities in the consolidated balance sheet (in NIS thousand) as of September 30, 2022

	NIS						ETNs - linkage		
	Non-linked	CPI-linked	Foreign currency	Other non-monetary items	pension companies in	Credit company in Israel	to various indices	Israeli insurance company	Total
Intangible Assets	-	-	-	1,696,519	441,949	6,911	-	781,815	2,927,194
Deferred tax assets	-	-	-	60,171	436	6,867	-	-	67,474
Deferred acquisition costs	-	-	-	3,524	832,322	-	-	1,615,103	2,450,949
Property, plant & equipment	-	-	-	178,851	4,507	8,217	-	782,994	974,569
Investments in investees	21,573	18,273	-	143,344	-	59	-	1,379,080	1,562,329
Investment property in respect of yield-dependent contracts	-	-	-	-	-	-	-	1,926,633	1,926,633
Investment property - other	-	-	-	-	-	-	-	1,050,214	1,050,214
Reinsurance assets	-	-	-	-	-	-	-	3,233,752	3,233,752
Credit for purchase of securities	735,050	-	158,950	-	-	-	-	-	894,000
Current tax assets	-	33,181	-	-	-	1,669	-	22,506	57,356
Receivables and debit balances	184,387	-	5,588	-	29,582	15,495	-	405,586	640,638
Premiums collectible	-	-	-	-	-	-	-	896,437	896,437
Held-for-sale assets of disposal group	-	-	-	-	-	-	-	-	-
Financial investments in respect of yield-dependent contracts	-	-	-	-	-	-	-	77,698,735	77,698,735
Financial investments for holders of bonds, ETNs, short ETNs, composite ETNs, deposit certificates and structured bonds	-	-	-	-	-	-	200,000	-	200,000
Credit in respect of factoring, clearing and financing	-	-	-	-	-	3,356,631	-	-	3,356,631
Liquid debt assets	8,775	12,064	651	-	103,056	-	-	6,043,984	6,168,530
Non-liquid debt assets	1,877,020	422,176	20,000	-	889,755	10,706	-	14,523,705	17,743,362
Shares	-	-	-	526,094	24,746	-	-	2,116,308	2,667,148
Other	1,000	-	18,550	51,833	53,427	-	-	4,766,051	4,890,861
Cash and cash equivalents in respect of yield-dependent contracts	-	-	-	-	-	-	-	15,931,737	15,931,737
Other cash and cash equivalents	285,958	-	32,295	-	105,789	22,010	-	1,897,182	2,343,234
					-	-			
Total assets	**3,113,763**	**485,694**	**236,034**	**2,660,336**	**2,485,569**	**3,428,565**	**200,000**	**135,071,822**	**147,681,783**
Liabilities in respect of insurance contracts and non-yield-dependent investment contracts	-	-	-	-	999,187	-	-	24,560,837	25,560,024
Liabilities in respect of insurance contracts and yield-dependent investment contracts	-	-	-	-	-	-	-	92,588,329	92,588,329
Liabilities in respect of deferred taxes	-	-	-	53,068	73,219	-	-	306,598	432,885
Liability for employee benefits, net	19,182	-	-	-	504	4,316	-	44,127	68,129
Liability in respect of current taxes	-	21,080	-	-	14,346	2,841	-	-	38,267
Payables and credit balances	332,178	-	739	-	372,027	38,386	-	2,350,081	3,093,411
Liabilities for bonds, ETNs, short ETNs, composite ETNs and structured bonds	-	-	-	-	-	-	198,087	-	198,087
Financial liabilities (*)	3,659,126	1,089,217	167,000	-	2,807	2,931,176	-	7,829,642	15,678,968
Total liabilities	**4,010,486**	**1,110,297**	**167,739**	**53,068**	**1,462,090**	**2,976,719**	**198,087**	**127,679,614**	**137,658,100**
Total exposure	**(896,723)**	**(624,603)**	**68,295**	**2,607,268**	**1,023,479**	**451,846**	**1,913**	**7,392,208**	**10,023,683**

(*) Against CPI-linked financial liabilities (NIS 830 million), the Company holds The Phoenix Insurance's Bonds (Series L), which is CPI-linked (NIS 986 million).

Linkage bases of assets and liabilities in the consolidated balance sheet (in NIS thousand) as of September 30 2021

Total	Israeli insurance company	ETNs - linkage to various indices	companies in Israel	pension companies in	Other non-monetary items	Foreign currency	NIS CPI-linked	NIS Non-linked	
2,683,457	702,287	-	3,861	447,008	1,530,301	-	-	-	Intangible Assets
59,221	-	-	3,791	143	55,287	-	-	-	Deferred tax assets
1,938,227	1,457,147	-	-	481,080	-	-	-	-	Deferred acquisition costs
854,057	658,833	-	9,357	25,533	160,334	-	-	-	Property, plant & equipment
578,949	483,623	-	12	3,366	45,530	6,170	17,152	23,096	Investments in investees
1,982,330	1,982,330	-	-	-	-	-	-	-	Investment property in respect of yield-dependent contracts
1,083,581	1,083,581	-	-	-	-	-	-	-	Investment property - other
2,710,526	2,710,526	-	-	-	-	-	-	-	Reinsurance assets
473,000	-	-	-	-	-	56,000	-	417,000	Credit for purchase of securities
54,076	14,940	-	9,221	4,602	-	-	25,313	-	Current tax assets
615,325	286,153	-	8,581	35,827	-	-	-	284,764	Receivables and debit balances
737,969	737,969	-	-	-	-	-	-	-	Premiums collectible
1,872,096	1,872,096	-	-	-	-	-	-	-	Held-for-sale assets of disposal group
76,032,702	76,032,702	-	-	-	-	-	-	-	Financial investments in respect of yield-dependent contracts
210,000	-	210,000	-	-	-	-	-	-	Financial investments for holders of bonds, ETNs, short ETNs, composite ETNs, deposit certificates and structured bonds
2,134,463	-	-	2,134,463	-	-	-	-	-	Credit in respect of factoring, clearing and financing
7,658,265	7,558,116	-	-	61,771	-	1,507	22,954	13,917	Liquid debt assets
13,810,971	12,176,583	-	11,501	917,393	-	65,000	159,354	481,140	Non-liquid debt assets
2,502,377	2,414,279	-	1,151	23,088	63,859	-	-	-	Shares
3,893,833	3,818,810	-	-	40,099	18,724	15,200	-	1,000	Other
12,603,655	12,603,655	-	-	-	-	-	-	-	Cash and cash equivalents in respect of yield-dependent contracts
2,398,980	1,975,672	-	11,053	125,204	-	22,876	-	264,175	Other cash and cash equivalents
136,888,060	**128,569,302**	**210,000**	**2,192,991**	**2,165,114**	**1,874,035**	**166,753**	**224,773**	**1,485,092**	**Total assets**
24,694,118	23,747,868	-	-	946,250	-	-	-	-	Liabilities in respect of insurance contracts and non-yield-dependent investment contracts
89,280,728	89,280,728	-	-	-	-	-	-	-	Liabilities in respect of insurance contracts and yield-dependent investment contracts
837,506	710,586	-	-	69,967	56,953	-	-	-	Liabilities in respect of deferred taxes
60,927	38,595	-	5,182	1,330	-	-	-	15,820	Liability for employee benefits, net
25,852	-	-	998	2,338	-	-	22,516	-	Liability in respect of current taxes
2,642,763	2,048,529	-	21,257	166,112	-	-	-	406,865	Payables and credit balances
208,000	-	208,000	-	-	-	-	-	-	Liabilities for bonds, ETNs, short ETNs, composite ETNs and structured bonds
8,874,301	4,533,349	-	1,878,639	26,091	-	78,000	1,028,161	1,330,061	Financial liabilities (*)
904,542	904,542	-	-	-	-	-	-	-	Held-for-sale liabilities of disposal group
						-			
127,528,737	**121,264,197**	**208,000**	**1,906,076**	**1,212,088**	**56,953**	**78,000**	**1,050,677**	**1,752,746**	**Total liabilities**
9,359,323	**7,305,105**	**2,000**	**286,915**	**953,026**	**1,817,082**	**88,753**	**(825,904)**	**(267,654)**	**Total exposure**

.Against CPI-linked financial liabilities (NIS 826 million), the Company holds The Phoenix Insurance's Bonds (Series L), which is CPI-linked (NIS 934 million) (*)

Linkage bases of assets and liabilities in the consolidated balance sheet (in NIS thousand) as of December 31, 2021

Total	Israeli insurance company	ETNs - linkage to various indices	Credit company in Israel	pension companies in	Other non-monetary items	Foreign currency	NIS		
							CPI-linked	Non-linked	
2,775,060	737,837	-	4,264	461,337	1,571,622	-	-	-	Intangible Assets
67,650	-	-	4,508	93	63,049	-	-	-	Deferred tax assets
2,010,648	1,469,598	-	-	541,050	-	-	-	-	Deferred acquisition costs
902,239	702,752	-	9,489	23,844	166,154	-	-	-	Property, plant & equipment
1,346,383	1,218,918	-	59	1,606	73,193	-	17,399	35,208	Investments in investees
2,062,862	2,062,862	-	-	-	-	-	-	-	Investment property in respect of yield-dependent contracts
1,124,834	1,124,834	-	-	-	-	-	-	-	Investment property - other
2,806,546	2,806,546	-	-	-	-	-	-	-	Reinsurance assets
497,000	-	-	-	-	-	71,000	-	426,000	Credit for purchase of securities
108,134	68,796	-	6,237	5,064	-	-	28,037	-	Current tax assets
712,624	507,702	-	13,478	46,565	-	-	-	144,879	Receivables and debit balances
672,556	672,556	-	-	-	-	-	-	-	Premiums collectible
-	-	-	-	-	-	-	-	-	Held-for-sale assets of disposal group
81,098,659	81,098,659	-	-	-	-	-	-	-	Financial investments in respect of yield-dependent contracts
206,000	-	206,000	-	-	-	-	-	-	Financial investments for holders of bonds, ETNs, short ETNs, composite ETNs, deposit certificates and structured bonds
2,550,392	-	-	2,550,392	-	-	-	-	-	Credit in respect of factoring, clearing and financing
7,472,933	7,373,137	-	-	64,846	-	1,623	25,266	8,061	Liquid debt assets
13,964,441	12,346,143	-	11,502	926,127	-	66,000	224,669	390,000	Non-liquid debt assets
2,761,897	2,602,173	-	1,520	27,549	130,655	-	-	-	Shares
4,498,971	4,401,363	-	-	36,689	27,709	32,210	-	1,000	Other
13,785,593	13,785,593	-	-	-	-	-	-	-	Cash and cash equivalents in respect of yield-dependent contracts
2,154,153	1,701,545	-	13,006	93,605	-	20,921	-	325,076	Other cash and cash equivalents
			-	-					
143,579,575	**134,681,014**	**206,000**	**2,614,455**	**2,228,375**	**2,032,382**	**191,754**	**295,371**	**1,330,224**	**Total assets**
25,112,986	24,163,637	-	-	949,349	-	-	-	-	Liabilities in respect of insurance contracts and non-yield-dependent investment contracts
95,628,584	95,628,584	-	-	-	-	-	-	-	Liabilities in respect of insurance contracts and yield-dependent investment contracts
873,302	740,115	-	-	70,390	62,797	-	-	-	Liabilities in respect of deferred taxes
72,401	47,013	-	6,064	1,918	-	-	-	17,406	Liability for employee benefits, net
28,528	-	-	991	1,868	-	-	25,669	-	Liability in respect of current taxes
2,923,003	2,398,679	-	21,483	220,394	-	-	-	282,447	Payables and credit balances
205,000	-	205,000	-	-	-	-	-	-	Liabilities for bonds, ETNs, short ETNs, composite ETNs and structured bonds
8,812,682	3,963,157	-	2,287,842	24,760	-	74,000	1,184,966	1,277,957	Financial liabilities (*)
133,656,486	**126,941,185**	**205,000**	**2,316,380**	**1,268,679**	**62,797**	**74,000**	**1,210,635**	**1,577,810**	**Total liabilities**
9,923,089	**7,739,829**	**1,000**	**298,075**	**959,696**	**1,969,585**	**117,754**	**(915,264)**	**(247,586)**	**Total exposure**

.Against CPI-linked financial liabilities (NIS 829 million), the Company holds The Phoenix Insurance's Bonds (Series L), which is CPI-linked (NIS 936 million) (*)

8. Corporate Governance Aspects

8.1. Effectiveness of Internal Control over Financial Reporting and Disclosure

8.1.1. The Securities Regulations

Amendment No. 3 to the Securities Regulations (Periodic and Immediate Reports), 2009 (hereinafter - "ISOX"), which deals with internal controls over financial reporting and the disclosure thereof (hereinafter - the "**Regulations**"), was published in December 2009. The amendment enacts a number of changes aimed at improving the quality of financial reporting and disclosure by reporting corporations.

As from the publication date of the ISOX amendment, and as set out in the Company's previous Reports of the Board of Directors, the Company has acted and is acting on an ongoing basis to implement the required procedure in The Phoenix group in accordance with the provisions of the ISOX amendment. In accordance with the provisions of the ISOX amendment, the Company opted to implement to the internal controls of all of its consolidated institutional entities the provisions of the Commissioner's circulars applicable thereto - the Institutional Entities Circular 2009-9-10, "Management's Responsibility for Internal Control over Financial Reporting"; Institutional Entities Circular 2010-9-6, "Management's Responsibility for Internal Control over Financial Reporting - Amendment"; Circular 2010-9-7 "Internal Control over Financial Reporting - Statements, Reports and Disclosures" (hereinafter - "**Management's Responsibility Circulars**").

The reports and statements required in accordance with the ISOX amendment are attached below to the periodic Financial Statements, please see Part 5 - Report on the Effectiveness of Internal Controls over Financial Reporting and Disclosure.
The processes relating to the activities of institutional entities are also addressed in the Insurance Commissioner's Circulars, please see Section 8.1.2. below.

8.1.2. The Insurance Commissioner's Circulars

Alongside the process described in Section 8.1.1 above, The Phoenix group's institutional entities apply the provisions of Management's Responsibility Circulars pertaining to controls and procedures regarding disclosure and internal controls over financial reporting of an institutional entity, and implement the procedures required in connection therewith, as described below; this is done in accordance with the stages and dates set out in the above-mentioned circulars and in collaboration with external consultants engaged for that purpose. As part of this process, the Group's institutional entities adopted the internal control model of COSO - the Committee of Sponsoring Organization of the Treadway Commission - which is a generally accepted framework for assessment of internal controls.

- **Disclosure controls and procedures**

  Managements of the institutional entities, together with their CEOs and CFOs, assessed the effectiveness of the controls and procedures concerning the said institutional entities' disclosure in their Financial Statements as of the end of the period covered in this report. Based on this assessment, the CEOs and CFOs of the institutional entities in The Phoenix group concluded that, as of the end of this period, the controls and procedures as to the institutional entities' disclosure are sufficiently effective for recording, processing, summarizing, and reporting the information that the institutional entities are required to disclose in their quarterly report in accordance with the provisions of the law and the reporting provisions set by the Commissioner of the Capital Market, Insurance, and Savings and on the date set out in these provisions.

- **Internal control over financial reporting**

  During the quarter ending September 30, 2022, no changes took place in the internal control over financial reporting of the Group's institutional entities that had a material effect, or is expected to have a material effect, on the institutional entities' internal control over financial reporting. Furthermore, the group's institutional entities are improving and streamlining processes and/or internal controls and/or customer service.

  The reports and statements relating to the relevant processes are attached to the financial statements of The Phoenix group's institutional entities, in accordance with the provisions of Management's Responsibility Circulars.

9. Disclosure Provisions Relating to the Corporation's Financial Reporting

9.1. Events subsequent to the balance sheet date

For further details regarding events subsequent to the balance sheet date, please see Note 9 to the Financial Statements.

9.2. Dedicated disclosure for the Company's bondholders

Series/issuance date	Bonds Series 4	Bonds Series 5	Bonds Series 6
Rating agency	Midroog / Ma'alot	Midroog / Ma'alot	Midroog / Ma'alot
Rating as of the report date	-Aa3.il ilAA /	-Aa3.il ilAA /	-Aa3.il ilAA /
Par value on issuance date	NIS 398,193,997	NIS 822,616,000	NIS 300,000,000
Interest type	Non-linked	CPI-linked	CPI-linked
Nominal interest	The Bank of Israel's variable quarterly interest rate plus a 1.28% spread	0.44%	1.94%
Effective interest rate on issuance date	1.7%	0.55%	2.01%
Listed on the TASE	Yes	Yes	Yes
Principal payment dates	2 equal annual installments of 12% on July 31 of each of the years 2020 and 2021 and 4 equal annual installments of 19% on July 31 of each of the years 2025 through 2028.	3 equal annual installments of 4% on July 1 of each of the years 2022 through 2024, one lump sum of 28% on May 1, 2028, and 2 equal annual installments of 30% on May 1 of each of the years 2029 through 2030.	9 annual installments: 1 installment of 4% on December 31, 2024, 3 equal installments of 12% on December 31 of each of the years 2025 through 2027, 3 equal installments of 10% on December 31 of each of the years 2028 through 2030, and 2 installments of 15% in each of the years 2031 through 2032.
Interest payment dates	Quarterly interest on January 31, April 30, July 31, and October 31	Semi-annual interest on May 1 and November 1	Semi-annual interest on June 30 and December 31
Nominal p.v. as of September 30, 2022	NIS 398 million	NIS 789 million	NIS 300 million
CPI-linked nominal p.v. as of September 30, 2022	NIS 398 million	NIS 842 million	NIS 300 million
Carrying amount of bonds' outstanding balances as of September 30, 2022	NIS 335 million	NIS 829 million	NIS 297 million
Carrying amount of interest payable as of September 30, 2022	NIS 1.7 million	NIS 1.7 million	NIS 1.7 million
Market value as of September 30, 2022 (*)	NIS 398 million	NIS 763 million	NIS 253 million
Series' materiality	The series is material as this term is defined in Regulation 10(b)13(a) of the Securities Regulations (Periodic and Immediate Reports), 1970	The series is material as this term is defined in Regulation 10(b)13(a) of the Securities Regulations (Periodic and Immediate Reports), 1970	The series is material as this term is defined in Regulation 10(b)13(a) of the Securities Regulations (Periodic and Immediate Reports), 1970

(*) The market value includes interest accrued as of September 30, 2022.

9.3. Contractual restrictions and financial covenants

As part of the deed of trust of the Company's Series 6 Bonds, the Company undertook not to place a general floating charge on its assets as long as Series 6 bonds are not repaid in full, unless it has obtained the bondholders' consent in advance and placed on that date a lien of the same rank in favor of Series 6 bondholders. Furthermore, with respect to Series 6 bonds, the Company assumed restrictions on distribution of dividends and expansion of the Bonds (Series 6); the Company also undertook to comply with financial covenants whereby its shareholders' equity will not fall below NIS 3.6 billion for two consecutive quarters, and that the Company's net financial debt to total assets ratio will not exceed 48% for two consecutive quarters. For further details, please see the Shelf Offering Report dated January 5, 2022.

As part of the deed of trust of the Company's Series 4 bonds, the Company undertook not to place a general floating charge on its assets as long as Series 4 bonds are not repaid in full, unless it has obtained the bondholders' consent in advance and placed on that date a lien of the same rank in favor of Series 4 bondholders. Furthermore, with respect to Series 4 bonds, the Company assumed restrictions on distribution of dividends and expansion of the Bonds (Series 4); the Company also undertook to comply with financial covenants whereby its shareholders' equity will not fall below NIS 2.9 billion for two consecutive quarters, and that the Company's net financial debt to total assets ratio will not exceed 50% for two consecutive quarters. For further details, please see the Shelf Offering Report dated May 7, 2019.

As part of the deed of trust of the Company's Series 5 Bonds, the Company undertook not to place a general floating charge on its assets as long as Series 5 bonds are not repaid in full, unless it has obtained the bondholders' consent in advance and placed on that date a lien of the same rank in favor of Series 5 bondholders.

Furthermore, with respect to Series 5 bonds, the Company assumed restrictions on dividend distribution; the Company also undertook to comply with financial covenants whereby its shareholders' equity will not fall below NIS 3.2 billion for two consecutive quarters, and that the Company's net financial debt to total assets ratio will not exceed 50% for two consecutive quarters. In addition, a mechanism for adjusting the rate of change in interest rate due to noncompliance with financial covenants was set: In the event that the Company's shareholders' equity falls below NIS 3.5 billion, the annual interest rate will increase by the rate set in Section 5.9 of the Deed of Trust. For further details, please see the shelf offering report dated February 20, 2020.

As of balance sheet date, the Company complies with the financial covenants described above. The net financial debt ratio as of September 30, 2022, was approximately 4.5% (including Series N bonds issued by The Phoenix Insurance through Phoenix Capital Raising), and the Company's shareholders' equity as per its separate financial statements as of September 30, 2022, was approximately NIS 9,611 million, which is higher than the above required shareholders' equity.

For further details – please see Note 27 to the Company's Financial Statements as of December 31, 2021.

The members of the Board of Directors thank the Company's management, employees and agents for their contribution to the Company.

Benjamin Gabbay	**Eyal Ben Simon**
Chairman of the Board	**CEO**

November 29, 2022

Phoenix

Part 2

Consolidated Interim Financial Statements

Table of Contents

Page

Building a better
working world

Kost Forer Gabbay & Kasierer
Menachem Begin Road 144A,
Tel Aviv 6492102

Tel. +972-3-6232525
Fax +972-3-5622555
ey.com

Auditors' Review Report to the Shareholders of The Phoenix Holdings Ltd.

Introduction

We have reviewed the accompanying financial information of The Phoenix Holdings Ltd. and subsidiaries ("the Company"), the condensed consolidated financial statement of financial position as of September 30, 2022, the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine and three months periods then ended. The Company's Board of Directors and management are responsible for the preparation and presentation of interim financial information for this interim periods in accordance with IAS 34, “Interim Financial Reporting”, and are responsible for the disclosure requirements set by the Commissioner of the Capital Market, Insurance and Savings and in accordance with the Financial Services (Insurance) Supervision Law, 1981 and they are also responsible for preparing financial information for this interim periods under Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970, insofar as these regulations apply to a corporation that consolidates an insurance company. Our responsibility is to express a conclusion regarding the financial information for these interim periods based on our review.

We did not review the condensed interim financial information of certain subsidiary, whose assets included in consolidation constitute approximately 2.3% of total consolidated assets as of September 30, 2022, and whose revenues included in consolidation constitute approximately 4.9% and 3.4% of total consolidated revenues for the nine and three months periods then ended, respectively. Furthermore, we did not review the condensed interim financial information of certain companies accounted for at equity. The investment in which, at equity, amounted to approximately NIS 635,464 thousand as of September 30, 2022, and the Company's share in the earning amounted to approximately NIS 17,594 thousand and NIS 15,524 thousand for the nine and three months periods then ended. The condensed interim financial information of those companies was reviewed by other auditors, whose review reports have been furnished to us, and our conclusion, insofar as it relates to 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 (Israel) 2410 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 of applying analytical and other review procedures. A review is substantially less in scope than an audit performed pursuant to Israeli GAAP and, as a result, 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 prescribed by the Commissioner of the Capital Market, Insurance and Savings, pursuant to the Financial Services Supervision Law (Insurance), 1981.

In addition to that which is stated in the previous paragraph, based on our review and the review reports of other auditors, nothing has come to our attention that causes us to believe that the abovementioned financial information does not comply, in all material respects, with the disclosure provisions of Chapter D of the Israel Securities Regulations (Periodic and Immediate Reports), 1970, insofar as these regulations apply to a corporation consolidating an insurance company.

Emphasis of matter

Without qualifying the above conclusion, we draw attention to Note 7 to the financial statements regarding exposure to contingent liabilities.

Tel Aviv,	**Kost Forer Gabbay & Kasierer**
November 29, 2022	**Certified Public Accountants**

	Note	As of September 30, 2022	As of September 30, 2021	As of December 31, 2021
		Unaudited	Unaudited	Audited
		NIS thousand		
Assets				
Intangible assets	4	**2,927,194**	**2,683,457**	**2,775,060**
Deferred tax assets		**67,474**	**59,221**	**67,650**
Deferred acquisition costs		**2,450,949**	**1,938,227**	**2,010,648**
Property, plant & equipment		**974,569**	**854,057**	**902,239**
Investments in associates		**1,562,329**	**578,949**	**1,346,383**
Investment property in respect of yield-dependent contracts		**1,926,633**	**1,982,330**	**2,062,862**
Investment property - other		**1,050,214**	**1,083,581**	**1,124,834**
Reinsurance assets		**3,233,752**	**2,710,526**	**2,806,546**
Credit for purchase of securities		**894,000**	**473,000**	**497,000**
Current tax assets		**57,356**	**54,076**	**108,134**
Receivables and debit balances		**640,638**	**615,325**	**712,624**
Premiums collectible		**896,437**	**737,969**	**672,556**
Held-for-sale assets of disposal group		**-**	**1,872,096**	**-**
Financial investments in respect of yield-dependent contracts	5A	**77,698,735**	**76,032,702**	**81,098,659**
Financial investments for holders of deposit certificates and structured bonds		**200,000**	**210,000**	**206,000**
Credit assets in respect of factoring, clearing and financing	5C	**3,356,631**	**2,134,463**	**2,550,392**
Other financial investments:				
Liquid debt assets		**6,168,530**	**7,658,265**	**7,472,933**
Illiquid debt assets		**17,743,362**	**13,810,971**	**13,964,441**
Shares		**2,667,148**	**2,502,377**	**2,761,897**
Other		**4,890,861**	**3,893,833**	**4,498,971**
Total other financial investments	5B	**31,469,901**	**27,865,446**	**28,698,242**
Cash and cash equivalents in respect of yield-dependent contracts		**15,931,737**	**12,603,655**	**13,785,593**
Other cash and cash equivalents		**2,343,234**	**2,398,980**	**2,154,153**
Total assets		**147,681,783**	**136,888,060**	**143,579,575**
Total assets for yield-dependent contracts		**95,741,413**	**90,808,508**	**97,116,663**

		As of		
		September 30, 2022	September 30, 2021	December 31, 2021
		Unaudited		Audited
	Note	NIS thousand		
Equity				
Share capital		**310,660**	**310,215**	**310,323**
Premium and capital reserves in respect of shares		**845,683**	**845,812**	**849,309**
Treasury shares	8I	**(155,628)**	**(99,769)**	**(99,769)**
Capital reserves		**834,438**	**1,117,973**	**1,261,509**
Retained earnings		**7,776,248**	**6,913,182**	**7,331,992**
Total equity attributable to the Company's shareholders		**9,611,401**	**9,087,413**	**9,653,364**
Non-controlling interests		**412,282**	**271,910**	**269,725**
Total equity		**10,023,683**	**9,359,323**	**9,923,089**
Liabilities				
Liabilities in respect of insurance contracts and non-yield-dependent investment contracts		**25,560,024**	**24,694,118**	**25,112,986**
Liabilities in respect of insurance contracts and yield-dependent investment contracts		**92,588,329**	**89,280,728**	**95,628,584**
Liabilities in respect of deferred taxes		**432,885**	**837,506**	**873,302**
Liability for employee benefits, net		**68,129**	**60,927**	**72,401**
Liability in respect of current taxes		**38,267**	**25,852**	**28,528**
Payables and credit balances		**3,093,411**	**2,642,763**	**2,923,003**
Held-for-sale liabilities of disposal group		**-**	**904,542**	**-**
Liabilities in respect of structured products		**198,087**	**208,000**	**205,000**
Financial liabilities	5D	**15,678,968**	**8,874,301**	**8,812,682**
Total liabilities		**137,658,100**	**127,528,737**	**133,656,486**
Total capital and liabilities		**147,681,783**	**136,888,060**	**143,579,575**

Benjamin Gabbay	**Eyal Ben Simon**	**Eli Schwartz**
Chairman of the Board	**CEO**	**EVP, CFO**

Date of approval of the financial statements - November 29, 2022

	For the nine months ended September 30		For the three months ended September 30		For the year ended December 31
	2022	2021	2022	2021	2021
	Unaudited				Audited
	NIS thousand				
Premiums earned, gross	9,151,701	8,198,838	3,118,892	2,837,418	11,161,431
Premiums earned by reinsurers	1,200,225	987,866	408,240	340,633	1,345,459
Premiums earned - retention	7,951,476	7,210,972	2,710,652	2,496,785	9,815,972
Investment income (losses), net and finance income	(6,848,452)	10,000,420	(1,413,080)	1,856,087	14,626,925
Income from management fees	1,148,749	1,419,051	386,705	403,500	2,049,366
Income from fees and commissions	618,657	513,328	188,392	174,657	691,414
Income from other financial services	158,000	115,000	57,000	39,000	154,000
Income from factoring and clearing	105,851	24,959	42,024	24,959	52,871
Other income	140,037	280,993	3,250	17,642	708,186
Total income	3,274,318	19,564,723	1,974,943	5,012,630	28,098,734
Payments and change in liabilities in respect of insurance contracts and investment contracts, gross	(339,066)	15,577,258	943,492	3,741,452	22,658,016
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	842,697	544,829	235,403	237,138	802,092
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	(1,181,763)	15,032,429	708,089	3,504,314	21,855,924
Fees and commissions, marketing expenses and other purchase expenses	1,418,271	1,251,205	496,104	434,876	1,696,075
General and administrative expenses	1,315,556	1,215,914	438,098	427,171	1,675,317
Other expenses	47,532	54,056	16,023	26,133	67,454
Finance expenses	230,811	160,213	80,706	56,780	218,002
Total expenses	1,830,407	17,713,817	1,739,020	4,449,274	25,512,772
Share in profits of equity-accounted investees	49,452	48,362	19,178	25,136	111,504
Profit before income tax	1,493,363	1,899,268	255,101	588,492	2,697,466
Taxes on income	409,264	506,971	72,362	147,549	673,554
Net income for the period	1,084,099	1,392,297	182,739	440,943	2,023,912
Attributed to:					
Company's shareholders	1,022,356	1,351,766	162,393	423,514	1,964,696
Non-controlling interests	61,743	40,531	20,346	17,429	59,216
Net income for the period	1,084,099	1,392,297	182,739	440,943	2,023,912
Earnings per share attributable to the Company's shareholders (in NIS):					
Basic earnings per share					
Earnings per ordinary share of NIS 1 par value (in NIS)	4.07	5.33	0.65	1.63	7.76
Diluted earnings per share					
Earnings per ordinary share of NIS 1 par value (in NIS)	3.97	5.26	0.63	1.60	7.64

	For the nine months ended September 30		For the three months ended September 30		For the year ended December 31
	2022	2021	2022	2021	2021
	Unaudited		Unaudited		Audited
	NIS thousand				
Net income for the period	**1,084,099**	**1,392,297**	**182,739**	**440,943**	**2,023,912**
Other comprehensive income (loss):					
Amounts that will be or that have been reclassified to profit or loss when specific conditions are met					
Net change in fair value of financial assets classified as available for sale, carried to capital reserves	**(800,990)**	**784,837**	**(166,743)**	**88,713**	**1,176,873**
Net change in fair value of financial assets classified as available for sale, carried to the income statement	**(388,214)**	**(550,538)**	**(88,170)**	**(157,120)**	**(811,111)**
Gain on impairment of financial assets classified as available for sale, carried to the income statement	**518,080**	**90,815**	**103,476**	**49,779**	**159,522**
The Group's share in other comprehensive income of equity-accounted investees	**17,807**	**(8,190)**	**(1,016)**	**(5,695)**	**(18,608)**
Tax effect	**229,021**	**(111,455)**	**51,780**	**5,202**	**(179,619)**
Total components of net other comprehensive income (loss) subsequently reclassified to profit or loss	**(424,296)**	**205,469**	**(100,673)**	**(19,121)**	**327,057**
Amounts that shall not be subsequently reclassified to profit or loss					
Revaluation of property, plant and equipment	**-**	**-**	**-**	**-**	**29,342**
Actuarial gain (loss) in respect of defined benefit plans	**1,110**	**-**	**-**	**-**	**(2,882)**
Company's share in other comprehensive income (loss), net of equity-accounted companies	**-**	**-**	**-**	**-**	**3,479**
Tax effect	**(255)**	**-**	**-**	**-**	**(5,886)**
Total components of other comprehensive income that shall not be subsequently reclassified to profit or loss	**855**	**-**	**-**	**-**	**24,053**
Total other comprehensive income (loss), net	**(423,441)**	**205,469**	**(100,673)**	**(19,121)**	**351,110**
Total comprehensive income for the period	**660,658**	**1,597,766**	**82,066**	**421,822**	**2,375,022**
Attributed to:					
Company's shareholders	**598,653**	**1,557,235**	**61,720**	**404,393**	**2,316,035**
Non-controlling interests	**62,005**	**40,531**	**20,346**	**17,429**	**58,987**
Comprehensive income for the period	**660,658**	**1,597,766**	**82,066**	**421,822**	**2,375,022**

	Attributed to Company's shareholders												
	Share capital	Premium and capital reserves in respect of shares	Treasury shares	Retained earnings	Capital reserve from transactions with non-controlling interests	Capital reserve from transaction with controlling shareholder - bonus	Capital reserve from share-based payment	Revaluation reserve	Reserve from translation differences	Capital reserve in respect of available-for-sale assets	Total	Non-controlling interests	Total equity
	NIS thousand												
Balance on January 1, 2022 (audited)	310,323	849,309	(99,769)	7,331,992	(45,655)	11,000	51,652	131,354	(41,946)	1,155,104	9,653,364	269,725	9,923,089
Net income	-	-	-	1,022,356	-	-	-	-	-	-	1,022,356	61,743	1,084,099
Other comprehensive income (loss)	-	-	-	593	-	-	-	-	17,807	(442,103)	(423,703)	262	(423,441)
Total comprehensive income (loss)	-	-	-	1,022,949	-	-	-	-	17,807	(442,103)	598,653	62,005	660,658
Share-based payment	-	(5,416)	-	-	-		13,611	-	-	-	8,195	-	8,195
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(15,697)	(15,697)
Acquisition of treasury shares (Note 8I)	-	-	(55,859)	-	-	-	-	-	-	-	(55,859)	-	(55,859)
Exercise of employee options	337	1,790	-	-	-	-	(2,127)	-	-	-	-	-	-
Commencement of consolidation (Note 4)	-	-	-	-	-	-	-	-	-	-	-	50,624	50,624
Transfer from revaluation reserve in respect of revaluation of property, plant and equipment, at the depreciation amount	-	-	-	2,307	-	-	-	(2,307)	-	-	-	-	-
Dividend (Note 8G and 8R)	-	-	-	(581,000)	-	-	-	-	-	-	(581,000)	-	(581,000)
Allocation of shares of a consolidated subsidiary to minority interests (Note 8Q)	-	-	-	-	2,483	-	-	-	-	-	2,483	49,007	51,490
Acquisition of non-controlling interests	-	-	-	-	(14,435)	-	-	-	-	-	(14,435)	(3,382)	(17,817)
Balance as of September 30, 2022 (unaudited)	310,660	845,683	(155,628)	7,776,248	(57,607)	11,000	63,136	129,047	(24,139)	713,001	9,611,401	412,282	10,023,683

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

	Attributed to Company's shareholders												
	Share capital	Premium and capital reserves in respect of shares	Treasury shares	Retained earnings	Capital reserve from transactions with non-controlling interests	Capital reserve from transaction with controlling shareholder - bonus	Capital reserve from share-based payment	Revaluation reserve	Reserve from translation differences	Capital reserve in respect of available-for-sale assets	Total	Non-controlling interests	Total equity
	NIS thousand												
Balance on January 1, 2021 (audited)	309,951	833,592	(26,411)	5,939,754	(43,622)	11,000	44,943	114,614	(23,338)	809,439	7,969,922	111,908	8,081,830
Net income	-	-	-	1,351,766	-	-	-	-	-	-	1,351,766	40,531	1,392,297
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	(8,190)	213,659	205,469	-	205,469
Total comprehensive income (loss)	-	-	-	1,351,766	-	-	-	-	(8,190)	213,659	1,557,235	40,531	1,597,766
Share-based payment	-	10,176	-	-	-	-	6,922	-	-	-	17,098	-	17,098
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(7,889)	(7,889)
Acquisition of treasury shares	-	-	(73,358)	-	-	-	-	-	-	-	(73,358)	-	(73,358)
Dividend	-	-	-	(380,000)	-	-	-	-	-	-	(380,000)	-	(380,000)
Commencement of consolidation	-	-	-	-	-	-	-	-	-	-	-	123,876	123,876
Exercise of employee options	264	2,044	-	-	-	-	(2,308)	-	-	-	-	-	-
Transfer from revaluation reserve in respect of revaluation of property, plant and equipment, at the depreciation amount	-	-	-	1,662	-	-	-	(1,662)	-	-	-	-	-
Allocation of shares of a consolidated subsidiary to minority interests	-	-	-	-	(3,484)	-	-	-	-	-	(3,484)	3,484	-
Balance as of September 30, 2021 (unaudited)	310,215	845,812	(99,769)	6,913,182	(47,106)	11,000	49,557	112,952	(31,528)	1,023,098	9,087,413	271,910	9,359,323

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

	Attributed to Company's shareholders												
	Share capital	Premium and capital reserves in respect of shares	Treasury shares	Retained earnings	Capital reserve from transactions with non-controlling interests	Capital reserve from transaction with controlling shareholder - bonus	Capital reserve from share-based payment	Revaluation reserve	Reserve from translation differences	Capital reserve in respect of available-for-sale assets	Total	Non-controlling interests	Total equity
	NIS thousand												
Balance as of July 1, 2022 (unaudited)	310,514	845,296	(155,628)	7,773,062	(56,276)	11,000	60,516	129,840	(23,123)	812,658	9,707,859	354,125	10,061,984
Net income	-	-	-	162,393	-	-	-	-	-	-	162,393	20,346	182,739
Other comprehensive loss	-	-	-	-	-	-	-	-	(1,016)	(99,657)	(100,673)	-	(100,673)
Total comprehensive income (loss)	-	-	-	162,393	-	-	-	-	(1,016)	(99,657)	61,720	20,346	82,066
Share-based payment	-	(423)	-	-	-	-	3,576	-	-	-	3,153	-	3,153
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(6,981)	(6,981)
Exercise of employee options	146	810	-	-	-	-	(956)	-	-	-	-	-	-
Transfer from revaluation reserve in respect of revaluation of property, plant, and equipment, at the depreciation amount	-	-	-	793	-	-	-	(793)	-	-	-	-	-
Dividend	-	-	-	(160,000)	-	-	-	-	-	-	(160,000)	-	(160,000)
Allocation of shares of a consolidated subsidiary to minority interests	-	-	-	-	1,104	-	-	-	-	-	1,104	48,174	49,278
Acquisition of non-controlling interests	-	-	-	-	(2,435)	-	-	-	-	-	(2,435)	(3,382)	(5,817)
Balance as of September 30, 2022 (unaudited)	310,660	845,683	(155,628)	7,776,248	(57,607)	11,000	63,136	129,047	(24,139)	713,001	9,611,401	412,282	10,023,683

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

	Attributed to Company's shareholders												
	Share capital	Premium and capital reserves in respect of shares	Treasury shares	Retained earnings	Capital reserve from transactions with non-controlling interests	Capital reserve from transaction with controlling shareholder - bonus	Capital reserve from share-based payment	Revaluation reserve	Reserve from translation differences	Capital reserve in respect of available-for-sale assets	Total	Non-controlling interests	Total equity
	NIS thousand												
Balance as of July 1, 2021 (unaudited)	310,059	839,186	(93,271)	6,489,114	(43,622)	11,000	48,194	113,506	(25,833)	1,036,524	8,684,857	249,162	8,934,019
Net income	-	-	-	423,514	-	-	-	-	-	-	423,514	17,429	440,943
Other comprehensive income loss	-	-	-	-	-	-	-	-	(5,695)	(13,426)	(19,121)	-	(19,121)
Total comprehensive income (loss)	-	-	-	423,514	-	-	-	-	(5,695)	(13,426)	404,393	17,429	421,822
Share-based payment	-	5,538	-	-	-	-	2,607	-	-	-	8,145	-	8,145
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(340)	(340)
Acquisition of treasury shares	-	-	(6,498)	-	-	-	-	-	-	-	(6,498)	-	(6,498)
Commencement of consolidation	-	-	-	-	-	-	-	-	-	-	-	2,175	2,175
Exercise of employee options	156	1,088	-	-	-	-	(1,244)	-	-	-	-	-	-
Transfer from revaluation reserve in respect of revaluation of property, plant and equipment, at the depreciation amount	-	-	-	554	-	-	-	(554)	-	-	-	-	-
Allocation of shares of a consolidated subsidiary to minority interests	-	-	-	-	(3,484)	-	-	-	-	-	(3,484)	3,484	-
Balance as of September 30, 2021 (unaudited)	310,215	845,812	(99,769)	6,913,182	(47,106)	11,000	49,557	112,952	(31,528)	1,023,098	9,087,413	271,910	9,359,323

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

	Attributed to Company's shareholders												
	Share capital	Premium and capital reserves in respect of shares	Treasury shares	Retained earnings	Capital reserve from transactions with non-controlling interests	Capital reserve from transactions with controlling shareholders	Capital reserve from share-based payment	Revaluation reserve	Reserve from translation differences	Capital reserve in respect of available-for-sale assets	Total	Non-controlling interests	Total equity
	NIS thousand												
Balance on January 1, 2021 (audited)	309,951	833,592	(26,411)	5,939,754	(43,622)	11,000	44,943	114,614	(23,338)	809,439	7,969,922	111,908	8,081,830
Net income	-	-	-	1,964,696	-	-	-	-	-	-	1,964,696	59,216	2,023,912
Other comprehensive income (loss)	-	-	-	(1,787)	-	-	-	26,069	(18,608)	345,665	351,339	(229)	351,110
Total comprehensive income (loss)	-	-	-	1,962,909	-	-	-	26,069	(18,608)	345,665	2,316,035	58,987	2,375,022
Share-based payment	-	13,083	-	-	-	-	9,715	-	-	-	22,798	-	22,798
Exercise of employee options	372	2,634	-	-	-	-	(3,006)	-	-	-	-	-	-
Acquisition of treasury shares	-	-	(73,358)	-	-	-	-	-	-	-	(73,358)	-	(73,358)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(34,481)	(34,481)
Commencement of consolidation	-	-	-	-	-	-	-	-	-	-	-	123,564	123,564
Dividend	-	-	-	(580,000)	-	-	-	-	-	-	(580,000)	-	(580,000)
Transfer from revaluation reserve in respect of revaluation of property, plant, and equipment, at the depreciation amount	-	-	-	9,329	-	-	-	(9,329)	-	-	-	-	-
Allocation of shares of a consolidated subsidiary to minority interests	-	-	-	-	(3,256)	-	-	-	-	-	(3,256)	4,115	859
Transaction with minority interest	-	-	-	-	1,223	-	-	-	-	-	1,223	5,632	6,855
Balance on December 31, 2021 (audited)	310,323	849,309	(99,769)	7,331,992	(45,655)	11,000	51,652	131,354	(41,946)	1,155,104	9,653,364	269,725	9,923,089

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

	Appendix	For the nine months ended September 30 2022	For the nine months ended September 30 2021	For the three months ended September 30 2022	For the three months ended September 30 2021	For the year ended December 31 2021
		Unaudited				Audited
		NIS thousand				
Cash flows from operating activities						
Net income for the period		1,084,099	1,392,297	182,739	440,943	2,023,912
Adjustments required to present cash flows from operating activities	(a)	394,356	2,123,826	456,828	1,171,717	2,523,387
Net cash from operating activities		1,478,455	3,516,123	639,567	1,612,660	4,547,299
Cash flows from investing activities						
Purchase of property, plant and equipment		(122,357)	(45,191)	(58,135)	(15,736)	(78,390)
Proceeds from disposal of property, plant and equipment		326	-	155	-	201
Investment in associates		(121,919)	(21,184)	(64,394)	(2,686)	(61,767)
Dividend from associates		20,552	19,146	895	1,022	19,405
Receipt of a loan from an associate		1,254	90	549	-	90
Acquisition of consolidated companies consolidated for the first time	(b)	(6,407)	(471,938)	-	(14,062)	(475,521)
Proceeds from the sale of pension funds, provident funds, and fees and commissions portfolios		25,049	55,329	-	55,329	43,934
Sale of previously-consolidated subsidiary		-	-	-	-	596,166
Acquisition of minority interest in a consolidated company		(17,817)	-	(5,817)	-	-
Proceeds from disposal of investment in associate		105,936	24,897	105,936	24,897	24,288
Acquisition and capitalization of intangible assets costs		(226,924)	(184,499)	(80,301)	(78,924)	(283,387)
Net cash used for investing activities		(342,307)	(623,350)	(101,112)	(30,160)	(214,981)
Cash flows from financing activities						
Issuance of shares to non-controlling interests in a consolidated company		49,007	-	49,007	-	-
Acquisition of Company shares		(55,859)	(73,358)	-	(6,498)	(73,358)
Short-term credit from banks, net		538,000	92,000	169,000	83,000	90,000
Repayment of financial liabilities		(648,228)	(187,968)	(196,078)	(184,269)	(207,270)
Dividend to shareholders		(581,000)	(380,000)	(160,000)	-	(580,000)
Repayment of lease liability principal		(38,788)	(31,543)	(12,760)	(16,707)	(37,347)
Issuance of financial liabilities		1,827,287	691,304	521,376	342,847	829,080
Change in liability for REPO, net		134,355	2,552	134,355	(1,203)	(389,315)
Dividend paid to non-controlling interests		(15,697)	(7,889)	(6,981)	(340)	(34,481)
Repayment of contingent liability in respect of a put option to non-controlling interests		(10,000)	(5,355)	(10,000)	-	-
Net cash provided by (used in) financing activities		1,199,077	99,743	487,919	216,830	(402,691)
Increase (decrease) in cash and cash equivalents		2,335,225	2,992,516	1,026,374	1,799,330	3,929,627
Balance of cash and cash equivalents at beginning of period	(c)	15,939,746	12,010,119	17,248,597	13,203,305	12,010,119
Balance of cash and cash equivalents at end of period	(c)	18,274,971	15,002,635	18,274,971	15,002,635	15,939,746

		For the nine months ended September 30		For the three months ended September 30		For the year ended December 31
		2022	2021	2022	2021	2021
		Unaudited				Audited
		NIS thousand				
(a)	Adjustments required to present cash flows from operating activities:					
	Items not involving cash flows					
	Investment losses (income), net on financial investments in respect of insurance contracts and yield-dependent investment contract	7,841,804	(8,352,232)	1,706,192	(1,280,331)	(12,117,791)
	Change in fair value of investment property in respect of yield-dependent contracts	-	(29,672)	-	(29,672)	(228,229)
	Losses (income), net on other financial investments					
	Liquid debt assets	45,015	(271,423)	33,240	(56,099)	(284,661)
	Illiquid debt assets	(1,071,491)	(676,647)	(324,004)	(223,280)	(852,872)
	Shares	(195,460)	(445,496)	4,088	(239,118)	(376,472)
	Other	614,804	(42,168)	(7,914)	3	(444,387)
	Depreciation and amortization	295,522	256,208	101,331	93,075	354,191
	Profit (loss) from disposal of property, plant and equipment	(2)	80	-	67	-
	Gain from sale of provident funds	(14,185)	-	-	-	-
	Change in fair value of investment property	6,286	(51,903)	-	(15,525)	(160,567)
	Change in provision for impairment of property, plant and equipment	-	(262)	-	580	1,982
	Disposal of investment in an associate / profit from assuming control	(108,942)	(249,646)	-	(8,871)	(645,930)
	Change in financial liabilities (*)	5,010,726	(221,034)	1,636,039	(209,648)	30,749
	Income tax expenses	409,264	506,971	72,362	147,549	673,554
	Company's share in the profits of associates, net	(49,452)	(48,362)	(19,178)	(25,136)	(111,504)
	Payroll expenses in respect of share-based payment	13,611	6,922	3,576	2,607	9,715
	Changes in other balance sheet line items, net:					
	Change in liabilities in respect of non-yield-dependent insurance contracts	447,038	1,224,231	244,511	397,075	1,643,099
	Change in liabilities in respect of yield-dependent contracts	(3,040,255)	12,423,815	(526,427)	3,117,431	18,771,671
	Change in liabilities for bonds, ETFs	(6,913)	(30,000)	(16,971)	(20,000)	(33,000)
	Change in financial investments for holders of ETFs, certificates of deposit	6,000	29,000	17,000	19,000	33,000
	Change in credit assets in respect of factoring, clearing and financing	(806,239)	149,068	(148,309)	149,068	(266,861)
	Change in deferred acquisition costs	(440,301)	(206,550)	(169,923)	(67,819)	(278,971)
	Change in reinsurance assets	(427,206)	(178,867)	(66,553)	(104,537)	(274,887)
	Change in liabilities for employee benefits, net	(3,541)	(5,318)	(15,391)	(21,291)	2,635
	Change in accounts receivable and collectible premiums	(155,993)	(175,778)	467,733	43,673	(219,222)
	Change in payables and credit balances	146,372	166,740	(161,112)	87,268	393,714
	Change in credit for purchase of securities	(397,000)	(70,000)	(140,000)	5,000	(94,000)
	Change in loans granted to associates	2,995	(3,353)	592	(591)	(3,816)
	Financial investments and investment property in respect of insurance contracts and yield-dependent investment contracts:					
	Acquisition of real estate properties	(83,615)	(113,082)	(23,033)	(13,740)	(138,251)
	Proceeds on sale of real estate properties	219,844	-	-	-	143,194
	Sales (acquisitions), net of financial investments	(4,441,880)	(2,110,023)	(1,137,006)	(638,017)	(3,410,421)
	Financial investments and other investment property:					
	Sales (acquisitions), net of financial investments	(2,923,195)	1,245,777	(859,139)	288,842	1,232,033
	Acquisition of real estate properties	(50,721)	(63,012)	(12,199)	(6,867)	(99,526)
	Proceeds on sale of real estate properties	119,055	-	-	-	71,810
	Cash paid and received during the period for:					
	Taxes paid	(620,218)	(728,317)	(218,980)	(219,381)	(985,771)
	Taxes received	52,629	188,159	16,303	402	189,179
	Total cash flows provided by (used for) operating activities	394,356	2,123,826	456,828	1,171,717	2,523,387

(*) Mainly change in derivatives, see also Note 8O.

		For the nine months ended September 30		For the three months ended September 30		For the year ended December 31
		2022	2021	2022	2021	2021
		Unaudited				Audited
		NIS thousand				
(b)	Acquisition of consolidated companies consolidated for the first time					
	Assets and liabilities of the consolidated companies as of acquisition date:					
	Working capital (excluding cash and cash equivalents)	22,346	36,717	-	4,638	44,955
	Deferred acquisition costs	-	(19,047)	-	-	(19,047)
	Financial assets	-	(44,915)	-	-	(44,915)
	Credit in respect of factoring, clearing and financing	-	(2,283,531)	-	-	(2,283,531)
	Property, plant and equipment, net	(783)	(45,465)	-	(360)	(46,291)
	Goodwill arising from acquisition	(82,272)	(411,006)	-	(5,659)	(430,593)
	Intangible assets	(64,925)	(334,538)	-	(23,986)	(336,031)
	Deferred taxes	6,190	37,513	-	2,545	43,559
	Minority interests	50,624	123,876	-	2,175	123,564
	Investments in investees	(74,732)	271	-	-	271
	Disposal of investment in an associate	114,983	342,532	-	2,270	342,728
	Financial liabilities	733	2,055,394	-	-	2,055,394
	Loan from parent company	-	50,000	-	-	50,000
	Liability for payment in respect of acquisition of an investee	21,050	9,635	-	4,148	13,788
	Liabilities for employee benefits	379	10,626	-	167	10,628
		(6,407)	(471,938)	-	(14,062)	(475,521)
(c)	Sale of previously-consolidated company					
	Working capital (excluding cash and cash equivalents)	-	-	-	-	(14,656)
	Property, plant & equipment	-	-	-	-	81,553
	Investment property	-	-	-	-	1,753,667
	Intangible assets	-	-	-	-	23,848
	Financial liabilities	-	-	-	-	(629,015)
	Liabilities for employee benefits	-	-	-	-	(3,106)
	Deferred taxes	-	-	-	-	(246,153)
	Investment in an associate	-	-	-	-	(710,767)
	Capital gain from the disposal of a consolidated company	-	-	-	-	340,795
		-	-	-	-	596,166
(c)	Cash and cash equivalents					
	Balance of cash and cash equivalents at beginning of period:					
	Cash and cash equivalents	2,154,153	1,545,903	2,459,240	2,104,978	1,545,903
	Cash and cash equivalents in respect of yield-dependent contracts	13,785,593	10,464,216	14,789,357	11,098,327	10,464,216
		15,939,746	12,010,119	17,248,597	13,203,305	12,010,119
	Balance of cash and cash equivalents at end of period:					
	Cash and cash equivalents	2,343,234	2,398,980	2,343,234	2,398,980	2,154,153
	Cash and cash equivalents in respect of yield-dependent contracts	15,931,737	12,603,655	15,931,737	12,603,655	13,785,593
		18,274,971	15,002,635	18,274,971	15,002,635	15,939,746
(e)	Breakdown of amounts included in operating activities					
	Interest paid	128,250	107,884	52,736	72,806	125,850
	Interest received	602,031	515,778	163,459	126,536	758,536
	Dividend received	38,716	41,745	9,125	17,555	57,702

NOTE 1 – GENERAL

A. The Phoenix Holdings Ltd. (hereinafter - the "Company") is an Israeli resident company incorporated in Israel, whose official address is 53 Derech Hashalom St., Givatayim, Israel. These financial statements were prepared in condensed format as of September 30, 2022, and for the nine-month and three-month periods then ended (hereinafter - the "Condensed Consolidated Interim Financial Statements"). These financial statements should be read in conjunction with the Company's Consolidated Annual Financial Statements as of December 31, 2021, and for the year then ended and the accompanying notes (hereinafter - the "Consolidated Annual Financial Statements").

B. **Definitions**

The Company	The Phoenix Holdings Ltd.
The Phoenix Insurance	The Phoenix Insurance Company Ltd., a wholly-owned subsidiary of the Company.
The Phoenix Investments	The Phoenix Investments and Finances Ltd., a wholly-owned subsidiary of the Company.
Excellence	Excellence Investments Ltd., a wholly-owned subsidiary of The Phoenix Investments Ltd.
Gama	Gama Management and Clearing Ltd., a subsidiary in which The Phoenix Investments is a controlling shareholder.
The Phoenix Agencies	The Phoenix Insurance Agencies 1989 Ltd. - a company wholly-owned by the Company.
The Phoenix Pension and Provident Fund	The Phoenix Pension and Provident Fund Ltd. (formerly The Phoenix Excellence Pension and Provident Funds Ltd.), a wholly-owned subsidiary of the Company.
The Phoenix Advanced Investments	The Phoenix Advanced Investments Ltd. (formerly Halman Aldubi Investment House Ltd.) is a wholly-owned subsidiary of The Phoenix Investments (see Section D below).
The Phoenix Capital Raising	The Phoenix Capital Raising (2009) Ltd., a wholly-owned subsidiary of The Phoenix Insurance.
Belenus Lux S.a.r.l	The controlling shareholder of the Company is Belenus Lux S.a.r.l. (hereinafter - "Belenus"), which is held indirectly by Centerbridge Partners LP and Gallatin Point Capital LLC. Gallatin Point Capital LLC is held by Matthew Botein and Lewis (Lee) Sachs.
Ad 120	Ad 120 Residence Centers for Senior Citizens Ltd. is an investee of The Phoenix Insurance.
Phoeniclass	Phoeniclass Ltd., a subsidiary of The Phoenix Investments, holds approximately 67% of Phoeniclass's share capital.

C. **Effects of inflation and increase in interest rates**

Following global macroeconomic developments that took place in the reporting period and through the report publication date, inflation rates in Israel and across the world increased. As part of the steps taken to keep inflation under control, central banks across the world, including the Bank of Israel, started announcing interest rates hikes.

Changes in inflation and interest rates affect the financial results of the Company and in particular those of The Phoenix Insurance. For more information regarding the effect on the Company's financial results of the change in interest rate in the reporting periods, see Note 8A below.

NOTE 1 – GENERAL (cont.)

C. Effects of inflation and increase in interest rates (cont.)

The Company calculates and publishes analyses on the financial results' sensitivity to changes in interest and inflation rates in the risk management note to its Consolidated Annual Financial Statements. The Company estimated the sensitivity of its results to changes in interest rates as of September 30, 2022, and according to this estimation, there is no material change in the sensitivity to changes in interest rates compared with the sensitivity calculated as of December 31, 2021. For further information as to the Company's sensitivity to changes in interest and inflation rates, see Note 41 to the Company's Annual Financial Report as of December 31, 2021.
Furthermore, in view of the increase of the risk-free interest rate, the Company tested for impairment assets measured in accordance with IAS 36 and IAS 28, and where the recoverable amount was impaired and those assets suffered impairment, the loss amount was recognized in the income statement.

D. Restructuring - The Phoenix Advanced Investments

In January 2022, the board of directors of The Phoenix Advanced Investments authorized a restructuring of the companies it controls and the distribution of the following companies that it holds to the Company, as a dividend in kind: Halman-Aldubi Pension Insurance Agency (2005) Ltd. and Quality Pension Insurance Agency (2017) Ltd., and 16% of the shares it holds in The Phoenix Pension and Provident. It should be noted that the decision by The Phoenix Advanced Investments' Board of Directors is subject to the Court's approval since it does not meet the profit criteria. During the second quarter, the Court approved the distribution, and the Israel Tax Authority approved the restructuring. Furthermore, The Phoenix Advanced Investments' Board of Directors approved the sale of Halman-Aldubi IEC Gemel Ltd. to the Company; this sale was completed in March 2022.
At the same time, the Company authorized the transfer of its holding in The Phoenix Advanced Investments to The Phoenix Investments, and The Phoenix Investments authorized the transfer of its holdings in the alternative funds it holds to The Phoenix Advanced Investments. Subsequent to the execution of the restructuring as stated above, the alternative investment activities are managed in their entirety under The Phoenix Advanced Investments.

E. Transfer of Phoeniclass from The Phoenix Investments to The Phoenix Insurance

Further to what is stated in Note 1K to the Consolidated Annual Financial Statements regarding the transfer of 49% of the issued and paid up share capital of Phoeniclass from The Phoenix Insurance to The Phoenix Insurance, on March 31, 2022, the said transfer of shares was completed upon receipt of the approval of the Israel Tax Authority, which was a condition precedent for the completion of the transaction.
As part of the completion of the transfer of Phoeniclass' shares to The Phoenix Insurance, and in accordance with the Circular on Allocation on Non-Marketable Assets applicable to The Phoenix Insurance, the latter carried out a valuation of Phoeniclass' shares through an external independent appraiser. In accordance with the valuation, during the first quarter of 2022 The Phoenix Insurance recognized a one-off pre-tax earning of NIS 99 million from revaluation of excess fair value of the investment against LAT in the health insurance segment. For more details regarding the effect of the reclassification of excess value illiquid assets from the health insurance segment and equity to the P&C insurance segment, see Note 8A.

NOTE 1 – GENERAL (cont.)

F. **Restructuring Excellence Investment House**

As of the report date, Excellence holds approximately 84% of the shares of KSM ETN Holdings Ltd. (hereinafter - "KSM Holdings"), and 16% of the shares of KSM are held by three partners (hereinafter - the "Minority Shareholders in KSM Holdings"), of which approximately 9.55% of the shares are held by Avner Hadad and Boaz Nagar, pari passu (hereinafter - the "Managers"). In May 2022, the parties signed binding agreements, and an application for a statutory merger of KSM ETN Holdings Ltd. (hereinafter - "KSM Holdings") with Excellence. Following the merger and further actions, the Company will hold, through The Phoenix Investments, 88.44% of the shares of Excellence and the minority shareholders in KSM Holdings will hold approximately 11.56% of the shares of Excellence, of which the share of Avner Hadad and Boaz Nagar will be 7.5%, each according to his share. Furthermore, options arrangements were established to execute transactions, from 2016 to 2029, between The Phoenix Investments and the Managers in connection with their holdings in Excellence at the market price to be determined, in accordance with an agreed-upon mechanism, based on valuations. The said arrangements enable the Company to pay the Managers the consideration by allotting them shares of the Company by way of a private placement, provided the options are exercised and at the Company's discretion. In accordance with the agreements that were signed, Excellence intends to focus on managing the core business of Excellence, which includes the activity of KSM Mutual Funds, the TASE member, portfolio management and ESOP. Other activities were transferred from Excellence to other group companies as stated in Section D above. As of the report publication date, the Israel Tax Authority's approval for the restructuring has not been received. For further details, please see immediate report dated March 15, 2022 (Ref. No.: 2022-01-025548).

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

A. Preparation format of the Consolidated Interim Financial Statements

The Consolidated Interim Financial Statements have been prepared in accordance with generally accepted accounting principles for the preparation of interim financial statements as prescribed by IAS 34, "Interim Financial Reporting", as well as in accordance with the disclosure requirements set by the Commissioner of the Capital Market, Insurance and Savings in accordance with the Financial Services Supervision Law (Insurance), 1981. In addition, the financial statements were prepared in accordance with the disclosure provisions in Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970, insofar as these regulations apply to a corporation consolidating an insurance company.

In preparing the condensed financial statements in accordance with International Financial Reporting Standards (IFRS), the Company is required to exercise discretion in assessments, estimates and assumptions that affect the implementation of the policy and the amounts of assets and liabilities, income and expenses. It is clarified that the actual results may differ from those estimates. Management's discretion in applying the group's accounting policies and the key assumptions used in assessments involving uncertainty is consistent with that which is applied in the preparation of the Consolidated Annual Financial Statements. For further information regarding changes in critical estimates and assumptions used to calculate the insurance reserves, please see Note 8.A.

The accounting policies applied in the preparation of the Consolidated Interim Financial Statements are consistent with those implemented in the preparation of the Consolidated Annual Financial Statements, with the exception of what is stated below:

B. First-time application of amendment to existing accounting standards

1. Amendment to IAS 16, Property, Plant, and Equipment

In May 2020, the IASB published an amendment to IAS 16 (hereinafter - the "Amendment"). The amendment prohibits the deduction of proceeds received from the sale of items manufactured while a company is preparing its property, plant and equipment for its designated use from its cost. Rather, the Company should recognize the proceeds from the sale and the related costs in profit or loss.
The Amendment shall be applied as from annual periods beginning on January 1, 2022. The Amendment was applied retrospectively, but only to property, plant, and equipment items that are brought to the location and condition necessary for them to operate in the manner intended by management at the beginning of the earliest annual reporting period presented in the financial statements in which the Company first applies the Amendment.
The cumulative effect of the first-time application of the Amendment is recognized as an adjustment to the opening balance of the retained earnings (or other equity component, where relevant) at the beginning of the earliest period presented.

The above Amendment did not have a material effect on the Consolidated Interim Financial Statements of the Company.

2. Amendment to IAS 37, Provisions, Contingent Liabilities and Contingent Assets

In May 2020, the IASB issued an amendment to IAS 37 regarding costs that a company must include in assessing whether a contract is an onerous contract (hereinafter - the "Amendment").
According to the amendment, the testing should include both incremental costs (such as raw materials and direct working hours) and the allocation of other costs directly related to the fulfillment of the contract (such as amortization of property, plant, and equipment used to fulfill the contract).

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. First-time application of amendment to existing accounting standards (cont.)

2. Amendment to IAS 37, Provisions, Contingent Liabilities and Contingent Assets (cont.)

   The Amendment shall be applied to annual reporting periods starting on January 1, 2022; the Amendment will apply to contracts for which the obligations have not yet been fulfilled as of January 1, 2022.
   The Company believes that the above Amendment did not have a material effect on the financial statements.
3. IFRS 3 - Business Combinations

   In May 2020, the IASB published an amendment to IFRS 3 - Business Combinations - which updated the reference to the Conceptual Framework. The amendment was designed to replace a reference to the Conceptual Framework for Preparation and Presentation of Financial Statements with a reference to the Conceptual Framework for Financial Reporting published in March 2018 without significantly changing its requirements.
   The amendment adds an exception to the principle of recognizing a liability in accordance with IFRS 3, in order to avoid recognizing a day 2 profit or loss stemming from liabilities and contingent liabilities, that would have been within the scope of IAS 37 or IFRIC 21, had they been recognized separately.
   In accordance with the exception, liabilities or contingent liabilities which are within the scope of IAS 37 or IFRIC 21 shall be recognized on acquisition date in accordance with the provisions of IAS 37 or IFRIC 21, rather than in accordance with the Conceptual Framework.
   The amendment also clarifies that contingent assets will not be recognized on the business combination date.
   The amendment will be applied prospectively for annual reporting periods beginning on January 1, 2022.
   The above Amendment did not have a material effect on the Consolidated Interim Financial Statements of the Company.

C. Disclosure of the new IFRSs in the period prior to their application

IFRS 17 - Insurance Contracts

Further to what is stated in Note 2FF(1) to the Company's Annual Financial Statements regarding the draft "Revised Roadmap for the Adoption of International Financial Reporting Standard (IFRS) 17 - Insurance Contracts", published by the Capital Market, Insurance and Savings Authority on January 5, 2022 (hereinafter - the "Draft Roadmap"), on September 19, 2022, the Capital Market, Insurance and Savings Authority published a second draft of the Revised Raodmap (hereinafter - "Second Revised Roadmap").
The Second Revised Roadmap did not change the first-time application date of IFRS 17 in Israel, that will take place starting with the quarterly and annual periods beginning on January 1, 2024; (accordingly, the transition date shall apply on January 1, 2023). However, the Second Revised Roadmap includes a small number of updates in relation to the Draft Roadmap.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. Disclosure of the new IFRSs in the period prior to their application (cont.)

IFRS 17 - Insurance Contracts (cont.)

In accordance with the Second Draft Roadmap, in 2023, as part of the financial statements for the second quarter, the companies will be required to include, as part of a dedicated note in the financial statements, only a pro forma statement of financial position as of January 1, 2023 (opening balances data as of the transition date, without comparison figures), drawn up in accordance with the provisions of IFRS 17 and IFRS 9. In their 2023 Consolidated Annual Financial Statements, companies will be required to include key proforma statements (statement of financial position and statement of comprehensive income at the very least, and without comparative figures) as of December 31, 2023, that will be prepared in accordance with the provisions of IFRS 17 and IFRS 9 according to the disclosure format attached to the Second Revised Roadmap. Furthermore, the Second Revised Roadmap lists the key preparations and time tables that the Capital Market, Insurance and Savings Authority believes should be taken and met in order to ensure Israeli insurance companies' preparedness for a successful application of the standard, including, among other things, in connection with the adaptation of the IT systems, completion of the formulation of accounting policies and preparations for the various required disclosures, conducting a quantitative assessment as to fair value in the lead up to the transition date, preparations for the calculation of the risk adjustment for non-financial risk, preparations for the independent auditors' audit, disclosure of supplementary qualitative information for the dedicated note in the 2023 financial statements, and for the relevant time table for checking the appropriateness of the controls relating to IT and the associated processes.

The Company continues to assess the effects of the adoption of the said standards on its financial statements, and is preparing for their implementation according to said schedule.

D. Details of the change rates in the Consumer Price Index and USD representative exchange rate

	CPI		USD representative exchange rate
	Known CPI	In lieu CPI	
	%	%	%
For the nine months ended on:			
September 30, 2022	4.4	4.3	13.9
September 30, 2021	2.2	2.5	0.4
For the three months ended on:			
September 30, 2022	1.2	1.0	1.2
September 30, 2021	0.8	0.9	(1.0)
For the year ended December 31, 2021	2.4	2.8	(3.3)

NOTE 3 – OPERATING SEGMENTS

The Company operates in the following operating segments:

1. **Life insurance and savings segment**

The life insurance and savings segment includes the life insurance subsegments and related coverages. The segment includes various categories of insurance policies as well insurance coverages in respect of various risks such as: death, disability, permanent health insurance, and more.

2. **Health insurance segment**

The health insurance segment includes the group's health insurance activity. The segment includes long-term care, medical expenses, surgery and transplants, dental, travel and foreign workers insurance and more.

3. **Property and casualty insurance segment**

The property and casualty insurance segment includes the liability and property subsegments. In accordance with the Commissioner's directives, the property and casualty insurance segment in Israel is broken down into compulsory motor insurance, motor property, other property and other liability subsegments:

- Compulsory motor insurance subsegment
  The compulsory motor subsegment focuses on coverage, the purchase of which by the vehicle owner or driver is mandatory, in respect of bodily injury caused as a result of the use of a motor vehicle (to the driver, passengers, or pedestrians).

- Motor property subsegment
  The motor property subsegment focuses on coverage against property damage to the policyholder's vehicle and third-party property damage caused by the insured vehicle.

- Other liability subsegments
  The liability subsegments provide coverage in respect of the policyholder's liability for any third-party damage he/she may cause. These subsegments include: third-party liability, employers' liability, professional liability and product liability.

- Property and other subsegments
  Property subsegments other than motor and liability as well as other insurance subsegments.

4. **Pension and Provident segment**

As from December 31, 2021, the Company presents the pension and provident activity as a reportable segment for the first time; through the said date, the activity was presented as part of the long-term savings segment. The comparative figures in the operating segments note were revised retrospectively as required under accounting standards.
As part of the implementation of the Company's strategy in the field of asset management in general and in the pension and provident activities in particular, on December 7, 2020, the Company entered into a merger agreement with Halman-Aldubi, such that as from March 31, 2021, upon the completion of the transaction, the Company consolidates Halman-Aldubi's results in its financial statements.
The pension and provident segment includes the management of pension funds and provident funds through The Phoenix Pension and Provident, which is a wholly-owned subsidiary of the Company.

NOTE 3 – OPERATING SEGMENTS (cont.)

4. Pension and Provident segment (cont.)

In accordance with the Commissioner's directives, segment activity is described separately for the pension activity and the provident activity.
For more information, see Note 4A to the consolidated financial statements as of December 31, 2021.

5. Financial services segment

The financial services segment includes Excellence's results. The segment includes investment management activity, including mutual funds, ETFs, brokerage services, underwriting services, market making in various securities and other services.
In addition, the results of this segment include those of The Phoenix Investments and The Phoenix Advanced Investments.

6. Insurance agencies segment

The insurance agencies segment includes the activity of the pension arrangement agencies and other insurance agencies in the group.

7. Credit segment

The credit segment includes Gama. Gama is a credit aggregator providing financing against post-dated checks (factoring), clearing, and management of credit vouchers services, financing against real estate properties, loans and credit, equipment financing and supplier financing. As of June 2021, as a result of assuming control over Gama, the Company presents the company's results as a reportable segment. Until this date, Gama's results were presented under the "Other segment".
For more information, please see Note 4B to the 2021 consolidated financial statements.

8. The activity is not attributed to operating segments

This activity includes part of the group's HQ function that is not attributed to the operating segments, activities which are ancillary/overlapping with the group's activity and holding assets and liabilities against the Company's share capital in accordance with the Capital Regulations.
Financial liabilities that serve the Company's equity requirements and finance expenses in respect thereof are not allocated to the operating segments.

9. Other segment - reclassification

As of the fourth quarter of 2021, the Company has classified the operations included under the "Other segment" to the "Financial services segment". The comparative figures have been reclassified. The said reclassification has no material effect on the financial services segment.

It should be noted that the Company allocates the assets which are not measured at fair value in accordance with the provisions of the law and Company's procedures, and specifically the allocation in accordance with the consolidated circular on testing the appropriateness of the LAT reserve and the Commissioner's Position - Best Practice for Calculation of Reserves in Property and Casualty Insurance (for more information, see Notes 8A(6) and 41, Sections 5.1 and 5.2 to the consolidated financial statements as of December 31, 2021). This allocation may have an effect on investment income allocated to the different segments.

NOTE 3 – OPERATING SEGMENTS (cont.)

A. Reportable segment

	Life insurance and savings (a)	Health (b)	Property and casualty insurance (c)	Pension and provident funds (d)	Financial services	Insurance agencies	Credit	Not attributed to operating segments	Adjustments and offsets	Total
	For the 9-month period ended September 30, 2022									
	Unaudited									
	NIS thousand									
Premiums earned, gross	4,352,972	2,270,398	2,528,331	-	-	-	-	-	-	9,151,701
Premiums earned by reinsurers	247,328	164,130	788,767	-	-	-	-	-	-	1,200,225
Premiums earned - retention	4,105,644	2,106,268	1,739,564	-	-	-	-	-	-	7,951,476
Investment income (losses), net and finance income	(5,889,169)	(809,063)	75,882	68,503	5,475	2,177	54,445	(332,076)	(24,626)	(6,848,452)
Income from management fees	450,607	-	-	495,555	228,779	1,589	-	3,128	(30,909)	1,148,749
Income from fees and commissions (e)	54,447	39,793	178,618	-	-	533,497	-	-	(187,698)	618,657
Income from financial services	-	-	-	-	158,000	-	-	-	-	158,000
Income from factoring and clearing	-	-	-	-	-	-	105,851	-	-	105,851
Other income	-	-	-	15,324	92,780	33,240	-	2	(1,309)	140,037
Total income	(1,278,471)	1,336,998	1,994,064	579,382	485,034	570,503	160,296	(328,946)	(244,542)	3,274,318
Payments and change in liabilities in respect of insurance contracts and investment contracts, gross	(2,325,313)	142,221	1,766,527	77,499	-	-	-	-	-	(339,066)
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	177,816	206,204	458,677	-	-	-	-	-	-	842,697
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	(2,503,129)	(63,983)	1,307,850	77,499	-	-	-	-	-	(1,181,763)
Fees and commissions and other purchase expenses	421,710	353,633	504,253	232,435	54,569	8,854	3,979	-	(161,162)	1,418,271
General and administrative expenses	278,616	112,857	89,514	170,072	243,507	314,401	68,421	74,630	(36,462)	1,315,556
Other expenses (income)	(1,267)	-	-	15,327	10,577	17,145	6,089	-	(339)	47,532
Finance expenses (income)	3,642	-	23,875	10,828	(2,748)	2,074	34,356	181,416	(22,632)	230,811
Total expenses	(1,800,428)	402,507	1,925,492	506,161	305,905	342,474	112,845	256,046	(220,595)	1,830,407
Company's share in the net results of investees	17,656	24,026	1,049	-	4,002	2,918	-	(199)	-	49,452
Profit (loss) before taxes on income	539,613	958,517	69,621	73,221	183,131	230,947	47,451	(585,191)	(23,947)	1,493,363
Other comprehensive income (loss) before taxes on income	(43,701)	(10,052)	(253,897)	-	(1,051)	-	850	(344,356)	-	(652,207)
Total comprehensive income (loss) before taxes on income	495,912	948,465	(184,276)	73,221	182,080	230,947	48,301	(929,547)	(23,947)	841,156
	As of September 30, 2022									
	Unaudited									
	NIS thousand									
Liabilities, gross in respect of insurance contracts and yield-dependent investment contracts	86,948,976	5,639,353	-	-	-	-	-	-	-	92,588,329
Liabilities, gross in respect of insurance contracts and non-yield-dependent investment contracts	12,444,358	4,771,978	7,344,501	999,187	-	-	-	-	-	25,560,024

(a) For additional data regarding the life insurance and savings subsegments, please see Section B below.
(b) For additional data regarding the health insurance subsegments, please see Section C below.
(c) For additional data regarding the property and casualty insurance subsegments, please see Section d below.
(d) For more information regarding the pension and provident subsegments, please see Section E below.
(e) Arises from commission income received from agencies owned by the group, mainly from activities in the life insurance and savings.

NOTE 3 – OPERATING SEGMENTS (cont.)

A. Reportable Segment (cont.)

	For the 9-month period ended September 30, 2021									
	Life insurance and savings (a)	Health (b)	Property and casualty insurance (c)	Pension and provident funds (d)	Financial services	Insurance agencies	Credit	Not attributed to operating segments	Adjustments and offsets	Total
	Unaudited									
	NIS thousand									
Premiums earned, gross	3,966,516	2,032,357	2,199,965	-	-	-	-	-	-	8,198,838
Premiums earned by reinsurers	87,595	156,919	743,352	-	-	-	-	-	-	987,866
Premiums earned - retention	3,878,921	1,875,438	1,456,613	-	-	-	-	-	-	7,210,972
Investment income, net and finance income	8,538,394	761,881	308,738	68,064	2,468	11,654	11,250	312,168	(14,197)	10,000,420
Income from management fees	817,091	-	-	385,613	243,392	380	-	2,380	(29,805)	1,419,051
Income from fees and commissions (e)	27,482	39,406	168,133	-	-	405,361	-	-	(127,054)(1)	513,328
Income from financial services	-	-	-	-	115,000	-	-	-	-	115,000
Income from factoring and clearing	-	-	-	-	-	-	24,959	-	-	24,959
Other income	14,306	2,939	-	2,435	4,906	16,661	240,292	423	(969)	280,993
Total income	13,276,194	2,679,664	1,933,484	456,112	365,766	434,056	276,501	314,971	(172,025)	19,564,723
Payments and change in liabilities in respect of insurance contracts and investment contracts, gross	11,881,527	2,118,615	1,522,718	54,398	-	-	-	-	-	15,577,258
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	33,257	32,479	479,093	-	-	-	-	-	-	544,829
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	11,848,270	2,086,136	1,043,625	54,398	-	-	-	-	-	15,032,429
Fees and commissions and other purchase expenses	394,331	315,826	444,827	154,034	44,973	4,522	663	370	(108,341)	1,251,205
General and administrative expenses	293,010	110,965	98,521	190,447	216,239	239,047	21,610	87,681	(41,606)	1,215,914
Other expenses	10,528	-	-	11,001	9,000	20,168	3,394	305	(340)	54,056
Finance expenses	24,060	2,607	2,440	2,987	3,436	1,165	3,908	131,768	(12,158)	160,213
Total expenses	12,570,199	2,515,534	1,589,413	412,867	273,648	264,902	29,575	220,124	(162,445)	17,713,817
Company's share in the net results of investees	34,223	8,411	(93)	-	2,061	3,760	-	-	-	48,362
Profit before income tax	740,218	172,541	343,978	43,245	94,179	172,914	246,926	94,847	(9,580)	1,899,268
Other comprehensive income before taxes on income	126,146	7,517	115,442	-	169	-	-	67,650	-	316,924
Total comprehensive income before taxes on income	866,364	180,058	459,420	43,245	94,348	172,914	246,926	162,497	(9,580)	2,216,192
	As of September 30, 2021									
	Unaudited									
	NIS thousand									
Liabilities, gross in respect of insurance contracts and yield-dependent investment contracts	83,332,337	5,948,391	-	-	-	-	-	-	-	89,280,728
Liabilities, gross in respect of insurance contracts and non-yield-dependent investment contracts	12,360,884	4,640,525	6,746,459	946,250	-	-	-	-	-	24,694,118

(a) For additional data regarding the life insurance and savings subsegments, please see Section B below.
(b) For additional data regarding the health insurance subsegments, please see Section C below.
(c) For additional data regarding the property and casualty insurance subsegments, please see Section d below.
(d) For more information regarding the pension and provident subsegments, please see Section E below.
(e) Arises from commission income received from agencies owned by the group, mainly from activities in the life insurance and savings.

NOTE 3 – OPERATING SEGMENTS (cont.)

A. Reportable segment (cont.)

	Life insurance and savings (a)	Health (b)	Property and casualty insurance (c)	Pension and provident funds (d)	Financial services	Insurance agencies	Credit	Not attributed to operating segments	Adjustments and offsets	Total
	For the 3-month period ended September 30, 2022									
	Unaudited									
	NIS thousand									
Premiums earned, gross	1,436,452	791,168	891,272	-	-	-	-	-	-	3,118,892
Premiums earned by reinsurers	82,981	57,679	267,580	-	-	-	-	-	-	408,240
Premiums earned - retention	1,353,471	733,489	623,692	-	-	-	-	-	-	2,710,652
Investment income (losses), net and finance income	(1,236,527)	(143,453)	(3,933)	17,674	1,058	(2,321)	24,594	(61,315)	(8,857)	(1,413,080)
Income from management fees	152,172	-	-	167,242	72,953	-	-	1,073	(6,735)	386,705
Income from fees and commissions (e)	15,902	12,833	57,353	-	-	179,845	-	-	(77,541)	188,392
Income from financial services	-	-	-	-	57,000	-	-	-	-	57,000
Income from factoring and clearing	-	-	-	-	-	-	42,024	-	-	42,024
Other income	-	-	-	471	1,413	1,938	-	-	(572)	3,250
Total income	285,018	602,869	677,112	185,387	132,424	179,462	66,618	(60,242)	(93,705)	1,974,943
Payments and change in liabilities in respect of insurance contracts and investment contracts, gross	21,674	400,951	496,783	24,084	-	-	-	-	-	943,492
Reinsurers’ share in payments and in changes in liabilities in respect of insurance contracts	55,851	66,690	112,862	-	-	-	-	-	-	235,403
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	(34,177)	334,261	383,921	24,084	-	-	-	-	-	708,089
Fees and commissions and other purchase expenses	144,081	126,339	185,224	82,051	18,069	-	1,569	-	(61,229)	496,104
General and administrative expenses	91,139	37,124	28,678	56,537	78,119	109,450	23,883	22,013	(8,845)	438,098
Other expenses (income)	(914)	-	-	5,041	4,124	5,855	2,030	-	(113)	16,023
Finance expenses (income)	2,598	-	4,098	3,201	10	730	15,151	63,110	(8,192)	80,706
Total expenses	202,727	497,724	601,921	170,914	100,322	116,035	42,633	85,123	(78,379)	1,739,020
Company's share in the net results of investees	757	11,570	4,018	-	2,605	427	-	(199)	-	19,178
Profit (loss) before taxes on income	83,048	116,715	79,209	14,473	34,707	63,854	23,985	(145,564)	(15,326)	255,101
Other comprehensive income (loss) before taxes on income	(64,635)	(11,301)	(29,083)	-	(16)	-	-	(47,418)	-	(152,453)
Total comprehensive income (loss) before taxes on income	18,413	105,414	50,126	14,473	34,691	63,854	23,985	(192,982)	(15,326)	102,648
	As of September 30, 2022									
	Unaudited									
	NIS thousand									
Liabilities, gross in respect of insurance contracts and yield-dependent investment contracts	86,948,976	5,639,353	-	-	-	-	-	-	-	92,588,329
Liabilities, gross in respect of insurance contracts and non-yield-dependent investment contracts	12,444,358	4,771,978	7,344,501	999,187	-	-	-	-	-	25,560,024

(a) For additional data regarding the life insurance and savings subsegments, please see Section B below.
(b) For additional data regarding the health insurance subsegments, please see Section C below.
(c) For additional data regarding the property and casualty insurance subsegments, please see Section d below.
(d) For more information regarding the pension and provident subsegments, please see Section E below.
(e) Arises from commission income received from agencies owned by the group, mainly from activities in the life insurance and savings.

NOTE 3 – OPERATING SEGMENTS (cont.)

A. Reportable Segment (cont.)

	For the 3-month period ended September 30, 2021									
	Life insurance and savings (a)	Health (b)	Property and casualty insurance (c)	Pension and provident funds (d)	Financial services	Insurance agencies	Credit	Not attributed to operating segments	Adjustments and offsets	Total
	Unaudited									
	NIS thousand									
Premiums earned, gross	1,370,975	700,027	766,416	-	-	-	-	-	-	2,837,418
Premiums earned by reinsurers	29,778	51,951	258,904	-	-	-	-	-	-	340,633
Premiums earned - retention	1,341,197	648,076	507,512	-	-			-	-	2,496,785
Investment income, net and finance income	1,486,821	102,183	113,695	22,053	278	(640)	11,250	122,012	(1,565)	1,856,087
Income from management fees	186,901	-	-	145,397	77,053	-	-	782	(6,633)	403,500
Income from fees and commissions (e)	10,960	14,197	60,964	-	-	144,903	-	-	(56,367)(1)	174,657
Income from financial services	-	-	-	-	39,000	-	-	-	-	39,000
Income from factoring and clearing	-	-	-	-	-	-	24,959			24,959
Other income (expenses)	3,362	2,240	-	2,027	2,460	7,760	-	71	(278)	17,642
Total income	3,029,241	766,696	682,171	169,477	118,791	152,023	36,209	122,865	(64,843)	5,012,630
Payments and change in liabilities in respect of insurance contracts and investment contracts, gross	2,644,305	518,918	559,377	18,852	-	-	-	-	-	3,741,452
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	11,275	57,909	167,954	-	-	-	-	-	-	237,138
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	2,633,030	461,009	391,423	18,852	-	-	-	-	-	3,504,314
Fees and commissions and other purchase expenses	136,638	112,989	161,555	55,410	15,087	1,802	663	370	(49,638)	434,876
General and administrative expenses	93,305	37,618	32,963	74,281	70,653	76,839	17,644	36,047	(12,179)	427,171
Other expenses	2,561	-	-	5,389	3,000	11,901	3,394	-	(112)	26,133
Finance expenses (income)	6,817	2,054	(568)	915	1,167	607	3,908	42,765	(885)	56,780
Total expenses	2,872,351	613,670	585,373	154,847	89,907	91,149	25,609	79,182	(62,814)	4,449,274
Company's share in the net results of investees	14,247	7,378	535	-	1,832	1,145	-	(1)	-	25,136
Profit (loss) before taxes on income	171,137	160,404	97,333	14,630	30,716	62,019	10,600	43,682	(2,029)	588,492
Other comprehensive income (loss) before taxes on income	32,823	794	(47,610)	-	(296)	-	-	(10,034)	-	(24,323)
Total comprehensive income (loss) before taxes on income	203,960	161,198	49,723	14,630	30,420	62,019	10,600	33,648	(2,029)	564,169
	As of September 30, 2021									
	Unaudited									
	NIS thousand									
Liabilities, gross in respect of insurance contracts and yield-dependent investment contracts	83,332,337	5,948,391	-	-	-	-	-	-	-	89,280,728
Liabilities, gross in respect of insurance contracts and non-yield-dependent investment contracts	12,360,884	4,640,525	6,746,459	946,250	-	-	-	-	-	24,694,118

(a) For additional data regarding the life insurance and savings subsegments, please see Section B below.
(b) For additional data regarding the health insurance subsegments, please see Section C below.
(c) For additional data regarding the property and casualty insurance subsegments, please see Section d below.
(d) For more information regarding the pension and provident subsegments, please see Section E below.
(e) Arises from commission income received from agencies owned by the group, mainly from activities in the life insurance and savings.

NOTE 3 – OPERATING SEGMENTS (cont.)

A. Reportable segment (cont.)

	For the year ended December 31, 2021									
	Life insurance and savings (a)	Health (b)	Property and casualty insurance (c)	Pension and provident funds (d)	Financial services	Insurance agencies	Credit	Not attributed to operating segments	Adjustments and offsets	Total
	Audited									
	NIS thousand									
Premiums earned, gross	5,422,835	2,735,295	3,003,301	-	-	-	-	-	-	11,161,431
Premiums earned by reinsurers	117,372	212,807	1,015,280	-	-	-	-	-	-	1,345,459
Premiums earned - retention	5,305,463	2,522,488	1,988,021	-	-	-	-	-	-	9,815,972
Investment income, net and finance income	12,538,375	1,134,567	357,247	87,687	3,342	21,453	25,033	482,791	(23,570)	14,626,925
Income from management fees	1,217,741	-	-	542,942	335,707	380	-	4,112	(51,516)	2,049,366
Income from fees and commissions (e)	37,401	51,859	233,640	-	-	569,036	-	-	(200,522)	691,414
Income from financial services	-	-	-	-	154,000	-	-	-	-	154,000
Income from factoring and clearing	-	-	-	-	-	-	52,871	-	-	52,871
Other income	224,543	188,680	-	2,712	8,526	44,485	240,292	123	(1,175)	708,186
Total income	19,323,523	3,897,594	2,578,908	633,341	501,575	635,354	318,196	487,026	(276,783)	28,098,734
Increase in insurance liabilities and payments in respect of insurance contracts	17,087,723	3,442,141	2,060,741	67,411	-	-	-	-	-	22,658,016
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	50,414	115,238	636,440	-	-	-	-	-	-	802,092
Payments and change in liabilities in respect of insurance contracts and investment contracts - retention	17,037,309	3,326,903	1,424,301	67,411	-	-	-	-	-	21,855,924
Fees and commissions and other purchase expenses	531,826	424,718	629,755	219,693	62,862	8,905	1,754	196	(183,634)	1,696,075
General and administrative expenses	399,875	150,508	132,198	274,197	313,769	337,422	43,347	81,170	(57,169)	1,675,317
Other expenses	15,127	-	-	16,185	12,000	18,691	4,059	1,845	(453)	67,454
Finance expenses (income)	28,877	2,607	(1,507)	7,406	6,706	2,049	10,610	182,784	(21,530)	218,002
Total expenses	18,013,014	3,904,736	2,184,747	584,892	395,337	367,067	59,770	265,995	(262,786)	25,512,772
Company's share in the net results of investees	93,614	8,624	497	-	4,860	4,539	(630)	-	-	111,504
Profit before income tax	1,404,123	1,482	394,658	48,449	111,098	272,826	257,796	221,031	(13,997)	2,697,466
Other comprehensive income (loss) before taxes on income	130,548	6,756	90,708	-	2,060	(645)	(425)	307,613	-	536,615
Total comprehensive income before taxes on income	1,534,671	8,238	485,366	48,449	113,158	272,181	257,371	528,644	(13,997)	3,234,081
	As of December 31, 2021									
	Audited									
	NIS thousand									
Liabilities, gross in respect of insurance contracts and yield-dependent investment contracts	89,264,766	6,363,818	-	-	-	-	-	-	-	95,628,584
Liabilities, gross in respect of insurance contracts and non-yield-dependent investment contracts	12,350,253	5,104,796	6,708,588	949,349	-	-	-	-	-	25,112,986

(a) For additional data regarding the life insurance and savings subsegments, please see Section B below.
(b) For additional data regarding the health insurance subsegments, please see Section C below.
(c) For additional data regarding the property and casualty insurance subsegments, please see Section d below.
(d) For more information regarding the pension and provident subsegments, please see Section E below.
(e) Arises from commission income received from agencies owned by the group, mainly from activities in the life insurance and savings.

NOTE 3 – OPERATING SEGMENTS (cont.)

B. Additional data regarding the life insurance and long-term savings segment

Breakdown of results by type of policy

Data for the nine-month period ended September 30, 2022:

	Policies including a savings component (including appendices) by policy issuance date			Policies without a savings component sold as a single policy		
	Until 1990 (1)	Until 2003	Since 2004 Yield-dependent	Individual	Group	Total
			Unaudited			
			NIS thousand			
Gross premiums	44,527	886,711	2,870,892	459,700	91,142	4,352,972
Proceeds in respect of investment contracts credited directly to insurance reserves (4)	-	-	6,056,013	-	-	6,056,013
Financial margin including management fees (2)	(78,597)	148,197 (3)	301,740	-	-	371,340
Payments and change in liabilities in respect of insurance contracts, gross	320,719	(1,806,415) (5)	397,514 (5)	249,481	78,590	(760,111)
Payments and change in liabilities for investment contracts	-	-	(1,565,202) (5)	-	-	(1,565,202)
Total payments and change in liabilities from life insurance and long-term savings						(2,325,313)
Total comprehensive income (loss) from life insurance and savings business	405,985 (6)	88,484 (6)	(26,671)	18,144	9,970	495,912

(1) Products issued until 1990 (including increases in respect thereof) were mainly guaranteed return policies that were backed mainly by designated bonds.

(2) The financial margin does not include additional income of the Company collected as a percentage of the premium and is calculated before deducting investment management expenses. The financial margin in guaranteed return policies is based on actual investment income, for the reporting year, less the product of the annual guaranteed rate of return, multiplied by the average reserve per year in the various insurance reserves. In this matter, investment income also includes the change in the fair value of available-for-sale financial assets that is charged to the statement of comprehensive income. In yield-dependent contracts, the financial margin is the total fixed and variable management fees calculated on the basis of the yield and average balance of insurance reserves.

(3) As of September 30, 2022, the estimated management fees which were not collected due to negative yield in respect of participating policies amounted to approximately NIS 672 million. As of the report publication date, the estimated management fees which will not be collected amounted to approximately NIS 636 million.

(4) Mainly proceeds of non-recurring deposits.

(5) This amount includes investment income or losses carried to participating policies. For further details, please see Note 8B.

(6) Includes a profit in respect of the effect of the changes in assumptions, life tables, discount interest rate in the calculation of the supplementary retirement pension reserve and paid pensions totaling approximately NIS 588 million, before tax. For further details, please see Note 8A.

NOTE 3 – OPERATING SEGMENTS (cont.)

B. Additional data regarding the life insurance and long-term savings segment (cont.)

Breakdown of results by type of policy (cont.)

Data for the nine-month period ended September 30, 2021:

	Policies including a savings component (including appendices) by policy issuance date			Policies without a savings component sold as a single policy		
			Since 2004			
	Until 1990 (1)	Until 2003	Yield-dependent	Individual	Group	Total
	Unaudited					
	NIS thousand					
Gross premiums	47,702	846,478	2,544,699	432,548	95,089	3,966,516
Proceeds in respect of investment contracts credited directly to insurance reserves (4)	-	-	4,643,151	-	-	4,643,151
Financial margin including management fees (2)	312,402	568,766 (3)	247,652	-	-	1,128,820
Payments and change in liabilities in respect of insurance contracts, gross	597,133	4,538,832 (5)	5,527,064 (5)	116,582	83,664	10,863,275
Payments and change in liabilities for investment contracts	-	-	1,018,252 (5)	-	-	1,018,252
Total payments and change in liabilities from life insurance and long-term savings						11,881,527
Total comprehensive income (loss) from life insurance business	253,470 (6)	432,986 (6)	(3,896)	165,490	18,314	866,364

(1) Products issued until 1990 (including increases in respect thereof) were mainly guaranteed return policies that were backed mainly by designated bonds.

(2) The financial margin does not include additional income of the Company collected as a percentage of the premium and is calculated before deducting investment management expenses. The financial margin in guaranteed return policies is based on actual investment income, for the reporting year, less the product of the annual guaranteed rate of return, multiplied by the average reserve per year in the various insurance reserves. In this matter, investment income also includes the change in the fair value of available-for-sale financial assets that is charged to the statement of comprehensive income. In yield-dependent contracts, the financial margin is the total fixed and variable management fees calculated on the basis of the yield and average balance of insurance reserves.

(3) In the nine-month period ended September 30, 2021, variable management fees in respect of participating policies in the amount of approximately NIS 427 million were charged.

(4) Mainly proceeds of non-recurring deposits.

(5) This amount includes investment income or losses carried to participating policies.

(6) Includes a profit in respect of the effect of the changes in assumptions and the effect of the change in the discount rate in the calculation of the supplementary retirement pension reserve and paid pensions totaling approximately NIS 84 million, before tax.

NOTE 3 – OPERATING SEGMENTS (cont.)

B. Additional data regarding the life insurance and long-term savings segment (cont.)

Breakdown of results by type of policy (cont.)

For the three-month period ended September 30, 2022:

	Policies including a savings component (including appendices) by policy issuance date			Policies without a savings component sold as a single policy		
	---		Since 2004			
	Until 1990 (1)	Until 2003	Yield-dependent	Individual	Group	Total
	Unaudited					
	NIS thousand					
Gross premiums	15,418	301,757	932,429	156,722	30,126	1,436,452
Proceeds in respect of investment contracts credited directly to insurance reserves (4)	-	-	1,533,783	-	-	1,533,783
Financial margin including management fees (2)	(34,242)	48,153 (3)	103,798	-	-	117,709
Payments and change in liabilities in respect of insurance contracts, gross	193,642	(266,234) (5)	377,866 (5)	79,450	23,952	408,676
Payments and change in liabilities for investment contracts	-	-	(387,002) (5)	-	-	(387,002)
Total payments and change in liabilities from life insurance and long-term savings						21,674
Total comprehensive income (loss) from life insurance and savings business	19,581 (6)	6,708 (6)	(17,121)	4,779	4,466	18,413

(1) Products issued until 1990 (including increases in respect thereof) were mainly guaranteed return policies that were backed mainly by designated bonds.

(2) The financial margin does not include additional income of the Company collected as a percentage of the premium and is calculated before deducting investment management expenses. The financial margin in guaranteed return policies is based on actual investment income, for the reporting year, less the product of the annual guaranteed rate of return, multiplied by the average reserve per year in the various insurance reserves. In this matter, investment income also includes the change in the fair value of available-for-sale financial assets that is charged to the statement of comprehensive income. In yield-dependent contracts, the financial margin is the total fixed and variable management fees calculated on the basis of the yield and average balance of insurance reserves.

(3) As of September 30, 2022, the estimated management fees which were not collected due to negative yield in respect of participating policies amounted to approximately NIS 672 million. As of the report publication date, the estimated management fees which will not be collected amounted to approximately NIS 636 million.

(4) Mainly proceeds of non-recurring deposits.

(5) This amount includes investment income or losses carried to participating policies. For further details, please see Note 8B.

(6) Includes a profit in respect of the effect of the change in the calculation of the supplementary retirement pension reserve and paid pensions totaling approximately NIS 93 million, before tax. For further details, please see Note 8A.

NOTE 3 – OPERATING SEGMENTS (cont.)

B. Additional data regarding the life insurance and long-term savings segment (cont.)

Breakdown of results by type of policy (cont.)

For the three-month period ended September 30, 2021:

	Policies including a savings component (including appendices) by policy issuance date ---			Policies without a savings component sold as a single policy		
	Until 1990 (1)	Until 2003	Since 2004 Yield-dependent	Individual	Group	Total
	Unaudited NIS thousand					
Gross premiums	15,878	287,527	888,120	147,276	32,174	1,370,975
Proceeds in respect of investment contracts credited directly to insurance reserves (4)	-	-	1,869,117	-	-	1,869,117
Financial margin including management fees (2)	78,912	104,591 (3)	82,080	-	-	265,583
Payments and change in liabilities in respect of insurance contracts, gross	196,644	936,887 (5)	1,286,549 (5)	62,561	26,636	2,509,277
Payments and change in liabilities for investment contracts	-	-	135,028 (5)	-	-	135,028
Total payments and change in liabilities from life insurance and long-term savings						2,644,305
Total comprehensive income (loss) from life insurance and savings business	69,716 (6)	106,826 (6)	(12,031)	33,258	6,191	203,960

(1) Products issued until 1990 (including increases in respect thereof) were mainly guaranteed return policies that were backed mainly by designated bonds.

(2) The financial margin does not include additional income of the Company collected as a percentage of the premium and is calculated before deducting investment management expenses. The financial margin in guaranteed return policies is based on actual investment income, for the reporting year, less the product of the annual guaranteed rate of return, multiplied by the average reserve per year in the various insurance reserves. In this matter, investment income also includes the change in the fair value of available-for-sale financial assets that is charged to the statement of comprehensive income. In yield-dependent contracts, the financial margin is the total fixed and variable management fees calculated on the basis of the yield and average balance of insurance reserves.

(3) In the three-month period ended September 30, 2021, variable management fees in respect of participating policies in the amount of approximately NIS 55 million were charged.

(4) Mainly proceeds of non-recurring deposits.

(5) This amount includes investment income or losses carried to participating policies.

(6) Includes a profit in respect of the effect of the change in the calculation of the supplementary retirement pension reserve and paid pensions totaling approximately NIS 84 million, before tax.

NOTE 3 – OPERATING SEGMENTS (cont.)

B. Additional data regarding the life insurance and long-term savings segment (cont.)

Breakdown of results by type of policy (cont.)

Data for the year ended December 31, 2021:

	Policies including a savings component (including appendices) by policy issuance date			Policies without a savings component sold as a single policy		
	---		Since 2004			
	Until 1990 (1)	Until 2003	Yield-dependent	Individual	Group	Total
	Audited					
	NIS thousand					
Gross premiums	64,365	1,137,563	3,514,704	579,192	127,011	5,422,835
Proceeds in respect of investment contracts credited directly to insurance reserves (4)	-	-	7,757,707	-	-	7,757,707
Financial margin including management fees (2)	824,875	869,244 (3)	347,578	-	-	2,041,697
Payments and change in liabilities in respect of insurance contracts, gross	767,923	6,617,590 (5)	7,778,546 (5)	209,818	118,551	15,492,428
Payments and change in liabilities for investment contracts	-	-	1,595,295 (5)	-	-	1,595,295
Total payments and change in liabilities from life insurance and long-term savings						17,087,723
Total comprehensive income from life insurance business	652,883 (6)	664,113 (6)	9,322	183,359	24,994	1,534,671

(1) Products issued until 1990 (including increases in respect thereof) were mainly guaranteed return policies that were backed mainly by designated bonds.

(2) The financial margin does not include additional income of the Company collected as a percentage of the premium and is calculated before deducting investment management expenses. The financial margin in guaranteed return policies is based on actual investment income, for the reporting year, less the product of the annual guaranteed rate of return, multiplied by the average reserve per year in the various insurance reserves. In this matter, investment income also includes the change in the fair value of available-for-sale financial assets that is charged to the statement of comprehensive income. In yield-dependent contracts, the financial margin is the total fixed and variable management fees calculated on the basis of the yield and average balance of insurance reserves.

(3) In 2021, variable management fees in respect of participating policies in the amount of approximately NIS 681 million were charged.

(4) Mainly proceeds of non-recurring deposits.

(5) This amount includes investment income or losses carried to participating policies.

(6) Includes a profit in respect of the effect of the changes in assumptions and the effect of the change in the discount rate in the calculation of the supplementary retirement pension reserve and paid pensions totaling approximately NIS 100 million. For further details, please see Note 8A.

NOTE 3 – OPERATING SEGMENTS (cont.)

C. Additional data regarding the health insurance segment

	For the 9-month period ended September 30, 2022				
	Long-term care		Other (2)		
	Individual	Group	Long-term	Short-term	Total
	Unaudited				
	NIS thousand				
Gross premiums	200,098	822,232	1,187,346(1)	107,394(1)	2,317,069
Payments and change in liabilities in respect of insurance contracts, gross	(589,036)	(93,856)	768,548	56,565	142,221
Total comprehensive income from the health insurance business	814,410(3)	61,400 (3)	65,511	7,144	948,465

(1) Of this, individual premiums in the amount of NIS 808.888 thousand and collective premiums in the amount of NIS 485,852 thousand.

	For the 9-month period ended September 30, 2021				
	Long-term care		Other (2)		
	Individual	Collective (3)	Long-term	Short-term	Total
	Unaudited				
	NIS thousand				
Gross premiums	195,027	730,712	1,084,428(1)	42,129(1)	2,052,296
Payments and change in liabilities in respect of insurance contracts, gross	316,727	1,390,803	386,285	24,800	2,118,615
Total comprehensive income (loss) from health insurance business	(9,084)(3)	(40,570)(3)	228,799	913	180,058

(1) Of this, individual premiums in the amount of NIS 682,999 thousand and collective premiums in the amount of NIS 443,558 thousand.

	For the 3-month period ended September 30, 2022				
	Long-term care		Other (2)		
	Individual	Group	Long-term	Short-term	Total
	Unaudited				
	NIS thousand				
Gross premiums	67,884	280,693	410,291(1)	52,590(1)	811,457
Payments and change in liabilities in respect of insurance contracts, gross	25,853	93,216	256,780	25,102	400,951
Total comprehensive income from health insurance business	51,742(4)	22,336(4)	23,559	7,777	105,414

(1) Of this, individual premiums in the amount of NIS 293,405 thousand and collective premiums in the amount of NIS 169,476 thousand.

NOTE 3 – OPERATING SEGMENTS (cont.)

C. Additional data regarding the health insurance segment (cont.)

	For the 3-month period ended September 30, 2021				
	Long-term care		Other (2)		
	Individual	Collective (3)	Long-term	Short-term	Total
	Unaudited				
	NIS thousand				
Gross premiums	65,345	247,414	355,400(1)	27,574(1)	695,733
Payments and change in liabilities in respect of insurance contracts, gross	(14,491)	300,483	217,952	14,974	518,918
Total comprehensive income (loss) from health insurance business	118,916(4)	2,290(4)	37,413	2,579	161,198

(1) Of this, individual premiums in the amount of NIS 246,191 thousand and collective premiums in the amount of NIS 136,783 thousand.

	For the year ended December 31, 2021				
	Long-term care		Other (2)		
	Individual	Group	Long-term	Short-term	Total
	Audited				
	NIS thousand				
Gross premiums	260,543	982,052	1,433,829(1)	61,440(1)	2,737,864
Payments and change in liabilities in respect of insurance contracts, gross	760,897	1,967,249	677,734	36,261	3,442,141
Total comprehensive income (loss) from health insurance business	(226,341)(4)	(13,965)(4)	249,234	(690)	8,238

(1) Of this, individual premiums in the amount of NIS 924.266 thousand and collective premiums in the amount of NIS 571,003 thousand.

(2) The most material coverage included in other long-term health insurance is medical expenses; in short-term health insurance - travel insurance

(3) The profit in the nine-month period ended September 30, 2022, includes a decrease in the insurance reserves (LAT) in the amount of approximately NIS 821 million, and the loss in the nine-month period ended September 30, 2021 - an increase in LAT of NIS 160 million.

(4) The profit in the three-month period ended September 30, 2022, includes a decrease in the insurance reserves (LAT) in the amount of approximately NIS 56 million, and the loss in the three-month period ended September 30, 2021 - a decrease in LAT of NIS 110 million.

NOTE 3 – OPERATING SEGMENTS (cont.)

D. Additional data regarding the property and casualty insurance segment

	For the 9-month period ended September 30, 2022				
	Compulsory motor insurance	Motor property	Property and other subsegments (*)	Other liability subsegments (**)	Total
	Unaudited				
	NIS thousand				
Gross premiums	560,592	1,113,504	705,557	508,627	2,888,280
Reinsurance premiums	107,804	9	490,261	238,600	836,674
Premiums - retention	452,788	1,113,495	215,296	270,027	2,051,606
Change in unearned premium balance, retention	100,293	159,798	24,742	27,209	312,042
Premiums earned - retention	352,495	953,697	190,554	242,818	1,739,564
Investment income, net and finance income	33,059	8,617	3,609	30,597	75,882
Income from fees and commissions	44,731	215	104,010	29,662	178,618
Total income	430,285	962,529	298,173	303,077	1,994,064
Payments and change in liabilities in respect of insurance contracts, gross	407,054	863,619	184,914	310,940	1,766,527
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	116,723	311	148,314	193,329	458,677
Payments and change in liabilities for insurance contracts - retention	290,331	863,308	36,600	117,611	1,307,850
Fees and commissions, marketing expenses and other purchase expenses	55,296	211,776	146,549	90,632	504,253
General and administrative expenses	20,033	34,099	19,207	16,175	89,514
Finance expenses	11,734	-	1,281	10,860	23,875
Total expenses	377,394	1,109,183	203,637	235,278	1,925,492
Company's share in the net results of investees	430	174	47	398	1,049
Profit (loss) before taxes on income	53,321	(146,480)	94,583	68,197	69,621
Other comprehensive loss before taxes on income	(104,107)	(42,069)	(11,364)	(96,357)	(253,897)
Total comprehensive income (loss) for the period before taxes on income	(50,786)	(188,549)	83,219	(28,160)	(184,276)
Liabilities in respect of insurance contracts, gross, as of September 30, 2022 (unaudited)	3,122,989	1,064,297	729,326	2,427,889	7,344,501
Liabilities in respect of insurance contracts - retention - as of September 30, 2022 (unaudited)	1,946,194	1,064,124	200,583	1,751,666	4,962,567

(*) Property and other insurance subsegments mainly include data from the comprehensive home insurance, comprehensive business insurance and property loss insurance subsegments, whose activity constitutes 81% of total premiums in these subsegments.

(**) Other liability insurance subsegments mainly include data from the following segments: third-party insurance, professional liability insurance and employers' liability insurance, the activity of which constitutes 81% of total premiums in these subsegments.

NOTE 3 – OPERATING SEGMENTS (cont.)

D. Additional data regarding the property and casualty insurance segment (cont.)

	For the 9-month period ended September 30, 2021				
	Compulsory motor insurance	Motor property	Property and other subsegments (*)	Other liability subsegments (**)	Total
	Unaudited				
	NIS thousand				
Gross premiums	503,129	891,442	571,177	447,485	2,413,233
Reinsurance premiums	208,972	1,413	380,850	196,552	787,787
Premiums - retention	294,157	890,029	190,327	250,933	1,625,446
Change in unearned premium balance, retention	49,947	91,246	11,514	16,126	168,833
Premiums earned - retention	244,210	798,783	178,813	234,807	1,456,613
Investment income, net and finance income	126,037	47,360	14,198	121,143	308,738
Income from fees and commissions	60,733	58	87,506	19,836	168,133
Total income	430,980	846,201	280,517	375,786	1,933,484
Payments and change in liabilities in respect of insurance contracts, gross	483,385	595,050	191,171	253,112	1,522,718
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	238,883	689	151,008	88,513	479,093
Payments and change in liabilities for insurance contracts - retention	244,502	594,361	40,163	164,599	1,043,625
Fees and commissions, marketing expenses and other purchase expenses	48,764	185,896	133,786	76,381	444,827
General and administrative expenses	21,323	37,083	19,723	20,392	98,521
Finance expenses	1,177	-	132	1,131	2,440
Total expenses	315,766	817,340	193,804	262,503	1,589,413
Company's share in the net results of investees	(39)	(14)	(4)	(36)	(93)
Profit before income tax	115,175	28,847	86,709	113,247	343,978
Other comprehensive income before taxes on income	47,059	17,850	5,301	45,232	115,442
Total comprehensive income for the period before taxes on income	162,234	46,697	92,010	158,479	459,420
Liabilities in respect of insurance contracts, gross, as of September 30, 2021 (unaudited)	2,974,776	877,976	676,234	2,217,473	6,746,459
Liabilities in respect of insurance contracts - retention - as at September 30, 2021 (unaudited)	1,809,831	876,801	193,420	1,759,649	4,639,701

(*) Property and other insurance subsegments mainly include data from the comprehensive home insurance, comprehensive business insurance and property loss insurance subsegments, whose activity constitutes 81% of total premiums in these subsegments.

(**) Other liability insurance subsegments mainly include data from the following segments: third-party insurance, professional liability insurance and employers' liability insurance, the activity of which constitutes 83% of total premiums in these subsegments.

NOTE 3 – OPERATING SEGMENTS (cont.)

D. Additional data regarding the property and casualty insurance segment (cont.)

	For the 3-month period ended September 30, 2022				
	Compulsory motor insurance	Motor property	Property and other subsegments (*)	Other liability subsegments (**)	Total
	Unaudited				
	NIS thousand				
Gross premiums	187,225	366,461	221,999	155,825	931,510
Reinsurance premiums	36,139	3	151,564	70,881	258,587
Premiums - retention	151,086	366,458	70,435	84,944	672,923
Change in unearned premium balance, retention	20,878	26,140	3,368	(1,155)	49,231
Premiums earned - retention	130,208	340,318	67,067	86,099	623,692
Investment income (losses), net and finance income	(1,042)	(1,664)	98	(1,325)	(3,933)
Income from fees and commissions	12,406	62	34,382	10,503	57,353
Total income	141,572	338,716	101,547	95,277	677,112
Payments and change in liabilities in respect of insurance contracts, gross	77,663	335,374	44,691	39,055	496,783
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	31,748	6	35,109	45,999	112,862
Payments and change in liabilities for insurance contracts - retention	45,915	335,368	9,582	(6,944)	383,921
Fees and commissions, marketing expenses and other purchase expenses	17,603	83,139	52,987	31,495	185,224
General and administrative expenses	6,460	11,271	6,077	4,870	28,678
Finance expenses	2,035	-	282	1,781	4,098
Total expenses	72,013	429,778	68,928	31,202	601,921
Company's share in the net results of investees	1,637	682	171	1,528	4,018
Profit (loss) before taxes on income	71,196	(90,380)	32,790	65,603	79,209
Other comprehensive loss before taxes on income	(12,734)	(3,569)	(1,957)	(10,823)	(29,083)
Total comprehensive income (loss) for the period before taxes on income	58,462	(93,949)	30,833	54,780	50,126
Liabilities in respect of insurance contracts, gross, as of September 30, 2022 (unaudited)	3,122,989	1,064,297	729,326	2,427,889	7,344,501
Liabilities in respect of insurance contracts - retention - as of September 30, 2022 (unaudited)	1,946,194	1,064,124	200,583	1,751,666	4,962,567

(*) Property and other insurance subsegments mainly include data from the comprehensive home insurance, comprehensive business insurance and property loss insurance subsegments, whose activity constitutes 77% of total premiums in these subsegments.

(**) Other liability insurance subsegments mainly include data from the following segments: third-party insurance, professional liability insurance and employers' liability insurance, the activity of which constitutes 83% of total premiums in these subsegments.

NOTE 3 – OPERATING SEGMENTS (cont.)

D. Additional data regarding the property and casualty insurance segment (cont.)

	For the 3-month period ended September 30, 2021				
	Compulsory motor insurance	Motor property	Property and other subsegments (*)	Other liability subsegments (**)	Total
	Unaudited				
	NIS thousand				
Gross premiums	174,447	300,461	182,481	143,087	800,476
Reinsurance premiums	70,540	393	122,261	64,268	257,462
Premiums - retention	103,907	300,068	60,220	78,819	543,014
Change in unearned premium balance, retention	15,789	21,691	(625)	(1,353)	35,502
Premiums earned - retention	88,118	278,377	60,845	80,172	507,512
Investment income, net and finance income	46,214	18,113	5,652	43,716	113,695
Income from fees and commissions	22,265	(11)	31,179	7,531	60,964
Total income	156,597	296,479	97,676	131,419	682,171
Payments and change in liabilities in respect of insurance contracts, gross	158,561	225,373	75,755	99,688	559,377
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	70,309	354	60,612	36,679	167,954
Payments and change in liabilities for insurance contracts - retention	88,252	225,019	15,143	63,009	391,423
Fees and commissions, marketing expenses and other purchase expenses	19,391	65,772	48,935	27,457	161,555
General and administrative expenses	7,229	12,726	6,547	6,461	32,963
Finance income	(271)	-	(23)	(274)	(568)
Total expenses	114,601	303,517	70,602	96,653	585,373
Company's share in the net results of investees	217	82	23	213	535
Profit (loss) before taxes on income	42,213	(6,956)	27,097	34,979	97,333
Other comprehensive loss before taxes on income	(19,487)	(6,983)	(1,824)	(19,316)	(47,610)
Total comprehensive income (loss) for the period before taxes on income	22,726	(13,939)	25,273	15,663	49,723
Liabilities in respect of insurance contracts, gross, as of September 30, 2021 (unaudited)	2,974,776	877,976	676,234	2,217,473	6,746,459
Liabilities in respect of insurance contracts - retention - as at September 30, 2021 (unaudited)	1,809,831	876,801	193,420	1,759,649	4,639,701

(*) Property and other insurance subsegments mainly include data from the comprehensive home insurance, comprehensive business insurance and property loss insurance subsegments, whose activity constitutes 80% of total premiums in these subsegments.

(**) Other liability insurance subsegments mainly include data from the following segments: third-party insurance, professional liability insurance and employers' liability insurance, the activity of which constitutes 84% of total premiums in these subsegments.

NOTE 3 – OPERATING SEGMENTS (cont.)

D. Additional data regarding the property and casualty insurance segment (cont.)

	For the year ended December 31, 2021				
	Compulsory motor insurance	Motor property	Property and other subsegments (*)	Other liability subsegments (**)	Total
	Audited				
	NIS thousand				
Gross premiums	653,843	1,155,436	759,375	586,698	3,155,352
Reinsurance premiums	270,705	1,759	512,033	263,550	1,048,047
Premiums - retention	383,138	1,153,677	247,342	323,148	2,107,305
Change in unearned premium balance, retention	44,160	66,392	3,322	5,410	119,284
Premiums earned - retention	338,978	1,087,285	244,020	317,738	1,988,021
Investment income, net and finance income	146,709	52,820	17,077	140,641	357,247
Income from fees and commissions	80,703	101	124,803	28,033	233,640
Total income	566,390	1,140,206	385,900	486,412	2,578,908
Payments and change in liabilities in respect of insurance contracts, gross	611,086	874,384	254,462	320,809	2,060,741
Reinsurers' share in payments and in changes in liabilities in respect of insurance contracts	314,908	1,035	197,238	123,259	636,440
Payments and change in liabilities for insurance contracts - retention	296,178	873,349	57,224	197,550	1,424,301
Fees and commissions, marketing expenses and other purchase expenses	69,940	262,071	188,009	109,735	629,755
General and administrative expenses	29,325	48,447	27,020	27,406	132,198
Finance income	(726)	-	(85)	(696)	(1,507)
Total expenses	394,717	1,183,867	272,168	333,995	2,184,747
Company's share in the net results of investees	204	73	24	196	497
Profit (loss) before taxes on income	171,877	(43,588)	113,756	152,613	394,658
Other comprehensive income before taxes on income	37,278	13,354	4,339	35,737	90,708
Total comprehensive income (loss) for the period before taxes on income	209,155	(30,234)	118,095	188,350	485,366
Liabilities in respect of insurance contracts, gross, as of December 31, 2021 (audited)	2,974,669	875,937	654,312	2,203,670	6,708,588
Liabilities in respect of insurance contracts - retention - as of December 31, 2021 (audited)	1,772,342	874,770	184,621	1,724,198	4,555,931

(*) Property and other insurance subsegments mainly include data from the comprehensive home insurance, comprehensive business insurance and property loss insurance subsegments, whose activity constitutes 82% of total premiums in these subsegments.

(**) Other liability insurance subsegments mainly include data from the following segments: third-party insurance, professional liability insurance and employers' liability insurance, the activity of which constitutes 82% of total premiums in these subsegments.

NOTE 3 – OPERATING SEGMENTS (cont.)

E. Additional data regarding the pension and provident segment

	For the 9-month period ended September 30, 2022		
	Provident funds	Pension	Total
	Unaudited		
	NIS thousand		
Investment income (losses), net and finance income	73,455	(4,952)	68,503
Income from management fees	311,202	184,353	495,555
Other income (see Note 8L)	14,192	1,132	15,324
Total income	398,849	180,533	579,382
Change in liabilities for investment contracts	77,499	-	77,499
Fees and commissions, marketing expenses and other purchase expenses	127,121	105,314	232,435
General and administrative expenses	106,409	63,663	170,072
Other expenses	13,953	1,374	15,327
Finance expenses	8,105	2,723	10,828
Total expenses	333,087	173,074	506,161
Total comprehensive income for the period before taxes on income	65,762	7,459	73,221

	For the 9-month period ended September 30, 2021 (*)		
	Provident funds	Pension	Total
	Unaudited		
	NIS thousand		
Investment income, net and finance income	63,774	4,290	68,064
Income from management fees	237,976	147,637	385,613
Other income	-	2,435	2,435
Total income	301,750	154,362	456,112
Change in liabilities for investment contracts	54,398	-	54,398
Fees and commissions, marketing expenses and other purchase expenses	84,964	69,070	154,034
General and administrative expenses	122,979	67,468	190,447
Other expenses	10,034	967	11,001
Finance expenses	2,448	539	2,987
Total expenses	274,823	138,044	412,867
Total comprehensive income for the period before taxes on income	26,927	16,318	43,245

(*) As of April 1, 2021, the operating results of provident funds and pension funds management include the results of Halman Aldubi Provident. For further details, please see Note 4A to the Consolidated Annual Financial Statements for 2021.

NOTE 3 – OPERATING SEGMENTS (cont.)

E. Additional data regarding the pension and provident segment (cont.)

	For the 3-month period ended September 30, 2022		
	Provident funds	Pension	Total
	Unaudited		
	NIS thousand		
Investment income (losses), net and finance income	18,607	(933)	17,674
Income from management fees	103,050	64,192	167,242
Other income (see Note 8L)	-	471	471
Total income	121,657	63,730	185,387
Change in liabilities for investment contracts	24,084	-	24,084
Fees and commissions, marketing expenses and other purchase expenses	45,326	36,725	82,051
General and administrative expenses	33,801	22,736	56,537
Other expenses	4,583	458	5,041
Finance expenses	2,377	824	3,201
Total expenses	110,171	60,743	170,914
Total comprehensive income for the period before taxes on income	11,486	2,987	14,473

	For the 3-month period ended September 30, 2021		
	Provident funds	Pension	Total
	Unaudited		
	NIS thousand		
Investment income, net and finance income	21,171	882	22,053
Income from management fees	95,799	49,598	145,397
Other income	-	2,027	2,027
Total income	116,970	52,507	169,477
Change in liabilities for investment contracts	18,852	-	18,852
Fees and commissions, marketing expenses and other purchase expenses	31,313	24,097	55,410
General and administrative expenses	54,043	20,238	74,281
Other expenses	4,951	438	5,389
Finance expenses	844	71	915
Total expenses	110,003	44,844	154,847
Total comprehensive income for the period before taxes on income	6,967	7,663	14,630

NOTE 3 – OPERATING SEGMENTS (cont.)

E. Additional data regarding the pension and provident segment (cont.)

	For the year ended December 31, 2021 (*)		
	Provident funds	Pension	Total
	Audited		
	NIS thousand		
Investment income, net and finance income	77,103	10,584	87,687
Income from management fees	338,699	204,243	542,942
Other income	-	2,712	2,712
Total income	415,802	217,539	633,341
Change in liabilities for investment contracts	67,411	-	67,411
Fees and commissions, marketing expenses and other purchase expenses	123,118	96,575	219,693
General and administrative expenses	177,343	96,854	274,197
Other expenses	15,383	802	16,185
Finance expenses	2,848	4,558	7,406
Total expenses	386,103	198,789	584,892
Total comprehensive income for the period before taxes on income	29,699	18,750	48,449

(*) As of April 1, 2021, the operating results of provident funds and pension funds management include the results of Halman Aldubi Provident. For further details, please see Note 4A to the Consolidated Annual Financial Statements for 2021.

NOTE 4 – BUSINESS COMBINATIONS

A. Assuming control in The Phoenix Capital Ltd.

1. General

In March 2022, the Company updated the targets of the multi-year strategic plan. As part of the implementation of the strategic plan, the Company took the following steps during the reporting period:

A. Completing the restructuring of The Phoenix Advanced Investments.

The Company took steps to holds all alternative investments of The Phoenix group under The Phoenix Advanced Investments Ltd. Accordingly, in the reporting period, various steps were taken in order to achieve the above, including: The distribution, as a dividend in kind from The Phoenix Advanced Investments Ltd. of Quality Pension Insurance Agency (2017) Ltd., and 16% of The Phoenix Pension and Provident's shares it held, and the sale of The Phoenix IEC Central Fund Ltd. (formerly - Halman-Aldubi IEC Gemel Ltd.) to the Company. Concurrently, the Company's holdings in The Phoenix Advanced Investments were transferred to The Phoenix Investments, and the holdings of The Phoenix Investments in The Phoenix Capital Ltd. (hereinafter - the "Phoenix Capital") and the Phoenix Investment Funds Ltd. (which manage the activity of alternative investment funds) were transferred to The Phoenix Advanced Investments.

B. Amendment to a Shareholders Agreement in The Phoenix Capital Ltd.

The Company has an indirect 65% stake in The Phoenix Capital, which is engaged in the establishment, management and distribution of alternative investment funds. The Phoenix Capital's activity constitutes a part of the Company's strategic plan to achieve growth in the area of investment management in general, and in the area of establishing, management and distribution of alternative investment funds in particular. The remaining holdings in The Phoenix Capital are held by Safra Consultation and Investments Ltd. (hereinafter - "Safra"). The parties have in place a shareholders agreement that regulates the management of The Phoenix Capital; the said agreement stipulates, among other things, that decisions in The Phoenix Capital will be made jointly, despite the fact that the parties' stakes in the company are not equal.

On June 29, 2022, the parties signed an addendum to the agreement, which regulated issues which are not material to the Company; the addendum also regulates the manner by which The Phoenix Capital is managed; among other things, and as part of the implementation of the Company's strategic plan, the addendum made changes to the decision-making processes in The Phoenix Capital, such that decisions are made based on the parties' stake in the company. As a result of the said amendment, the latter changed the recording of its holding in The Phoenix Capital from joint control to control.

A valuation of The Phoenix Capital was carried out by an independent external appraiser on July 27, 2022. The valuation was based on the fair value calculated in accordance with the discounted cash flow method (DCF). The value was calculated for each of the segments comprising The Phoenix Capital's activity. The future cash flows that the activity is expected to generate were foretasted based on a reasonable scenario, with a growth assumption of 2%-3%, and were discounted using a 16% discount rate.

The Company recognized in its financial statements in the second quarter of 2022, a one-off pre-tax and post-tax capital gain of NIS 86 million as a result of assuming control.

NOTE 4 – BUSINESS COMBINATIONS (cont.)

A. Assuming control in The Phoenix Capital Ltd. (cont.)

2. The Phoenix Capital business combination

The Company recognized the fair value of the assets acquired and the liabilities assumed as part of the business combination according to a provisional measurement. As of the date of approval of the financial statements, a final valuation has not yet been received by an external appraiser in relation to the fair value of the identified assets acquired and the liabilities assumed. A final adjustment of the consideration for the purchase as well as the fair value of the assets and liabilities purchased can be carried out up to 12 months from the date of purchase. At the final measurement date, the adjustments were made by way of a restating the comparative results previously reported according to the provisional measurement. The Company has opted to measure the non-controlling interests in the acquired company according to the proportionate share of the non-controlling interests in the fair value of the net identified assets of the acquiree.

The fair value of The Phoenix Capital's identifiable assets and identifiable liabilities on consolidation commencement date (June 30, 2022):

	Unaudited (in NIS thousand)
Intangible assets	34,640
Receivables and debit balances	5,226
Investment in an associate	74,732
Cash and cash equivalents	3,800
Total assets	**118,398**
Payables and credit balances	(1,797)
Total liabilities	**(1,797)**
Identifiable assets net of identifiable liabilities	**116,601**
Non-controlling interests	(45,474)
Balance of investment in investee prior to the acquisition	(5,407)
Gain from assuming control	(86,850)
Goodwill arising from the acquisition	21,130
Total acquisition cost	**-**

	Unaudited (in NIS thousand)
Cash arising from the acquisition (used as acquisition proceeds):	
Cash and cash equivalents in the acquiree as of the acquisition date	3,800
Cash paid as acquisition proceeds	-
Cash, net	**3,800**

As stated above, the date on which control was assumed is June 30, 2022, and therefore the results of The Phoenix Capital in the financial services segment until the said assumption of control were included in the net results of investees line item. In addition, the one-off gain from assuming control in the amount of NIS 86 million was imputed to other income.

NOTE 4 – BUSINESS COMBINATIONS (cont.)

B. Assuming control in Dorbit Insurance Agency (1999) Ltd.

During the second quarter of 2022, the Company completed a transaction for the acquisition of a further 20% stake in Dorbit Insurance Agency (1999) Ltd. (hereinafter - "Dorbit"), such that subsequent to the acquisition, the Company holds indirectly 70% of Dorbit's shares. Subsequent to the completion of the transaction, and as a result of assuming control in Dorbit, a consolidated company of The Phoenix Agencies (hereinafter - the "Company") recognized a pre and post-tax profit of NIS 22 million.

As of the report date, the Company recognized the fair value of the assets acquired and the liabilities assumed as part of the business combination according to a provisional measurement. As of the date of approval of the financial statements, a final valuation has not yet been received by an external appraiser in relation to the fair value of the identified assets acquired and the liabilities assumed. A final adjustment of the consideration for the purchase as well as the fair value of the assets and liabilities purchased can be carried out up to 12 months from the date of purchase. At the time of the final measurement, the adjustments are made by way of a restating the comparison figures previously reported according to the provisional measurement. Accordingly, as part of the business combination, the Company included intangible assets comprising insurance portfolios totaling NIS 18 million, goodwill totaling NIS 23 million and other net assets whose amount is immaterial.

C. Acquisitions by consolidated companies of The Phoenix Agencies

Further to what is stated in Section B above, during the reporting period, consolidated companies of The Phoenix Agencies acquired insurance agencies/ assumed control for the first time in insurance agencies. As a result of those acquisitions, the Company recognized intangible assets at the total amount of NIS 50 million.

NOTE 5 – FINANCIAL INSTRUMENTS

A. Assets for yield-dependent contracts

1. Following is a breakdown of assets held against insurance contracts and investment contracts presented at fair value through profit and loss:

	As of September 30		As of December 31
	2022	2021	2021
	Unaudited		Audited
	NIS thousand		
Investment property	1,926,633	1,982,330	2,062,862
Financial investments:			
Liquid debt assets	20,467,588	21,686,303	22,194,850
Illiquid debt assets	8,762,624	7,560,379	8,100,882
Shares	20,749,140	22,064,132	24,884,732
Other financial investments	27,719,383	24,721,888	25,918,195
Total financial investments	77,698,735	76,032,702	81,098,659
Cash and cash equivalents	15,931,737	12,603,655	13,785,593
Other	184,308	189,821	169,549
Total assets for yield-dependent contracts	**95,741,413**	**90,808,508**	**97,116,663**

2. Fair value of financial assets by level:

The following table presents an analysis of assets held against insurance contracts and investment contracts presented at fair value through profit and loss. The different levels were defined as follows:

Level 1 - fair value measured using quoted prices (unadjusted) in an active market for identical instruments.
Level 2 - fair value measured using observable inputs, either directly or indirectly, that are not included in Level 1 above.
Level 3 - fair value measured using inputs that are not based on observable market inputs.

For financial instruments periodically recognized at fair value, the Company estimates, at the end of each reporting period, whether transfers have been made between the various levels of the fair value hierarchy.

During the reporting periods there were no material transfers between Level 1 and Level 2.

NOTE 5 – FINANCIAL INSTRUMENTS (cont.)

A. Assets for yield-dependent contracts (cont.)

The Company holds the financial instruments measured at fair value according to the following classifications:

	As of September 30, 2022			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Financial investments:				
Liquid debt assets	14,995,807	5,471,781	-	20,467,588
Illiquid debt assets	-	6,950,826	1,811,798	8,762,624
Shares	17,883,003	1,148,034	1,718,103	20,749,140
Other financial investments	9,485,246	1,479,201	16,754,936	27,719,383
Total	**42,364,056**	**15,049,842**	**20,284,837**	**77,698,735**

	As of September 30, 2021			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Financial investments:				
Liquid debt assets	16,173,693	5,512,610	-	21,686,303
Illiquid debt assets	-	5,981,991	1,578,388	7,560,379
Shares	19,754,206	1,077,591	1,232,335	22,064,132
Other financial investments	9,934,979	1,522,653	13,264,256	24,721,888
Total	**45,862,878**	**14,094,845**	**16,074,979**	**76,032,702**

	As of December 31, 2021			
	Level 1	Level 2	Level 3	Total
	Audited			
	NIS thousand			
Financial investments:				
Liquid debt assets	16,866,619	5,328,231	-	22,194,850
Illiquid debt assets	-	6,378,393	1,722,489	8,100,882
Shares	22,087,156	1,174,596	1,622,980	24,884,732
Other financial investments	10,190,662	1,795,948	13,931,585	25,918,195
Total	**49,144,437**	**14,677,168**	**17,277,054**	**81,098,659**

NOTE 5 – FINANCIAL INSTRUMENTS (cont.)

A. Assets for yield-dependent contracts (cont.)

Assets measured at fair value - Level 3

	Fair value measurement at the reporting date				
	Financial assets at fair value through profit and loss				
	Liquid debt assets	Illiquid debt assets	Shares	Other financial investments	Total
	Unaudited				
	NIS thousand				
Balance as of January 1, 2022	-	1,722,489	1,622,980	13,931,585	17,277,054
Total gains (losses) recognized in profit or loss (*)	-	(15,651)	158,188	1,757,779	1,900,316
Purchases	-	1,184,665	267,173	3,150,059	4,601,897
Proceeds from interest and dividend	-	(24,517)	(16,354)	(525,887)	(566,758)
Redemptions / sales	-	(652,279)	-	(1,507,360)	(2,159,639)
Transfers into Level 3 (**)	-	85,126	-	44,212	129,338
Transfers from Level 3 (**)	-	(488,035)	(313,884)	(95,452)	(897,371)
Balance on September 30, 2022	-	1,811,798	1,718,103	16,754,936	20,284,837
(*) Of which: Total unrealized gains (losses) for the period recognized in profit and loss in respect of assets held as of September 30, 2022	-	(53,947)	70,243	1,241,760	1,258,056

(**) Transfers into (from) Level 3:
Transfers from Level 3 stem mainly from securities whose rating changed
Transfers from Level 3 stem mainly from securities whose rating changed and from securities issued for the first time

	Fair value measurement at the reporting date				
	Financial assets at fair value through profit and loss				
	Liquid debt assets	Illiquid debt assets	Shares	Other financial investments	Total
	Unaudited				
	NIS thousand				
Balance as of January 1, 2021	-	1,692,181	1,249,004	10,148,125	13,089,310
Total gains recognized in profit or loss (*)	-	35,371	202,494	1,915,076	2,152,941
Purchases	-	728,119	248,032	3,035,608	4,011,759
Proceeds from interest and dividend	-	(35,988)	(9,841)	(523,083)	(568,912)
Redemptions / sales	-	(554,045)	(85,215)	(1,136,949)	(1,776,209)
Transfers from Level 3 (**)	-	(287,250)	(372,139)	(174,521)	(833,910)
Balance on September 30, 2021	-	1,578,388	1,232,335	13,264,256	16,074,979
(*) Of which: Total unrealized gains for the period recognized in profit and loss in respect of assets held as of September 30, 2021	-	5,530	190,984	1,455,256	1,651,770

(**) Transfers into (from) Level 3:
Transfers from Level 3 stem mainly from securities whose rating changed and from securities issued for the first time.

NOTE 5 – FINANCIAL INSTRUMENTS (cont.)

A. Assets for yield-dependent contracts (cont.)

Assets measured at fair value - Level 3 (cont.)

	Fair value measurement at the reporting date				
	Financial assets at fair value through profit and loss				
	Liquid debt assets	Illiquid debt assets	Shares	Other financial investments	Total
	Unaudited				
	NIS thousand				
Balance as of July 1, 2022	-	2,112,051	1,699,302	16,146,981	19,958,334
Total gains (losses) recognized in profit or loss (*)	-	(30,919)	13,266	(8,678)	(26,331)
Purchases	-	239,105	10,559	1,419,108	1,668,772
Proceeds from interest and dividend	-	(8,568)	(5,024)	(163,844)	(177,436)
Redemptions / sales	-	(270,309)	-	(668,911)	(939,220)
Transfers into Level 3 (**)	-	-	-	44,212	44,212
Transfers from Level 3 (**)	-	(229,562)	-	(13,932)	(243,494)
Balance on September 30, 2022	-	1,811,798	1,718,103	16,754,936	20,284,837
(*) Of which: Total unrealized gains (losses) for the period recognized in profit and loss in respect of assets held as of September 30, 2022	-	(51,361)	8,621	(114,272)	(157,012)

(**) Transfers into (from) Level 3:
Transfers from Level 3 stem mainly from securities whose rating changed.
Transfers from Level 3 stem mainly from securities whose rating changed and from securities issued for the first time.

	Fair value measurement at the reporting date				
	Financial assets at fair value through profit and loss				
	Liquid debt assets	Illiquid debt assets	Shares	Other financial investments	Total
	Unaudited				
	NIS thousand				
Balance as of July 1, 2021	-	1,502,469	1,224,261	12,356,747	15,083,477
Total gains (losses) recognized in profit or loss (*)	-	(15,372)	139,993	482,442	607,063
Purchases	-	306,617	101,511	836,469	1,244,597
Proceeds from interest and dividend	-	(12,467)	(2,535)	(129,827)	(144,829)
Redemptions / sales	-	(202,859)	(43,618)	(281,575)	(528,052)
Transfers from Level 3 (**)	-	-	(187,277)	-	(187,277)
Balance on September 30, 2021	-	1,578,388	1,232,335	13,264,256	16,074,979
(*) Of which: Total unrealized gains (losses) for the period recognized in profit and loss in respect of assets held as of September 30, 2021	-	(8,970)	137,795	384,487	513,312

(**) Transfers into (from) Level 3:
Transfers from Level 3 stem mainly from securities whose rating changed and from securities issued for the first time.

NOTE 5 – FINANCIAL INSTRUMENTS (cont.)

A. Assets for yield-dependent contracts (cont.)

Assets measured at fair value - Level 3 (cont.)

	Fair value measurement at the reporting date				
	Financial assets at fair value through profit and loss				
	Liquid debt assets	Illiquid debt assets	Shares	Other financial investments	Total
	Audited				
	NIS thousand				
Balance as of January 1, 2021	-	1,692,181	1,249,004	10,148,125	13,089,310
Total gains recognized in profit or loss (*)	-	40,119	521,932	2,225,084	2,787,135
Purchases	-	1,173,964	359,500	4,280,637	5,814,101
Proceeds from interest and dividend	-	(44,814)	(9,948)	(890,187)	(944,949)
Redemptions / sales	-	(851,711)	(125,369)	(1,657,553)	(2,634,633)
Transfers from Level 3 (**)	-	(287,250)	(372,139)	(174,521)	(833,910)
Balance as of December 31, 2021	-	1,722,489	1,622,980	13,931,585	17,277,054
(*) Of which: Total unrealized gains (losses) for the period included in profit and loss in respect of assets - balance held as of December 31, 2021	-	(3,628)	374,098	1,381,647	1,752,117

(**) Transfers into (from) Level 3:
Transfers from Level 3 stem from securities issued for the first time.

B. Other financial investments

1. Illiquid debt assets

Composition:

	As of September 30, 2022	
	Carrying amount	Fair value
	Unaudited	
	NIS thousand	
Loans and receivables		
Designated bonds and treasury deposits (*)	8,567,501	11,607,825
Other non-convertible debt assets, excluding deposits with banks (**)	6,613,266	6,565,369
Deposits with banks	2,562,595	2,580,582
Total illiquid debt assets	17,743,362	20,753,776
Impairments carried to profit and loss (cumulative)	52,251	

(*) The fair value was calculated according to the contractual repayment date.
(**) The change in fair value in the reporting period is mainly attributed to the increase in the risk-free interest rate. See also Note 1C above.

NOTE 5 – FINANCIAL INSTRUMENTS (cont.)

B. Other financial investments (cont.)

1. Illiquid debt assets

Composition:

	As of September 30, 2021	
	Carrying amount	Fair value
	Unaudited	
	NIS thousand	
Loans and receivables		
Designated bonds (*)	8,190,387	12,678,180
Other non-convertible debt assets, excluding deposits with banks	4,609,668	4,917,392
Deposits with banks	1,010,916	1,057,739
Total illiquid debt assets	13,810,971	18,653,311
Impairments carried to profit and loss (cumulative)	61,885	

(*) The fair value was calculated according to the contractual repayment date.

	As of December 31, 2021	
	Carrying amount	Fair value
	Audited	
	NIS thousand	
Loans and receivables		
Designated bonds (*)	8,166,309	12,915,459
Other non-convertible debt assets, excluding deposits with banks	4,806,398	5,084,555
Deposits with banks	991,734	1,034,477
Total illiquid debt assets	13,964,441	19,034,491
Impairments carried to profit and loss (cumulative)	62,220	

(*) The fair value was calculated according to the contractual repayment date.

2. Fair value of financial assets by level

The tables below depict an analysis of the financial instruments presented at fair value. During the reporting periods there were no material transfers between Level 1 and Level 2.

	As of September 30, 2022			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Liquid debt assets	4,349,822	1,818,708	-	6,168,530
Shares	1,807,641	372,780	486,727	2,667,148
Other	695,497	465,967	3,729,397	4,890,861
Total	6,852,960	2,657,455	4,216,124	13,726,539

NOTE 5 – FINANCIAL INSTRUMENTS (cont.)

B. Other financial investments (cont.)

2. Fair value of financial assets by level (cont.)

	As of September 30, 2021			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Liquid debt assets	6,238,137	1,420,128	-	7,658,265
Shares	1,665,744	535,840	300,793	2,502,377
Other	697,927	575,470	2,620,436	3,893,833
Total	8,601,808	2,531,438	2,921,229	14,054,475

	As of December 31, 2021			
	Level 1	Level 2	Level 3	Total
	Audited			
	NIS thousand			
Liquid debt assets	6,078,689	1,394,244	-	7,472,933
Shares	1,782,305	481,559	498,033	2,761,897
Other	1,020,779	615,128	2,863,064	4,498,971
Total	8,881,773	2,490,931	3,361,097	14,733,801

NOTE 5 – FINANCIAL INSTRUMENTS (cont.)

B. Other financial investments (cont.)

Assets measured at fair value - Level 3

	Fair value measurement at the reporting date				
	Financial assets at fair value through profit and loss and available-for-sale financial assets				
	Liquid debt assets	Illiquid debt assets	Shares	Other financial investments	Total
	Unaudited				
	NIS thousand				
Balance as of January 1, 2022	-	-	498,033	2,863,064	3,361,097
Total gains (losses) recognized:					
In profit and loss (*)	-	-	(6,128)	130,633	124,505
In other comprehensive income	-	-	23,607	322,549	346,156
Purchases	-	-	89,166	916,274	1,005,440
Proceeds from interest and dividend	-	-	(1,727)	(105,950)	(107,677)
Redemptions / sales	-	-	-	(379,820)	(379,820)
Transfers from Level 3 (**)	-	-	(116,224)	(17,353)	(133,577)
Balance on September 30, 2022	-	-	486,727	3,729,397	4,216,124
(*) Of which: Total unrealized losses for the period recognized in profit and loss in respect of assets held as of September 30, 2022	-	-	(7,726)	(67,075)	(74,801)

(**) Transfers into (from) Level 3:
Transfers from Level 3 stem mainly from securities whose rating changed and from securities issued for the first time.

	Fair value measurement at the reporting date				
	Financial assets at fair value through profit and loss and available-for-sale financial assets				
	Liquid debt assets	Illiquid debt assets	Shares	Other financial investments	Total
	Unaudited				
	NIS thousand				
Balance as of January 1, 2021	-	-	330,008	2,037,817	2,367,825
Total profits recognized:					
In profit and loss (*)	-	-	16,265	82,719	98,984
In other comprehensive income	-	-	78,440	226,106	304,546
Purchases	-	-	96,414	588,985	685,399
Proceeds from interest and dividend	-	-	(1,388)	(90,735)	(92,123)
Redemptions / sales	-	-	(18,071)	(166,250)	(184,321)
Transfers from Level 3 (**)	-	-	(200,875)	(58,206)	(259,081)
Balance on September 30, 2021	-	-	300,793	2,620,436	2,921,229
(*) Of which: Total unrealized losses for the period recognized in profit and loss in respect of assets held as of September 30, 2021	-	-	(1,311)	(12,797)	(14,108)

(**) Transfers into (from) Level 3:
Transfers from Level 3 stem primarily from a securities issued for the first time.

NOTE 5 – FINANCIAL INSTRUMENTS (cont.)

B. Other financial investments (cont.)

Assets measured at fair value - Level 3 (cont.)

	Fair value measurement at the reporting date				
	Financial assets at fair value through profit and loss and available-for-sale financial assets				
	Liquid debt assets	Illiquid debt assets	Shares	Other financial investments	Total
	Unaudited				
	NIS thousand				
Balance as of July 1, 2022	-	-	491,931	3,453,113	3,945,044
Total gains (losses) recognized:					
In profit and loss (*)	-	-	(2,479)	93,021	90,542
In other comprehensive income	-	-	(2,738)	(9,231)	(11,969)
Purchases	-	-	1,685	453,057	454,742
Proceeds from interest and dividend	-	-	(1,672)	(34,645)	(36,317)
Redemptions / sales	-	-	-	(225,918)	(225,918)
Balance on September 30, 2022	-	-	486,727	3,729,397	4,216,124
(*) Of which: Total unrealized losses for the period recognized in profit and loss in respect of assets held as of September 30, 2022	-	-	(4,027)	(24,180)	(28,207)

	Fair value measurement at the reporting date				
	Financial assets at fair value through profit and loss and available-for-sale financial assets				
	Liquid debt assets	Illiquid debt assets	Shares	Other financial investments	Total
	Unaudited				
	NIS thousand				
Balance as of July 1, 2021	-	-	440,727	2,433,324	2,874,051
Total gains (losses) recognized:					
In profit and loss (*)	-	-	-	20,539	20,539
In other comprehensive income	-	-	(3,545)	50,181	46,636
Purchases	-	-	42,242	193,425	235,667
Proceeds from interest and dividend	-	-	-	(24,720)	(24,720)
Redemptions / sales	-	-	-	(52,313)	(52,313)
Transfers from Level 3 (**)	-	-	(178,631)	-	(178,631)
Balance on September 30, 2021	-	-	300,793	2,620,436	2,921,229
(*) Of which: Total unrealized losses for the period recognized in profit and loss in respect of assets held as of September 30, 2021	-	-	-	(4,837)	(4,837)

NOTE 5 – FINANCIAL INSTRUMENTS (cont.)

B. Other financial investments (cont.)

Assets measured at fair value - Level 3 (cont.)

	Fair value measurement at the reporting date				
	Financial assets at fair value through profit and loss and available-for-sale financial assets				
	Liquid debt assets	Illiquid debt assets	Shares	Other financial investments	Total

	Audited				
	NIS thousand				
Balance as of January 1, 2021	-	-	330,008	2,037,817	2,367,825
Total profits recognized:					
In profit and loss (*)	-	-	18,658	120,906	139,564
In other comprehensive income	-	-	162,902	256,973	419,875
Purchases	-	-	121,831	907,353	1,029,184
Proceeds from interest and dividend	-	-	(1,526)	(156,899)	(158,425)
Redemptions / sales	-	-	(29,189)	(244,880)	(274,069)
Transfers into Level 3 (**)	-	-	96,224	-	96,224
Transfers from Level 3 (**)	-	-	(200,875)	(58,206)	(259,081)
Balance as of December 31, 2021	-	-	498,033	2,863,064	3,361,097
(*) Of which: Total unrealized losses for the period included in profit and loss in respect of assets - balance held as of December 31, 2021	-	-	(339)	(46,271)	(46,610)

(**) Transfers into (from) Level 3:
Transfers into Level 3 stem mainly from securities that were classified from an investment as an associate.
Transfers from Level 3 stem from securities issued for the first time.

C. Credit assets in respect of factoring, clearing and financing

	As of September 30, 2022	As of September 30, 2021	As of December 31, 2021
	Unaudited	Unaudited	Audited
	NIS thousand	NIS thousand	NIS thousand
Trade receivables and checks for collection	1,104,996	744,819	845,079
Credit vouchers	26,309	24,702	14,984
Loans and checks for collection	964,016	500,662	608,405
Credit vouchers for sale	1,281,518	878,688	1,096,965
Provision for doubtful debts	(20,208)	(14,408)	(15,041)
Total	3,356,631	2,134,463	2,550,392

NOTE 5 – FINANCIAL INSTRUMENTS (cont.)

D. Financial liabilities

1. Breakdown of financial liabilities

	As of September 30, 2022	
	Carrying amount	Fair value
	Unaudited	
	NIS thousand	
Financial liabilities presented at amortized cost:		
Short-term credit from banking corporations (1)	715,681	715,681
Loans from non-bank entities (see Note 8F)	819,940	819,940
Bonds (see Notes 8C, 8M, 8N and 8U)	2,019,392	1,905,628
Liability for REPO	139,068	139,068

	As of September 30, 2022	
	Carrying amount	Fair value
	Unaudited	
	NIS thousand	
Subordinated Bonds (2) (see Notes 8K and 8T)	4,067,389	3,962,778
Additional Tier 1 capital subordinated bond (2)	208,770	188,097
Trade receivables for credit cards	1,594,592	1,594,592
Other (3)	34,846	34,846
Total financial liabilities presented at amortized cost	9,599,678	9,360,630
Financial liabilities presented at fair value through profit and loss:		
Derivatives (4)	3,351,393	3,351,393
Liability for short sale of liquid securities	2,611,744	2,611,744
Total financial liabilities presented at fair value through profit and loss	5,963,137	5,963,137
Lease liabilities	116,153	
Total financial liabilities	15,678,968	

1. For information regarding spread transactions involving financial instruments, see Note 8O.
2. The bonds were issued for the purpose of complying with the capital requirements.
3. Mainly provision in respect of deferred consideration and an undertaking to acquire portfolios.
4. Including financial liabilities in respect of yield-dependent contracts totaling approximately NIS 2,593 million.

NOTE 5 – FINANCIAL INSTRUMENTS (cont.)

D. FINANCIAL LIABILITIES (cont.)

1. Breakdown of financial liabilities (cont.)

	As of September 30, 2021	
	Carrying amount	Fair value
	Unaudited	
	NIS thousand	
Financial liabilities presented at amortized cost:		
Loans from banks and other corporations	662,531	662,531
Bonds (1)	1,693,155	1,761,792
Subordinated bonds (1)	3,387,725	3,648,915
Additional Tier 1 capital subordinated bond (1)	199,380	203,545
Liability for REPO	391,441	391,441
Trade receivables for credit cards	1,111,160	1,111,160
Other (2)	29,400	29,400
Total financial liabilities presented at amortized cost	7,474,792	7,808,784
Financial liabilities presented at fair value through profit and loss:		
Derivatives (3)	530,714	530,714
Liability for short sale of liquid securities	736,325	736,325
Total financial liabilities presented at fair value through profit and loss	1,267,039	1,267,039
Lease liabilities	132,470	
Total financial liabilities	8,874,301	

1. The bonds were issued for the purpose of complying with the capital requirements.
2. Mainly provision in respect of an option to acquire an investee.
3. Including financial liabilities in respect of yield-dependent contracts totaling approximately NIS 452 million.

NOTE 5 – FINANCIAL INSTRUMENTS (cont.)

D. FINANCIAL LIABILITIES (cont.)

1. Breakdown of financial liabilities (cont.)

	As of December 31, 2021	
	Carrying amount	Fair value
	Audited	
	NIS thousand	
Financial liabilities presented at amortized cost:		
Short-term credit from banking corporations	159,195	159,195
Loans from non-bank entities	587,500	587,500
Bonds	1,705,853	1,787,052
Subordinated bonds (1)	3,390,114	3,651,204
Subordinated bonds - Additional Tier 1 capital (1)	199,810	216,995
Trade receivables for credit cards	1,433,827	1,433,827
Other (2)	23,428	23,428
Total financial liabilities presented at amortized cost	7,499,727	7,859,201
Financial liabilities presented at fair value through profit and loss:		
Derivatives (3)	361,150	361,150
Liability for short sale of liquid securities	828,576	828,576
Total financial liabilities presented at fair value through profit and loss	1,189,726	1,189,726
Lease liabilities	123,229	
Total financial liabilities	8,812,682	

1. The bonds were issued for the purpose of complying with the capital requirements.
2. Mainly provision in respect of an option to acquire an investee and an undertaking to acquire portfolios.
3. Including financial liabilities in respect of yield-dependent contracts totaling approximately NIS 285 million.

2. Fair value of financial liabilities by level

	As of September 30, 2022			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Liability for short sale of liquid securities	2,611,744	-	-	2,611,744
Derivatives	860,841	2,481,691	8,861	3,351,393
Financial liabilities presented at fair value	3,472,585	2,481,691	8,861	5,963,137

	As of September 30, 2021			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousand			
Liability for short sale of liquid securities	736,325	-	-	736,325
Derivatives	183,293	338,236	9,185	530,714
Financial liabilities presented at fair value	919,618	338,236	9,185	1,267,039

NOTE 5 – FINANCIAL INSTRUMENTS (cont.)

D. FINANCIAL LIABILITIES (cont.)

2. Fair value of financial liabilities by level (cont.)

	As of December 31, 2021			
	Level 1	Level 2	Level 3	Total
	Audited			
	NIS thousand			
Liability for short sale of liquid securities	834,576	-	-	834,576
Derivatives	143,941	211,209	-	355,150
Financial liabilities presented at fair value	978,517	211,209	-	1,189,726

E. Valuation techniques

The fair value of investments traded actively in regulated financial markets is determined based on market prices as of the reporting date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using transactions that were recently made at market terms, reference to the current market value of another instrument which is substantially the same, discounting of cash flows, or other valuation methods.

1. Illiquid debt assets

The fair value of illiquid debt assets, which are measured at fair value through profit and loss, and the fair value of illiquid financial debt assets, for which fair value information is provided solely for disclosure purposes, is determined by discounting the estimated future cash flows from those assets. The discount rates are based primarily on yields on government bonds and spreads of corporate bonds as measured on the TASE. The quoted prices and interest rates used for discounting purposes are determined by a company which won the tender, published by the Ministry of Finance, for the setting up and operating a database of quoted prices and interest rates for institutional entities.

2. Illiquid shares

The fair value of the investment in illiquid shares was estimated using the discounted cash flow model (DCF). The estimate requires management to make certain assumptions regarding the model's data, including expected cash flows, discount rates, credit risk and volatility. The probabilities in respect of the estimates in the range can be measured reliably, and management uses them to determine and evaluate the fair value of these investments in illiquid shares.

3. Derivatives

The Company enters into transactions involving derivative financial instruments with multiple parties, especially financial institutions. The derivatives were valued using valuation models with observable market inputs are mainly interest rate swap contracts and foreign currency forwards. The most frequently used valuation techniques include prices of forwards and swap models using present value calculations. The models combine a number of inputs, including the credit rating of the parties to the financial transaction, spot/forward exchange rates, prices of forward contracts and interest rate curves. All derivative contracts are fully back against cash; therefore, there is no counterparty credit risk and non-performance risk of the Company itself in respect thereof.

NOTE 6 – SHAREHOLDERS' EQUITY AND CAPITAL REQUIREMENTS

A. It is management's policy to maintain a strong capital base in order to retain Company's ability to continue its activities such that it will be able to generate returns to its shareholders and support future business activities. The Phoenix Insurance, the Excellence Group, pension and provident funds management companies and other institutional entities consolidated in the financial statements are subject to capital requirements set by the Commissioner of the Capital Market, Insurance and Savings (hereinafter - the "Commissioner").

B. **Principles of the Solvency II-based Economic Solvency Regime**

The Phoenix Insurance is subject to the Solvency II-based Economic Solvency Regime in accordance with implementation provisions as published in June 2017 and revised in October 2020 (hereinafter - the "Economic Solvency Regime").

Economic solvency ratio

The economic solvency ratio is calculated as the ratio between the insurance company's recognized economic equity and the capital required for solvency purposes.
The recognized economic equity is determined as the sum of the core tier 1 capital derived from the economic balance sheet and debt instruments that include loss absorption mechanisms (Additional Tier 1 capital and Tier 2 capital instrument).

Economic balance sheet items are calculated based on economic value, with insurance liabilities calculated on the basis of a best estimate of all expected future cash flows from existing businesses, without conservatism margins, and plus a risk margin.

The solvency capital requirement (SCR) is designed to estimate the economic equity's exposure to a series of scenarios set out in the Economic Solvency Regime provisions, and which reflect insurance risks, market risks and credit risks as well as operational risks.

The Economic Solvency Regime includes, among other things, transitional provisions in connection with compliance with capital requirements, and which allow increasing the economic capital by deducting from the insurance reserves an amount calculated in accordance with the Economic Solvency Regime provisions (hereinafter - the "Deduction"). The Deduction will decrease gradually until 2032 (hereinafter - the "Transitional Period"). In addition to a reduced capital requirements, that will increase gradually until 2023, in respect of certain investment types.

In accordance with the provisions of the Economic Solvency Regime, the economic solvency ratio report as of the December 31 and June 30 data of each year shall be included in the first periodic report published after the calculation date.
The Phoenix Insurance published its Solvency Ratio Report as of June 30, 2022, along with the publication of the Consolidated Interim Financial Statements as of September 30, 2022.
In accordance with the Solvency Ratio Report as of June 30, 2022 (a calculation which is not audited or reviewed by the independent auditors), The Phoenix Insurance has surplus capital, both when calculation is made having no regard to the transitional provisions and when it is made taking into account the transition provisions.

NOTE 6 – SHAREHOLDERS' EQUITY AND CAPITAL REQUIREMENTS (cont.)

B. Principles of the Solvency II-based Economic Solvency Regime (cont.)

It should be emphasized that the projections and assumptions on the basis of which the economic solvency ratio report was prepared are based mainly on past experience as arising from actuarial studies conducted from time to time. In view of the reforms in the capital market, insurance and savings, and the changes in the economic environment, past data do not necessarily reflect future results. The calculation is sometimes based on assumptions regarding future events, steps taken by management, and the pattern of the future development of the risk margin, that will not necessarily materialize or will materialize in a manner different than the assumptions used in the calculation. Furthermore, actual results may materially vary from the calculation, since the combined scenarios of events may materialize in a manner that is materially different than the assumptions made in the calculation.

For further unaudited and unreviewed information, please see Section 2.1 to the Report of the Board of Directors, and the Economic Solvency Ratio Report as of June 30, 2022, which is attached to The Phoenix Insurance's financial statements as of September 30, 2022.

C. Dividend

According to the letter published by the Commissioner, in October 2017, (hereinafter - the "Letter") an insurance company shall be entitled to distribute a dividend only if, following the distribution, the company has a solvency ratio - according to the provisions of the Economic Solvency Regime - of at least 100%, calculated without taking into account the transitional provisions and subject to the economic solvency ratio target set by the Company's Board of Directors. The aforesaid ratio shall be calculated without the relief granted in respect of the original difference attributed to the acquisition of the provident funds and management companies. In addition, the letter set out provisions for reporting to the Commissioner.

The Phoenix Insurance's Board of Directors has set a minimum economic solvency ratio target and target range based on Solvency II. The economic solvency ratio target range, within which the Company seeks to be during and at the end of the Transitional Period, taking into account the Deduction during the Transitional Period and its gradual reduction is 150%-170%. In addition, the minimum economic solvency ratio target, taking into account the transitional provisions, is set at 135%. In addition, on August 24, 2022, the Company's Board of Directors increased the minimum economic solvency ratio target by 3 percentage points without taking into account the provisions during the Transitional Period - from a rate of 108% to a rate of 111% beginning on June 30, 2022. This minimum economic solvency ratio target is expected to reach 135% at the end of the transitional period, in accordance with the Company's capital plan.

On October 27, 2020, The Phoenix Insurance's Board of Directors approval of the dividend distribution whereby, as from 2021, The Phoenix Insurance shall distribute an annual dividend at a rate of 30% to 50% of its distributable comprehensive income as per its audited annual consolidated financial statements for the relevant year, so long as The Phoenix Insurance meets the minimum economic solvency ratio targets in accordance with Solvency II, as described above.
On March 28, 2022, The Phoenix Insurance's Board of Directors approved a revision of the dividend distribution policy that will apply to future dividend distributions to be made in connection with The Phoenix Insurance's financial results for 2022 and thereafter. According to the update, the rate of dividend will not change, but The Phoenix Insurance will take steps to distribute a dividend twice a year:

- Dividend at the discretion of the Board of Directors on the approval date of the Financial Statements for the second quarter of each calendar year.
- Supplementary dividend in accordance with the policy on the annual report's approval date of each calendar year.

NOTE 6 – SHAREHOLDERS' EQUITY AND CAPITAL REQUIREMENTS (cont.)

C. Dividend (cont.)

It is hereby clarified that this policy should not be viewed as an undertaking by The Phoenix Insurance to distribute dividends, and that any actual distribution shall be individually subject to the Board of Directors' approval, at its sole discretion; the Board of Directors of The Phoenix Insurance may decide on actual distribution at different (higher or lower) rates, or not to distribute any dividend. Furthermore, the execution of any actual distribution shall be subject to compliance with the provisions of the law applicable to any dividend distribution, including, among other things, the provisions of the Companies Law, 1999, and to compliance with the financial covenants The Phoenix Insurance has undertaken or/or will undertake to comply with, to The Phoenix Insurance's having sufficient distributable profits on the relevant dates, to the condition that the distribution shall not adversely affect the terms of The Phoenix Insurance's bonds and/or its cash flows, and to the extent to which The Phoenix Insurance needs cash to finance its activities, including future investments, as shall be from time to time, and/or its expected and/or planned future activities.

The Board of Directors of The Phoenix Insurance may review the dividend distribution policy from time to time and decide, at any given time, taking into account business considerations and the legal and regulatory provisions applicable to The Phoenix Insurance, to change the dividend distribution policy, including the rate of dividend to be distributed.

On March 28, 2022, The Phoenix Insurance's Board of Directors approved the distribution of a NIS 500 million dividend based on the audited solvency ratio report as of December 31, 2020, and on the Company's estimate of the economic solvency ratio as of December 31, 2021. The dividend was paid in April 2022.
On August 24, 2022, The Phoenix Insurance's Board of Directors approved a dividend distribution in the amount of NIS 115 million in respect of the profits for the six-month period ended June 30, 2022, based on the audited solvency ratio report as of December 31, 2021, and an estimate of the economic solvency ratio as of March 31, 2022, as carried out by the Company. The dividend was paid in September 2022.
These results, that were integrated into a revised capital management plan, indicated that the Company meets the minimum capital target set by the Board of Directors as described above. Therefore, the Company met the requirements of the letter published by the Commissioner in October 2017 regarding the restrictions on dividend distribution.

D. Own Risk and Solvency Assessment of an Insurance Company (ORSA)
On January 5, 2022, the Commissioner published an Amendment to the Provisions of the Consolidated Circular - "Reporting to the Commissioner of Capital Market" - Own Risk and Solvency Assessment of an Insurance Company (ORSA) was published (hereinafter - the "Amendment"); the Amendment stipulates that an insurance company shall report to the Commissioner about Own Risk and Solvency Assessment of an Insurance Company (ORSA) once a year - in January. In accordance with the Amendment, the Company shall provide the Commissioner with a report that will include a summary of its results, status of its business and interactions, risk exposure, assessment of solvency and capital requirement, forward-looking valuation, scenarios and sensitivity analyses. The circular's effective date is January 1, 2023.

E. The Company undertook to supplement, at any time, the own capital of The Phoenix Pension and Provident to the amount prescribed by the Income Tax Regulations (Rules for Approval and Management of Provident Funds), 1964.This undertaking will be fulfilled only when The Phoenix Pension and Provident's equity will be negative, provided that the supplement amount does not exceed the liabilities limit as aforesaid; the commitment will be in effect so long as the Company is the controlling shareholder of this entity.

F. The Phoenix Pension and Provident Funds Ltd. is required to maintain minimum equity in accordance with the Supervision of Financial Services Regulations (Provident Funds) (Minimum Equity Required from a Provident Fund or a Pension Fund's Management Company), 2012, and the Commissioner's directives, the directives of the Israel Securities Authority and/or the TASE Rules and Regulations. As of September 30, 2022, the Company complies with those requirements.

NOTE 6 – SHAREHOLDERS' EQUITY AND CAPITAL REQUIREMENTS (cont.)

G. For further details regarding the Company's dividend distribution, please see Notes 8G and 8R.

H. For further details regarding the revision of the Company's dividend distribution, please see Note 8H.

I. For information regarding the acquisition of the Company's treasury shares, see Note 8I.

NOTE 7 – CONTINGENT LIABILITIES AND COMMITMENTS

A. Class actions - petitions to approve lawsuits as class actions and lawsuits approved as class actions

In recent years, there has been a significant increase in the number of petitions to approve class actions filed against the group and in the number of lawsuits recognized as class actions. This is part of an overall increase in petitions to approve class actions in general, including against companies engaged in the group's areas of activity, which stems mainly from the enactment of the Class Actions Law, 2006 (hereinafter - the "Class Actions Law"). This trend substantially increases the group's potential exposure to losses in the event of a ruling against the group companies in class actions.

Petitions to approve class actions are filed through the hearing procedure mechanism set forth in the Class Actions Law. The hearings procedure for petitions to approve class actions is divided into two main stages: The first stage is the approval petition (hereinafter - the "approval petition" or the "approval stage", respectively). If the approval petition is rejected by the court, the hearing stage at the class action level ends. A ruling at the approval stage may be subject to a request for appeal to the appellate courts. In the second stage, if the approval petition is accepted, the class action will be heard (hereinafter - the "class action stage"). A judgment at the class action stage can be appealed to the appellate courts. Within the mechanism of the Class Actions Law, there are, inter alia, specific settlement agreements, both in the approval stage and in the class action stage, as well as arrangements with regard to the plaintiff's withdrawal of the approval petition or class action lawsuit.

In the State of Israel, filing class action lawsuits does not entail payment of a fee derived from the claim amount; therefore, the amounts of such claims may be significantly higher than the actual exposure for that claim.

Petitions to approve lawsuits as class actions (including lawsuits approved as class actions and the approval of which is under appeal) are set out in Sections 1-9, 13-22, 24-30, 32-34, 36-41, 43, 44, 48, 51, 53 to the following table; for such lawsuits, which, in management's opinion - that is based, inter alia, on legal opinions whereby the group's defense claims are more likely than not to be accepted and the petitions to approve the lawsuit as class actions will be rejected - no provision was included in the financial statements, except for petitions to approve class actions in which the group is willing to reach a settlement. For petitions to approve lawsuits as class actions (including lawsuits approved as class actions and the approval of which is under appeal), in which the group's defense claims - in whole or in part - are more likely than not to be rejected, and in which the group is willing to reach a compromise, provisions were included in the financial statements to cover the exposure as assessed by the group or a provision in the amount for which the group is willing to settle, as the case may be.

Management's assessment, which is based, inter alia, on legal opinions received, is included in the financial statements under adequate provisions, where such provisions were required, to cover the exposure as assessed by the group or the amount for which the group is willing to settle, as the case may be.

Many of the petitions to approve lawsuits as class actions have been filed against the group on various matters related to insurance contracts and the group's ordinary course of business, for which the group has allocated insurance reserves.

In petitions to approve lawsuits as class actions as set out in Sections 10-12, 23, 31, 35, 42, 45-47, 49, 50, 52, 54, 55, 56 in the table below, at this preliminary stage, the chances of the petitions to approve lawsuits as class actions cannot be assessed and therefore no provision is included in respect thereof in the Financial Statements.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

A. Class actions - petitions to approve lawsuits as class actions and lawsuits approved as class actions (cont.)

Following is more information about the petitions to approve class actions:

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
1.	January 2008 Tel Aviv District Court The Phoenix Insurance and other insurance companies Approximately NIS 1.67 billion of all defendants, with about NIS 277 million attributed to The Phoenix Insurance.[4]	Unlawful collection of payments known as "sub-annuals" for life insurance policies, in an amount that exceeds the permitted one.	In May 2018, the Supreme Court granted the defendants' motion for leave to appeal and dismissed the plaintiffs' appeal, such that the District Court's judgment was quashed and the motion for approval of the claim as a class action was denied. In July 2019, the Supreme Court upheld the plaintiffs' request for a further hearing on the question set forth in the Judgment regarding the regulator's position filed with the court regarding its instructions, and on the question of de minimis defense in a monetary class action. On July 4, 2021, the Supreme Court handed down its judgment in respect of the further hearing by the Supreme Court (which was concluded at a 4 to 3 majority), whereby the Supreme Court's judgment will be canceled and the District Court's judgment will be reinstated, the approval petition will be allowed and the class action will be heard by the District Court, excluding the specific claims that were raised against The Phoenix Insurance (and another insurance company) regarding the collection of "sub-annuals" in an amount that exceeds the amount permitted by law - claims which were rejected by the court and therefore will not be discussed again by the District Court, and the legal proceedings in respect thereof has ended. The class action continues to be heard in the District Court. A pre-trial hearing is scheduled for January 5, 2023.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.
[4] The amounts were assessed by the plaintiffs in the class action statement of claim. It should be noted that the amounts in the motion to approve the claim as a class action were different and higher; those amounts also referred to the claim of collecting handling fees on policies and interest on annual premium, which is paid in installments, at a rate higher than the rate permitted by law, which, as stated, has been rejected.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

A. Class actions - petitions to approve lawsuits as class actions and lawsuits approved as class actions (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
2.	February 2010 Central District Court The Phoenix Insurance (and other insurance companies in a parallel case, in light of filing a consolidated class action statement of claim) Approximately NIS 1.47 billion of all defendants (including the defendants in the corresponding case), of which approximately NIS 238 million is attributed to The Phoenix Insurance.[4]	The cause of the lawsuit, as approved by the District Court (in the corresponding case) was breach of insurance policies due to unlawful collection of handling fees in a manner that reduced the saving amount accrued in favor of the policyholder for a period starting seven years before the claim was filed.	In November 2016, the District Court - in a parallel case filed against several other insurance companies - partially approved motions to approve the claims as class actions. The class action - both in the corresponding case and in the case heard against The Phoenix Insurance - continues to be heard jointly by the District Court. At the same time, the parties conduct a mediation process. On September 22, 2022, the Court discussed the parties' request in connection with the option of promoting a settlement agreement in the case; thereafter, on September 23, 2022, the Court handed down a resolution whereby the lower threshold for settlement purposes should stand at no less than 40%, and that the parties should inform the Court whether they reached agreements.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.
[4] The amounts are the amounts assessed by the plaintiffs in the consolidated class action statement of claim filed in March 2019 against the insurance companies sued in the corresponding case and against The Phoenix. It should be noted that the amounts in the motion for approval of the claim as a class action were different and higher.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

A. Class actions - petitions to approve lawsuits as class actions and lawsuits approved as class actions (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
3.	May 2013 Tel Aviv District Court The Phoenix Insurance Approximately NIS 220 million or alternatively NIS 90 million.[4]	Non-payment of interest in respect of insurance benefits from the date of the insurance event, or alternatively from the end of 30 days from the date on which the claim was filed and until actual payment date.	In February 2021, the District Court handed down a partial judgment, according to which it has approved the class action, in respect of any entitled party (policyholder, beneficiary or third party), who - during the period starting three years prior to the filing of the lawsuit and ending on judgment date - received insurance benefits from The Phoenix Insurance (not in accordance with a judgment rendered in his case) without being duly paid interest thereon. It was also established that, for the purpose of implementing the judgment, calculation and manner of restitution, an expert will be appointed and that the class plaintiffs will be awarded legal expenses and legal fees. In May 2021, The Phoenix Insurance filed a motion to appeal with the Supreme Court against the judgment handed down by the District Court as well as a motion to stay the execution of the judgment. In June 2021 the Supreme Court issued a motion to stay the execution of the judgment. On November 9, 2022, the Supreme Court handed down a ruling whereby the request for leave to appeal was dismissed, due to, among other things, lack of grounds for judicial intervention at this stage, prior to the final ruling in the case by the District Court; the Supreme Court asserted that the proper way to investigating The Phoenix Insurance's claims is an appeal against the final judgment, to the extent that such an appeal is filed. Accordingly, the proceeding was returned to the District Court, and will continue to be heard there.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.
[4] The amounts are those amounts that were estimated by the plaintiff in the class action statement of claim - NIS 220 million (if it was ruled that interest should be calculated from the date of occurrence of the insurance event) and NIS 90 million (if it is ruled that interest should be calculated starting 30 days from the delivery date of the claim). It should be noted that the amounts in the motion for approval of the class action lawsuit were different and higher and also related to the linkage claim, which was rejected as described above.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
4.	July 2014 Central District Court The Phoenix Pension and Provident Fund Ltd. and management companies of additional pension funds. NIS 48 million from all defendants.	Acting in bad faith when using the right - under the pension fund's rules and regulations - to increase management fees paid by pensioners from the accrual to the maximum amount allowed, as from the date they become pensioners.	On March 18, 2022, the District Court approved the motion to approve the claim as a class action. As part of the approval process it was determined that the group on behalf of which the class action will be conducted will include any person who is a planholder in a new comprehensive pension fund, which is among the defendants, where such planholder is entitled to receive old-age pension; it was also determined that the questions for discussion are whether the defendants should have given planholders advance notice regarding the management fees that will be collected from them during the pension period, and if so - what is the damage caused as a result of not issuing such notice. The class action continues to be heard in the District Court, and a pre-trial hearing was scheduled for December 18, 2022.
5.	June 2015 Beer Sheva District Court The Phoenix Insurance Approximately NIS 125 million.	The cause of action, as approved by the District Court, is a violation of the provisions of the policy regarding special compensation (reimbursement) for performing surgery in a private hospital funded by "additional insurance services" (SHABAN) and the questions common to the group members are: what is the value of the commitment form on behalf of a health maintenance organization in respect of a privately-owned hospital (Form 17), according to which the amount to be reimbursed to the policyholder is calculated; how The Phoenix Insurance in effect calculated the amount reimbursed to policyholders who underwent surgeries as part of SHABAN; and whether The Phoenix Insurance violated the provisions of the policy, and did not reimburse the full amount to the policyholders.	In December 2019, the District Court approved the motion to approve the claim as a class action lawsuit. The group on whose behalf the class action will be conducted will include all policyholders who were insured under a health insurance policy with The Phoenix Insurance, which included a reimbursement arrangement for performing surgery at a private hospital funded by SHABAN, based on a commitment form/Form 17, and in respect of whom an insurance event occurred from June 25, 2012 through June 25, 2015. The parties are in a mediation procedure.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.
[4] The amounts are those amounts that were estimated by the plaintiff in the class action statement of claim - NIS 220 million (if it was ruled that interest should be calculated from the date of occurrence of the insurance event) and NIS 90 million (if it is ruled that interest should be calculated starting 30 days from the delivery date of the claim). It should be noted that the amounts in the motion for approval of the class action lawsuit were different and higher and also related to the linkage claim, which was rejected as described above.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

A. Class actions - petitions to approve lawsuits as class actions and lawsuits approved as class actions (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
6.	December 2015 Tel Aviv District Court The Phoenix Insurance and another insurance company Approximately NIS 100 million from all defendants, of which NIS 50 million is attributed to The Phoenix Insurance.	Alleged unlawful collection of "sub-annuals" in life insurance at a rate that is higher than the permitted one.	In May 2020, the court issued a ruling rejecting the motion for approval of the claim as a class action, on the grounds that the plaintiffs do not have a cause of action. In September 2020, the plaintiff filed an appeal with the Supreme Court. An appeal hearing is scheduled for December 8, 2022.
7.	February 2016 Central District Court The Phoenix Insurance NIS 100 million.	The plaintiffs argue that The Phoenix Insurance does not link the payments it must pay policyholders under life insurance policies (which it issued until July 19 1984) due to an insurance event or due to the redemption of the policy, to the correct basic CPI in accordance with the linkage terms and conditions set out in the policies; i.e., the latest CPI published before the first of the month in which the insurance term begins; the plaintiffs argue that this has a significant effect on the benefits to which the policyholders will be entitled.	The parties are in a mediation procedure.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

A. Class actions - petitions to approve lawsuits as class actions and lawsuits approved as class actions (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
The motions to approve the lawsuits as class actions that appear in Sections 8-12 below were submitted on the grounds of unlawful collection of investment management expenses which are not sanctioned by the policies or bylaws.			
8.	September 2016 Central District Court The Phoenix Insurance NIS 14.7 million.	Collecting investment management expenses in the individual saving policy Excellence Invest in addition to collecting management fees, without a provision in the policy expressly permitting to do so.	In May 2019, the District Court approved the motion to approve as a class action the claim filed against The Phoenix Insurance and three other insurance companies (hereinafter - the "Defendants"), for breaching the provisions of the insurance policy due to unlawful collection of investment management expenses. The class on whose behalf the class action lawsuit against The Phoenix Insurance will be conducted includes all policyholders of the individual savings policy Excellence Invest issued by The Phoenix Insurance at present and in the seven years prior to the date of submission of the motion for approval as class action. The remedies claimed are the reimbursement of the investment management expenses that were overcharged in addition to interest differentials; and an order directing the defendants to stop collecting such fees. In September 2019, The Phoenix Insurance (along with the other defendants) filed a motion for leave to appeal to the Supreme Court against the decision approving the class action lawsuit. At the request of the Supreme Court, on August 13, 2020, the Attorney General submitted his position on the proceedings and announced his attendance. According to the position, the Attorney General is of the opinion that the court should accept the motion for leave to appeal and the appeal itself and order the rejection of the motions for approval as class actions, for the reasons set out in the position. A hearing on the request for leave to appeal took place on February 11, 2021. In January 2022, the Attorney General submitted his position regarding the proceeding following a final report submitted by the advisory committee to the Capital Market, Insurance and Savings Authority, on the issue of direct expenses, as published in November 2021; the Attorney General noted that the request for leave to appeal and the appeal itself should be allowed, and in this respect, the motions for certification of the lawsuits as class actions must be rejected, and that there is nothing in the report that affects the decision made in the proceeding and it may even support his position. The other parties have also submitted their response to the position of the Attorney General and to the committee's report. The parties await the judgment. At this point, the hearing on the class action in the District Court was postponed. It should be noted that requests for approval of class actions regarding investment management expenses are also pending against Excellence Gemel (please see Section 9 in the table below), The Phoenix Insurance (see Section 10 in the table below) and Halman Aldubi Provident and Pension Funds Ltd. (see Sections 11 and 12 in the table below).

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

A. Class actions - petitions to approve lawsuits as class actions and lawsuits approved as class actions (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
9.	November 2016 Jerusalem Regional Labor Court Excellence Nessuah Gemel Ltd. (currently: The Phoenix Pension and Provident Fund Ltd.) Approximately NIS 215 million.	The plaintiffs argue that under the rules and regulations of the Excellence Gemel provident fund, which were in effect until January 1, 2016, and according to the rules and regulations of the Excellence Advanced Education fund, Excellence Gemel may not collect investment management expenses from planholders, since collection of such expenses had to stipulated clearly and expressly in the rules and regulations of the funds.	The court approved the hearing arrangement filed by the parties, according to which the hearings to approve the claim as a class action will be postponed until a decision has been made in connection with the motion for leave to appeal against the May 2019 District Court decision to approve as class actions claims filed for similar causes of action against The Phoenix Insurance, among others (see Section 8 above in the table).
10.	June 2019 Tel Aviv Regional Labor Court The Phoenix Insurance Approximately NIS 351 million.	According to the plaintiff, The Phoenix Insurance charges policyholders of insurance policies which combine a life insurance component and a pension saving component (executive insurance) for investment management expenses without such charges being included in the terms and conditions of the policy.	The Phoenix Insurance has yet to submit its response to the petition to approve the class action lawsuit. In October 2022, the Court stayed the proceedings until after a decision is made regarding the motion to appeal described in Section 8 above.
11.	June 2019 Jerusalem Regional Labor Court Halman Aldubi Provident and Pension Funds Ltd. (which was merged into The Phoenix Pension and Provident Fund Ltd.) NIS 17.5 million.	The statement of claim alleges that IBI Provident and Study Fund Management Company Ltd. (which was merged with Halman Aldubi on July 1, 2018) charged the plaintiff and the other planholders of the advance education fund under its management, investment management expenses, in addition to the fund management fees, contrary to the fund's bylaws.	Halman Aldubi has not yet submitted its response to the petition to approve the claim as a class action lawsuit; in September 2019, it submitted a motion for a stay of proceedings until a final decision has been made on ten petitions for approval of claims as class action lawsuits which are being heard in Labor Court (including against Excellence Nessuah (see Section 9 above in the table) regarding the collection of management expenses in provident funds and advanced education funds. In March 2022, the Court stayed the proceedings until after a decision is made regarding the motion to appeal described in Section 8 in the table above.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

A. Class actions - petitions to approve lawsuits as class actions and lawsuits approved as class actions (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
12.	July 2019 Jerusalem Regional Labor Court Halman Aldubi Provident and Pension Funds Ltd. (which was merged into The Phoenix Pension and Provident Fund Ltd.) No estimate was provided, but it was noted that the damage to all class members exceeds NIS 3 million.	According to the statement of claim, Halman Aldubi charged the plaintiff and the other planholders of the Halman Aldubi comprehensive pension fund (hereinafter - the "Fund") investment management expenses, in addition to the management fees charged by the Fund, contrary to the Fund's bylaws; the practice continued until May 2017, at which time the Fund's bylaws were changed so as to include the specific provision for charging direct investment management expenses.	Halman Aldubi has not yet submitted its response to the petition to approve the claim as a class action lawsuit; in September 2019, it submitted a motion for a stay of proceedings until a final decision has been made on ten petitions for approval of claims as class action lawsuits which are being heard in Labor Court (including against Excellence Nessuah (see Section 9 above in the table) regarding the collection of management expenses in provident funds and advanced education funds. In March 2022, the Court stayed the proceedings as stated above.
13.	January 2017 Central District Court The Phoenix Insurance and other insurance companies At least approximately NIS 12.25 million in respect of each of the defendants.	According to the plaintiffs, insurance companies overcharge insurance premiums since they do not disclose to policyholders a "practice" in the motor insurance subsegment that allows updating the age of the young driver insured under the policy and/or the years of driving experience when moving into another age bracket and/or years of driving experience bracket which can potentially result in a reduction of the insurance premium. It should be noted that the plaintiffs refer in their claim to a decision approving a motion for approval of a claim as a class action dealing with the same issue and filed against another insurance company, in which the said practice had allegedly been proven.	On March 20, 2022, the Court stayed the proceedings in this case until a judgment is handed down in the appeal that has been filed in a similar class action lawsuit against another insurance company that was rejected (to which the plaintiffs referred in the certification motion).

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

A. Class actions - petitions to approve lawsuits as class actions and lawsuits approved as class actions (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
14.	June 2017 Central District Court The Phoenix Insurance The amount of the claim was not estimated.	The lawsuit is concerned with a claim that service level agreements are marketed and sold, either directly or through agents on behalf of The Phoenix Insurance, in violation of the provisions of the law regarding the marketing and sale procedure of such agreements.	In August 2021, the District Court issued a ruling approving the petition to approve the claim as a class action. The group on behalf of which the class action will be conducted is anyone who had purchased from The Phoenix Insurance, whether directly or through its agents, service level agreements as part of the comprehensive car insurance policy, with The Phoenix Insurance violating the law regarding the marketing and sale of service level agreements, in the period ranging from June 30, 2016 until the date of the ruling. The parties are in a mediation procedure.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

A. Class actions - petitions to approve lawsuits as class actions and lawsuits approved as class actions (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
15.	June 2017 Central District Court (sitting as an Administrative Court). The National Insurance Institute (hereinafter - the "National Insurance Institute") The Phoenix Insurance and additional insurance companies (hereinafter, jointly: the "Official Respondents") The amount of the claim was not estimated.	According to the plaintiffs, the National Insurance Institute collects national insurance contributions and health insurance contributions illegally from the tax-exempt income of class members as defined below, in addition to collecting the minimum rate of health insurance contributions from class members' disability annuity. According to the plaintiffs, the National Insurance Institute overcharges class members for these contributions through the pension fund, the employer or any other third party. The plaintiffs point out that the Official Respondents are entities through which the insurance premiums were collected from the plaintiffs, and clarify that any employer and any entity paying an early pension and any entity paying a PHI benefit in Israel may be in a similar position to that of the Official Respondents. According to the plaintiffs, it is impossible to add all the parties as respondents and the court is asked to consider the Official Respondents that were added, and which are related to the plaintiffs' case as class action defendants. The plaintiffs also stated that no operative remedy is requested in the case of the Official Respondents in the framework of the above claim.	The petition to approve the claim as a class action lawsuit continues to be heard in court.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

A. Class actions - petitions to approve lawsuits as class actions and lawsuits approved as class actions (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
16.	August 2017 Tel Aviv Regional Labor Court (the hearing was transferred from the Central District Court due to substantive jurisdiction) Excellence Gemel & Hishtalmut Ltd. (currently: The Phoenix Pension and Provident Fund Ltd.) The claim amount was not estimated but it was stated as more than NIS 2.5 million.	Increasing management fees in 2007 without sending prior notice as required by law.	On March 20, 2022, the court approved the motion to approve the claim as a class action. As part of the certification decision, it is decided that the group on behalf of which the class action will be conducted is as requested in the certification motion. On June 14, 2022, Excellence Gemel filed a motion for leave to appeal against the decision approving the lawsuit as class action to the National Labor Court. The hearing of the class action by the Regional Court was delayed until a decision is made regarding the motion for leave to appeal. At the same time, the parties agreed to conduct a mediation procedure.
17.	January 2018 Central District Court The Phoenix Insurance and other insurance companies Approximately NIS 82.2 million per year from all the defendants, of which approximately NIS 22.3 million per year is attributed to The Phoenix Insurance.	According to the plaintiff, The Phoenix Insurance unlawfully refrains from paying its policyholders and third parties the VAT component applicable to the cost of damages when the damages have not been effectively repaired.	On January 4, 2022, the District Court issued a judgment rejecting the motion for approval of the claim as a class action lawsuit. In April 2022 the plaintiff filed an appeal to the Supreme Court. An appeal hearing is scheduled for March 13, 2023.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

A. Class actions - petitions to approve lawsuits as class actions and lawsuits approved as class actions (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
18.	May 2018 Haifa Regional Labor Court The Phoenix Pension and Provident Fund Ltd.[4] NIS 200 million.	According to the plaintiffs, contrary to that which is stated in its rules and regulations, The Phoenix Pension has refrained from paying or from paying in full the partial contributions towards benefits to anyone who does not receive a full disability pension. In any case, The Phoenix Pension refrained from reporting to policyholders - either in pay slips or in annual statements - about the payments it made, to the extent that it did, indeed, make such payments.	In August 2021, the Regional Labor Court issued a resolution approving the motion for approval of the claim as a class lawsuit. As part of the above resolution, the Court approved causes of action in connection with the failure to pay contributions towards benefits in respect of planholders receiving a partial disability pension during the period from May 1, 2012 through May 1, 2019; the Court ordered a remedy whereby the rules and regulations should be abided by and the planholders' accumulated balance should be credited with current monthly contributions towards benefits based on a value date as of the original entitlement date, plus the yield accrued on the fund as from the said date. The Court also ruled that no separate pecuniary damages has been proven in addition to what is stated above, and that no monetary damages should be paid. The class action continues to be heard in court.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.
[4] The petition to approve the claim as a class action lawsuit was originally filed against The Phoenix Insurance. The plaintiffs filed an amended petition to approve the claim as a class action lawsuit, in which they changed the identity of the defendant and also added to their previous allegations and to the definition of the class they seek to represent.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

A. Class actions - petitions to approve lawsuits as class actions and lawsuits approved as class actions (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
19.	June 2018 Jerusalem District Court The Phoenix Insurance and another insurance company The amount of the claim was not estimated.	According to the plaintiff, the claim deals with the defendants' unjustified refusal to recognize a surgical procedure that had medical justification as an insurance event according to the health policies issued, by claiming that it is a "preventive surgical procedure".	In January 2022, the District Court issued a ruling approving the petition to approve the claim as a class action. As part of the certification decision it was determined that the group on whose behalf the class action will be conducted will include any person who engaged in an health insurance contract with the defendants, including insurance coverage for surgical procedures, whose claim to have such procedure done was rejected for the reason that it is a preventative procedure which is not covered by the policy (even if the reason was presented differently in the letter rejecting the claim), and the joint questions for the group members are: Did the defendants breach the insurance contracts when they rejected the claims for insurance coverage by stating that the surgical procedure is a "preventative" one, and the remedies to which group members are entitled due to that. On May 24, The Phoenix Insurance filed a motion for leave to appeal to the Supreme Court against the decision approving the class action lawsuit. The Phoenix Insurance' motion for stay of proceedings until a decision is made regarding the motion for leave to appeal was not allowed by the Supreme Court, and therefore the class action is heard simultaneously by the District Court.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

A. Class actions - petitions to approve lawsuits as class actions and lawsuits approved as class actions (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
20.	December 2018 Tel Aviv District Court The Phoenix Insurance, other insurance companies and banks NIS 280 million from all defendants.	According to the plaintiffs, the claim deals with unlawful overcharging of insurance premiums for unnecessary building insurance policies issued to building owners (who took out a mortgage loan and were required to insure the building with a building policy in favor of the lending bank), despite the fact that at the time of issuance of such policies, there was already and insurance policy covering that building, regardless of whether that policy was taken out with the same insurance company or with another insurance company.	The petition to approve the claim as a class action lawsuit continues to be heard in court.
21.	March 2019 Central District Court The Phoenix Insurance Approximately NIS 2.6 million.	According to the plaintiff, the claim deals with The Phoenix Insurance's practice to delay the repayment of the relative portion of insurance premiums upon cancellation of compulsory motor and property insurance policies rather than paying it within the period set by law; the plaintiff also claims that The Phoenix Insurance repays the said amount without adding linked interest. The defendant also claims that The Phoenix Insurance refrains from repaying full linkage when refunding the relative portion of the insurance premiums.	The parties are in a mediation procedure.
22.	May 2019 Tel Aviv District Court The Phoenix Insurance Approximately NIS 766.8 million.	According to the plaintiff, the claim deals with The Phoenix Insurance's not paying policyholders in participating life insurance policies which include an Rm formula their full share of the profits and full payments to which they are entitled under the insurance contracts; the plaintiff also claims that The Phoenix Insurance does not fulfill its reporting and disclosure obligations towards policyholders regarding their policies and rights.	The petition to approve the claim as a class action lawsuit continues to be heard in court. It should be noted that the plaintiff stated that a similar motion for approval of a claim as class action, which was filed against another insurance company, had recently been approved.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

A. Class actions - petitions to approve lawsuits as class actions and lawsuits approved as class actions (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
23.	July 2019 Tel Aviv District Court The Phoenix Insurance and other insurance companies Approximately NIS 264.5 million from all the defendants, of which approximately NIS 67.5 million is attributed to The Phoenix Insurance.	The plaintiffs claim that the defendants do not pay their policyholders interest as required by law in respect of insurance benefits for the period starting 30 days after the date of delivery of the claim until the date of actual payment.	The Phoenix Insurance has yet to submit its response to the petition to approve the class action lawsuit. It should be noted that according to the plaintiffs, this claim is based on the same cause of action as the class action described in Section 3 above in the table; however, it was nevertheless decided to file this claim for the sake of caution only, given the doubt as to whether the class of plaintiffs seeking the approval of this motion is included in the previous class action. In light of this, the proceedings in this claim were stayed until a judgment is rendered in the previous claim.
24.	August 2019 Central District Court The Phoenix Insurance and other insurance companies The claim amount was not estimated, but it was stated that it was in the tens of millions of shekels or more.	The plaintiffs claim that in case of vehicle theft or total loss as a result of an accident, the defendants refuse to reimburse policyholders for the proportionate share of the insurance premiums (the premium) paid for service contracts (road recovery services, windscreen repair, towing, etc.) in respect of the period subsequent to the theft or total loss, despite the fact that the service contract is canceled and the risk it covers no longer exists.	The petition to approve the claim as a class action lawsuit continues to be heard in court. In February 2020, the position of the Capital Market, Insurance and Savings Authority was submitted, which is not in line with the plaintiffs' position.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

A. Class actions - petitions to approve lawsuits as class actions and lawsuits approved as class actions (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
25.	December 2019 Central District Court PassportCard Israel General Insurance Agency (2014) (hereinafter - "PassportCard") and The Phoenix Insurance The amount of the claim was not estimated.	According to the plaintiff, the defendants sell travel insurance without informing their customers - at the time of issuing the insurance policy - about the fact that the "search and rescue" component can be excluded if it is not required by the customers; the plaintiff also claims that the defendants do not inform customers about price changes they make in insurance policies' components; furthermore, the defendants do not inform customers in a clear manner about the right to reimbursement of a proportionate share of the insurance premiums in the event that the actual trip is shorter than planned, and in the event that the insurance period is shortened for any reason whatsoever (including due to cancellation of the insurance policy). The plaintiff also claims that even when the defendants reimburse insurance premiums to policyholders who shortened their travel period and at the same time also shortened the insurance period for any reason whatsoever, they do not reimburse the full insurance premium for the shortened insurance period, contrary to law and the insurance policy.	In October 2022, The Phoenix Insurance and the plaintiff filed with the Court a motion to approve a settlement agreement at amounts which are immaterial for The Phoenix Insurance. The settlement agreement is subject to the Court's approval.
26.	January 2020 Central District Court The Phoenix Insurance, other insurance companies and a road recovery and towing services company. The claim amount was not estimated but it was stated that it significantly exceeds NIS 2.5 million.	The plaintiff claims that, in cases where vehicles' windscreens broke, the defendants had provided and still provide alternative windscreens, which do not meet Israeli standards and are not manufactured by the same maker as the car; by doing so, the defendants allegedly breach their obligations under the insurance policies and coverage contracts.	The petition to approve the claim as a class action lawsuit continues to be heard in court.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

A. Class actions - petitions to approve lawsuits as class actions and lawsuits approved as class actions (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
27.	February 2020 Central District Court The Phoenix Insurance The claim amount was not estimated, but it was stated that it is in the millions of shekels or more.	The plaintiff claims that starting in early 2016 or thereabouts, The Phoenix Insurance ceased to fulfill its obligation in health insurance policies marketed prior to February 1, 2016, in which it undertook to provide insurance coverage, at no additional cost, to all children born to the principal policyholder (starting with the fourth child), until they reach the age of 21.	The parties are awaiting the court's decision on the application for approval of the claim as a class action.
28.	February 2020 Tel Aviv Regional Labor Court (the hearing was transferred from the Tel Aviv District Court) Halman Aldubi Provident and Pension Funds Ltd. (which was merged into The Phoenix Pension and Provident Fund Ltd.) NIS 335 million (alternatively NIS 58 million, and alternatively 36 million).	The claim is that Halman Aldubi allegedly violated its duty to the plaintiff and to all beneficiaries in the provident funds of Halman Aldubi, of deceased planholders, and any planholder of the Halman Aldubi provident funds with whom contact was lost, to locate and inform the said beneficiaries, as well as the planholders with whom contact was lost, that they are entitled to funds in the Halman Aldubi funds, on the dates set forth to that effect in the Supervision of Financial Services Regulations (Provident Funds) (Locating Planholders and Beneficiaries), 2012, in the period beginning on January 1, 2013 until the date of the ruling in the lawsuit.	The petition to approve the claim as a class action lawsuit continues to be heard in court.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

A. Class actions - petitions to approve lawsuits as class actions and lawsuits approved as class actions (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
The petitions to approve claims as class actions listed in Sections 29 and 30 below were filed following the Covid-19 pandemic which broke out in March 2020. The petitions were submitted in the motor and home insurance subsegments; the plaintiffs argue in these motions that insurance companies in general and The Phoenix Insurance in particular should reimburse policyholders for premiums paid during the period in which restrictions were in place due to the Covid-19 pandemic in view of the reduced insurance risk in these fields during that period.			
29.	April 2020 Tel Aviv District Court The Phoenix Insurance, other insurance companies and the managing corporation of the Compulsory Motor Insurance Pool (the "Pool") Ltd. Approximately NIS 1.2 billion of all the defendants, of which NIS 145 million is attributed to The Phoenix Insurance or, alternatively, NIS 719 million of all the defendants, of which NIS 113 million is attributed to The Phoenix Insurance.	The subject matter of the lawsuit[4] is that the defendants unjustly profited, allegedly, by failing to reduce car insurance premiums (for compulsory and/or comprehensive and/or third-party policies) during the mobility restrictions imposed due to the Covid-19 pandemic. This was done, argued the plaintiffs, despite a decrease in mileage traveled and the level of risk to which the defendants are exposed.	The petition to approve the claim as a class action lawsuit continues to be heard in court. A pre-trial hearing is scheduled for January 3, 2023. It should be noted that a petition to approve a similar claim as a class action, which was filed against The Phoenix Insurance and other insurance companies was rejected in August 2021.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.
[4] The petition to approve the claim as a class action includes two petitions to approve claims as class actions filed against The Phoenix Insurance and other defendants, which were merged into a single claim in February 2021 by the Tel Aviv District Court (see Note 42(a)(1) in Sections 42 and 44 of the class actions table in the Company's financial statements as of December 31, 2020, published on March 25, 2021 (Ref. No. 2021-01-044709).

NOTE 7 – CONTINGENT LIABILITIES (cont.)

A. Class actions - petitions to approve lawsuits as class actions and lawsuits approved as class actions (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
30.	April 2020 Tel Aviv District Court The Phoenix Insurance and other insurance companies Approximately NIS 18.14 million from all the defendants, of which approximately NIS 2.2 million is attributed to The Phoenix Insurance.	The argument is that the defendants must reimburse premiums they overcharged policyholders in motor and home insurance, due to a decrease in the risk they are exposed to as a result of the restrictions imposed following the Covid-19 pandemic, which led to a decline in mileage traveled and a decline in bodily harm and damage to property.	On February 2021, the court ruled that the petition to approve the claim as a class action in relation to motor insurance was dismissed and will continue to be heard in relation to home insurance only. The plaintiffs' appeal was dismissed in May 2022. The motion for approval of the claim as a class action lawsuit in relation to home insurance continues to be heard in the court. A pre-trial hearing is scheduled for January 3, 2023. It should be noted that a petition to approve a similar claim as a class action, which was filed against The Phoenix Insurance and other insurance companies, was rejected in August 2021.
31.	May 2020 Tel Aviv District Court Phoenix Excellence Pension and Provident Funds Ltd. (currently - The Phoenix Pension and Provident Fund Ltd.), Halman Aldubi Provident and Pension Funds Ltd. (which was merged into The Phoenix Pension and Provident Fund Ltd.) and additional management companies The claim amount was not estimated, but it was stated that it is estimated, at a minimum, in the hundreds of millions of shekels.	According to the plaintiffs, the claim deals with the defendants' classifying some of the contributions transferred to an advanced education fund on behalf of their customers as taxable provisions, even though they are not taxable.	In accordance with the Court ruling, the government - the Israel Tax Authority, was added as a further defendant to the motion to approve the lawsuit as a class action. The petition to approve the claim as a class action lawsuit continues to be heard in court. A hearing is scheduled for March 5, 2023.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

A. Class actions - petitions to approve lawsuits as class actions and lawsuits approved as class actions (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
32.	June 2020 Tel Aviv District Court PassportCard Israel General Insurance Agency (2014) (hereinafter - "PassportCard") and The Phoenix Insurance At least NIS 10 million.	According to the plaintiff, the claim deals with non-payment of insurance benefits in respect of cancellation of a trip due to a pandemic (the Covid-19 pandemic) under travel insurance that the plaintiff purchased through PassportCard.	On September 11, 2022, the Court handed down a ruling approving the agreed motion for the plaintiff's withdrawing the motion to approve the lawsuit as a class action lawsuit in relation to The Phoenix Insurance's travel insurance policies. The motion for approval of the claim as a class action lawsuit against PassportCard in connection with its policies continues to be heard by the Court.
33.	June 2020 Tel Aviv Regional Labor Court The Phoenix Insurance The amount of the claim was not estimated.	According to the claim, after a policyholder passes away, The Phoenix Insurance links the funds accrued in the policy to the consumer price index, instead of linking them to the investment track selected by the policyholder, as it previously did.	The parties are in a mediation procedure.
34.	June 2020 Central District Court The Phoenix Insurance and another insurance company Approximately NIS 10.5 million for each defendant.	According to the claim, the defendants overcharge customers in loan agreements they enter into with their customers; overcharging takes place due to a one-way linkage mechanism, which is in place under those agreements, whereby if the CPI increases above the base CPI, the defendants collect the linkage differences due to the increase; however, if the CPI decreases below the base index, they do not credit their customers for the said decrease.	The petition to approve the claim as a class action lawsuit continues to be heard in court.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

A. Class actions - petitions to approve lawsuits as class actions and lawsuits approved as class actions (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
35.	July 2020 Haifa Magistrate Court PassportCard Israel General Insurance Agency (2014) (hereinafter - "PassportCard") and The Phoenix Insurance NIS 1.84 million.	According to the claim, when travel insurance benefits are paid late, the defendants do not pay interest in respect of the delay; the plaintiff also claims that the defendants usually pay the insurance benefits according to the exchange rate on the day of the insurance event rather than the exchange rate on repayment date. In addition, it was argued that the disclosure duty regarding the deductible and the limitation of the insurer's liability with regard to the "winter sports" component is violated as part of a representation made prior to entering into the insurance contract.	The Phoenix Insurance has yet to submit its response to the petition to approve the class action lawsuit. The proceedings in this lawsuit were stayed until a final decision is made in connection with the class action outlined in Section 3 above in the table.
36.	July 2020 Central District Court The Phoenix Insurance and other insurance companies About 1.9 billion of all defendants, with the share of each of the defendants being in accordance with its market segment; according to the plaintiffs, The Phoenix's share is approximately 19%.	According to the claim, the defendants must charge reduced insurance premiums in cases of insurance policies with exclusions due to an existing medical condition compared to policies in which no such exclusion is present, since exclusions mitigate the defendants' insurance risk.	The petition to approve the claim as a class action lawsuit continues to be heard in court.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

A. Class actions - petitions to approve lawsuits as class actions and lawsuits approved as class actions (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
37.	September 2020 Tel Aviv District Court The Phoenix Insurance NIS 92.7 million.	According to the claim, The Phoenix Insurance does not pay policyholders insured under a long-term care policy the full amount due to them under their policies, since it offsets these amounts against proceeds received from the National Insurance Institute; it is also claimed that The Phoenix Insurance does not indemnify policyholders for certain medical treatments.	On September 6, 2022, the District Court partially affirmed the motion to approve the action as a class action lawsuit. As part of the approval ruling, the Court dismissed the class action approval motion in connection with the claim that The Phoenix Insurance does not indemnify policyholders under their long-term care policies for certain medical treatments, and allowed the class action approval motion in connection with offsetting of funds the policyholders receive from the National Insurance Institute. The group in whose name the class action shall be conducted comprises all policyholders holding long-term care insurance policies of The Phoenix Insurance (or their successors for that purpose), who did not receive the compensation payable to them due to offsetting of National Insurance proceeds they received due to their long-term care needs; that the limitation period is 7 years; and that the joint question raised by members of the group is whether, under the terms of the policy, one may take into account the funds the policyholder receives from the National Insurance Institute and deduct them from the proceeds The Phoenix Insurance pays the policyholder. The class action continues to be heard in the District Court.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

A. Class actions - petitions to approve lawsuits as class actions and lawsuits approved as class actions (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
38.	September 2020 Central District Court The Phoenix Insurance and another insurance company NIS 84 million from all the defendants, of which NIS 67.2 million is attributed to The Phoenix Insurance (a total of NIS 16.8 million in respect of critical illness insurance and a total of NIS 50.4 million in respect of permanent health insurance).	According to the claim, the defendants acted in violation of the provisions of critical illness insurance policies when they continued to charge policyholders the full amount of the monthly premium even after the first insurance event had occurred. It was also alleged against The Phoenix Insurance that contrary to its obligations, it charges its policyholders a monthly PHI insurance premium, even after the period of insurance coverage has ended.	On October 25, 2022, the parties filed with the Court a motion to approve a settlement agreement at amounts which are immaterial for The Phoenix Insurance. The settlement agreement is subject to the Court's approval.
39.	December 2020 Central District Court The Phoenix Insurance The aggregate claim amount was not estimated but it was stated that it exceeds NIS 2.5 million.	According to the plaintiff, The Phoenix Insurance allegedly does not indemnify its policyholders in motor insurance policies relating to vehicles other than private and commercial cars weighing up to 3.5 tons (such as trucks, taxis, etc.), in respect of the damage caused to their vehicle due to the insurance event - which, the plaintiff claims, is in breach of the policy and the law. It is further claimed that The Phoenix Insurance does not provide its policyholders with an appraiser's report, which includes an estimate of the impairment to the vehicle's value due to the insurance event nor its manner of calculation.	The petition to approve the claim as a class action lawsuit continues to be heard in court.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

A. Class actions - petitions to approve lawsuits as class actions and lawsuits approved as class actions (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
40.	February 2021 Central District Court The Phoenix Insurance No estimate was provided for the claim amount, but it was stated that the damage exceeds NIS 2.5 million.	According to the plaintiff, the claim deals with the increasing of insurance premiums by more than 75% than the agreed premiums in life, long-term care, and PHI insurance policies taken out as part of a special deal for members of the Israel Bar Association (and potentially in other insurance policies) in 2016, without informing policyholders, obtaining their consent and providing them with any explanations.	The petition to approve the claim as a class action lawsuit continues to be heard in court.
41.	March 2021 Tel Aviv District Court The Phoenix Insurance and other insurance companies Approximately NIS 79 million from all defendants.	The subject matter of the claim, according to the plaintiffs, is that the defendants refuse to pay for the policyholders' expenses for the purchase of medical cannabis, contrary to the provisions of the policy to cover drugs excluded from the Healthcare Services Basket, and since medical cannabis is recognized for medical use in Western countries.	The parties are in a mediation procedure.
42.	March 2021 Central District Court The Phoenix Insurance No estimate was provided for the claim amount, but it was stated that the damage exceeds NIS 2.5 million.	The subject matter of the claim, according to the plaintiff, is that The Phoenix Insurance allegedly unlawfully rejects claims by its policyholders in "personal accident" policies to pay for hospitalization at a "non-general hospital", claiming that a "hospital", as defined in the policy, is a medical institution whose underlying meaning is a "general hospital only".	The parties agreed to conduct a mediation procedure.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

A. Class actions - petitions to approve lawsuits as class actions and lawsuits approved as class actions (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
43.	April 2021 Central District Court The Phoenix Insurance, banks, investment houses, credit card companies and other insurance companies The claim amount was not estimated but it was stated that it amounts to millions of shekels.	According to the plaintiffs, when using the defendants' digital services (while browsing their personal accounts), customers' private, personal and confidential information is transferred to third parties without the customers' consent, violating their privacy.	The petition to approve the claim as a class action lawsuit continues to be heard in court.
44.	June 2021 Tel Aviv District Court The Phoenix Holdings, The Phoenix Insurance, the Chairman of the Board of Directors of The Phoenix Holdings and The Phoenix Insurance, serving board members of The Phoenix Holdings and the Phoenix Insurance and a long-serving manager in The Phoenix Insurance (hereinafter - the "Defendants"). NIS 137 million.	This lawsuit relies on the facts as presented in a petition to approve a derivative lawsuit that was filed against the Defendants, and which deals with events that took place at the beginning of the 1990s (see Section 3 below in the Legal and Other Proceedings section). According to the plaintiffs, the subject matter of the claim is an alleged misleading report and non-disclosure by the Company of material facts that caused damaged to buyers of the share. According to the plaintiffs, at the beginning of the 1990s the Company took steps, in which its managers were involved, to recruit customers and help them to benefit from guaranteed return insurance policies; such steps were allegedly carried out in breach of guidance.	The petition to approve the claim as a class action lawsuit continues to be heard in court.
45.	July 2021 Tel Aviv District Court The Phoenix Insurance The claim amount was not estimated, but it was stated that it exceeds NIS 2.5 million.	According to the plaintiffs, the subject matter of the claim is that the defendants deduct interest at the rate of 2.5% (or any other rate) from the monthly yield accrued for policyholders to whom a monthly benefit is paid under participating life insurance policies issued in 1991-2004; according to the plaintiffs, such a deduction is not established in the contractual terms of the relevant insurance policies.	The petition to approve the claim as a class action lawsuit continues to be heard in court. A hearing was scheduled for February 23, 2023.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

A. Class actions - petitions to approve lawsuits as class actions and lawsuits approved as class actions (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
46.	August 2021 Tel Aviv District Court Halman Aldubi I2P1, Limited Partnership (currently - The Phoenix Value P2P, Limited Partnership) (hereinafter - the "Partnership") NIS 7.5 million.	The subject matter of the lawsuit is the claim that the Partnership's filings posted on the Israel Securities Authority and the TASE's online IT systems (the MAGNA and the MAYA, respectively) are not accessible to people with disabilities; accordingly, the plaintiff claims that the Partnership prevents or reduces disabled people's capability to obtain information from those reports.	The petition to approve the claim as a class action lawsuit continues to be heard in court. A hearing date has not yet been scheduled.
47.	December 2021 Central District Court ESOP Management and Trust Services Ltd. The claim amount was not estimated, but it was stated that it may reach many tens of millions of shekels.	The plaintiff claims that as part of the tender offer regarding the shares of the Company in which he was employed and which he held by virtue of options awarded to him, ESOP allegedly breached various obligations as part of the operation of the sale of shares in the tender offer.	ESOP filed its response to the motion to approve the claim as a class action. A pre-trial hearing is scheduled for December 13, 2022.
48.	December 2021 Tel Aviv District Court The Phoenix Insurance The claim amount was not estimated, but it was stated that it was in the millions of shekels or more.	The plaintiff argues that in claims pertaining to damages caused to vehicles (of a policyholder or a third party), The Phoenix Insurance allegedly reduces the insurance benefits unlawfully due to failure to fix the vehicles or transfer the damaged parts to The Phoenix Insurance.	The Phoenix Insurance filed its response to the motion to approve the claim as a class action. A pre-trial hearing is scheduled for January 19, 2023.
49.	January 2022 Central District Court The Phoenix Insurance The claim amount was not estimated but it was stated as being more than NIS 2.5 million.	The plaintiff claims that in 2019 The Phoenix Insurance renewed a group health insurance policy to members of the Secondary Schools and Colleges Teachers Union and their families, while making changes, reducing the scope of the insurance coverage and increasing the premium, allegedly without informing policyholders and obtaining their consent.	The parties are in a mediation procedure.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

A. Class actions - petitions to approve lawsuits as class actions and lawsuits approved as class actions (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
50.	January 2022 Central District Court The Phoenix Insurance and another insurance company The claim amount was not estimated but it was stated that it exceeds NIS 3 million.	According to the plaintiffs, the defendants renewed a home insurance policy automatically while increasing the premium, allegedly without obtaining policyholders' consent.	The parties are in a mediation procedure.
51.	April 2022 Tel Aviv District Court The Phoenix Insurance The claim amount was not estimated but it was stated as being (much) more than NIS 2.5 million.	The lawsuit deals with the claim that The Phoenix Insurance has collected and is still collecting from policyholders an additional premium for the expansion of insurance coverage in respect of preventative surgical procedures, despite the fact that those procedures are allegedly covered by the basic tier of The Phoenix Insurance's health insurance policies. According to the lawsuit, the plaintiff's claim is based on a decision of the Jerusalem District Court, to approve a lawsuit against The Phoenix Insurance and another insurance company as a class action (see Section 24 in the table above).	The Phoenix Insurance has yet to submit its response to the petition to approve the class action lawsuit. A hearing date has not yet been scheduled.
52.	May 2022 Central District Court The Phoenix Pension and Provident (formerly - "The Phoenix Excellence Pension and Provident Funds Ltd.") and another management company The claim amount was not estimated but it was stated that it exceeds NIS 3 million.	The lawsuit deals with the claim that with regard to CPI-linked loans, the defendants adopted a practice of a one-way linkage mechanism, whereby when the CPI increases compared with the base index, the customer's monthly payment is increased accordingly, and when the CPI decreases, the monthly payment does not change; the plaintiffs claim that this practice was adopted despite the fact that this is not mentioned in the provisions of the agreement. The plaintiffs noted that three motions to approve lawsuits as class actions are pending, which they claim give rise to joint issues against three other companies, including The Phoenix Insurance (see Section 38 in the table above).	The Phoenix Pension and Provident has yet to submit its response to the petition to approve the class action lawsuit. A pre-trial hearing is scheduled for February 9, 2023.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

A. Class actions - petitions to approve lawsuits as class actions and lawsuits approved as class actions (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
53.	June 2022 Haifa Regional Labor Court The Phoenix Insurance NIS 5 million	The subject matter of the lawsuit is the claim that The Phoenix Insurance breached its contractual obligation with regard to the insurance period in a permanent health insurance, as reflected in the insurance offer, in contrast to the policy's provisions regarding "age for insurance purposes"; the lawsuit also deals with the claim that as part of the engagement, The Phoenix Insurance did not provide fair disclosure regarding the insurance end date.	The Phoenix Insurance filed its response to the motion to approve the claim as a class action. A pre-trial hearing is scheduled for December 28, 2022.
54.	September 2022 Tel Aviv District Court Excellence Nessuah Brokerage Services Ltd. (Currently: Excellence Investment Management and Securities Ltd.) NIS 26.5 million	The lawsuit deals with a claim of overcharging 2 agorot above the conversion rate in respect of conversion of shekels into foreign currency, and without such overcharging being set in an agreement between the parties.	Excellence has yet to submit its response to the petition to approve the class action lawsuit. A pre-trial hearing is scheduled for September 7, 2023.
55.	October 2022 Tel Aviv District Court The Phoenix Insurance and other insurance companies The claim amount was not estimated but it was stated as being more than NIS 2.5 million.	The lawsuit deals with alleged discrimination against male policyholders, who have a health insurance policy, based solely on their sex. According to the plaintiffs, the defendants prevent men who pay an additional premium for the ambulatory insurance appendix from receiving reimbursement in connection with amounts they expensed in connection with their babies, claiming that only women are entitled to reimbursement of expenses in connection with babies.	The Phoenix Insurance has yet to submit its response to the petition to approve the class action lawsuit. A hearing date has not yet been scheduled.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

A. Class actions - petitions to approve lawsuits as class actions and lawsuits approved as class actions (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
56.	November 2022 Haifa District Court The Phoenix Insurance The claim amount was not estimated but it was stated as being more than NIS 2.5 million.	According to the plaintiff, The Phoenix Insurance rejected a claim filed by a policyholder with a "Long-Term Care Gift" long-term care policy, under which insurance benefits are payable upon the occurrence of a long-term care event, with the reason for rejecting the claim being that the policy is an "indemnity" policy rather than a "compensation" policy; the plaintiff also claimed that The Phoenix Insurance allegedly made the payment of the insurance benefits conditional on the presentation of receipts in respect of actual payments made.	The Phoenix Insurance has yet to submit its response to the petition to approve the class action lawsuit. A pre-trial hearing is scheduled for June 22, 2023.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

B. Concluded claims*

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
1.	September 2016 Tel Aviv District Court The Phoenix Insurance and other insurance companies NIS 4.45 billion from all defendants, of which NIS 943 million is attributed to The Phoenix Insurance.	Collection of premiums on health insurance policies, for unnecessary coverages that the policyholders do not need, and alleged sale of health insurance policies despite being aware that they include coverages that the policyholders have no need for, since they have supplementary health insurance from the health maintenance organization they are a member of. In addition, according to the defendants, they also tied services since customers were unable to purchase a reduced-coverage policy that will include only coverages that are not included in the supplementary health insurance of their health maintenance organizations, thus creating "overlapping insurance".	In October 2020, the District Court ruled that the motion for approval of the claim as a class action was denied. In November 2020, the plaintiffs filed an appeal to the Supreme Court. On March 28, 2022, the Supreme Court handed down a judgment dismissing the appeal filed by the plaintiffs against the District Court's judgment.
2.	February 2020 Tel Aviv Regional Labor Court The Phoenix Insurance No less than NIS 25 million.	The claim is that The Phoenix Insurance refuses to pay its life insurance policyholders the benefit they are entitled to in respect of the first month after the end of the insurance period (the first month of their retirement).	On April 19, 2022, the court issued a ruling confirming the plaintiff's withdrawal from the motion to approve the claim as a class action.
3.	May 2019 Nazareth Magistrate Court The Phoenix Insurance The amount of the claim was not estimated.	According to the plaintiff, this claim deals with The Phoenix Insurance's failure to pay in full insurance benefits under the insurance policy in respect of damage caused to a vehicle, on the grounds that the ownership class of the vehicle is "leasing - sale of a new vehicle with 0 km or formerly" even though the ownership of the vehicle is not and/or never was of such ownership class, and the permanent owner of the vehicle's license as "Owner 00" was the first purchaser, who is not the leasing company.	On May 16, 2022, the Magistrates' Court granted the agreed motion for the plaintiff to withdraw from the motion to approve the claim as a class action.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.
* For additional claims concluded between January 1, 2022, and March 29, 2022, please see Note 43A.2, Sections 11-16 of the table of concluded claims in the Company's financial statements as of December 31, 2021, published on March 29, 2022 (Ref. No. 2022-01-036997).

NOTE 7 – CONTINGENT LIABILITIES (cont.)

B. Concluded claims*

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
4.	February 2020 Central District Court PassportCard Israel General Insurance Agency (2014) (hereinafter - "PassportCard") and The Phoenix Insurance NIS 6.125 million.	The claim is that the defendants violate the provisions of the travel insurance policy, since when an insurance event occurs to a policyholder and insurance benefits are claimed in respect of expenses of a person who traveled with the policyholder or accompanied him/her on their trip, the defendants deduct from the insurance benefits double the deductible - one for the policyholder and the other for another person covered by the insurance, i.e. the policyholder or person who traveled with the policyholder or the person who accompanied him/her. The plaintiff also claims that the defendants violate various provisions of insurance circulars regarding the claim filing form, the data included therein, receiving a copy thereof; the plaintiff further claims that the defendants refrain from informing policyholders who file claims of their right to obtain a copy of the decision made regarding their claim and/or appeal against the decision to various parties, nor do they inform policyholders of the period of time they have to do so.	On May 17, 2022, the District Court granted the agreed motion for the plaintiff to withdraw from the motion to approve the claim as a class action.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.
* For additional claims concluded between January 1, 2022, and March 29, 2022, please see Note 43A.2, Sections 11-16 of the table of concluded claims in the Company's financial statements as of December 31, 2021, published on March 29, 2022 (Ref. No. 2022-01-036997).

NOTE 7 – CONTINGENT LIABILITIES (cont.)

B. Concluded claims* (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
5.	February 2018 Tel Aviv District Court Excellence Nessuah Gemel Ltd. (currently: The Phoenix Pension and Provident Fund Ltd.) and additional companies. NIS 21 million from all defendants, of which NIS 6 million is attributed to Excellence Gemel.	According to the plaintiffs, the claim deals with the unlawful collection of handling fees /collection fees/operating fees/fees and commissions/early repayment fees or any other payment (whatever its name may be) collected by the defendants from planholders thereof to whom they extended loans.	On June 16, 2022, the court rendered a judgment which approves the settlement agreement between the parties; as part of the settlement, The Phoenix Pension and Provident will refund 45% of the handling fees that were collected, as defined in the settlement agreement, plus interest and linkage differences; The Phoenix Pension and Provident will also pay compensation to the class action plaintiff and legal fees to its attorneys, at amounts which are immaterial for The Phoenix Pension and Provident. It should be noted that similar motions for approval of claims as class actions filed against The Phoenix Pension (currently: The Phoenix Pension and Provident Fund Ltd.) and The Phoenix Insurance were concluded with a settlement agreement.
6.	August 2019 Central District Court The Phoenix Insurance and other insurance companies The claim amount was not estimated, but it was stated that it was NIS 1 million or more.	The claim is that in property insurance polices covering mechanical engineering equipment the defendants determine the value of the equipment for the purpose of determining the premium according to the value of new equipment, disregarding the age of the equipment; however, in the event of total loss of equipment the defendants pay the policyholders insurance benefits in accordance with the equipment's actual value upon the occurrence of the insurance event, taking into consideration the age of the equipment.	On August 11, 2022, the Court granted the agreed motion for the plaintiffs to withdraw from the motion to approve the claim as a class action.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.
* For additional claims concluded between January 1, 2022, and March 29, 2022, please see Note 43A.2, Sections 11-16 of the table of concluded claims in the Company's financial statements as of December 31, 2021, published on March 29, 2022 (Ref. No. 2022-01-036997).

NOTE 7 – CONTINGENT LIABILITIES (cont.)

B. Concluded claims* (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
7.	April 2010 Central District Court The Phoenix Insurance and other insurance companies NIS 225.2 million from all the defendants.	Non-refund of premium for the relative portion of the month in which the insurance ended (due to cancellation by the policyholder) and/or refund of premium (where the premium is refunded) at nominal values (without linkage differences and interest).	In June 2015, the district court partially affirmed the motion to approve the action as a class action lawsuit. On August 31, 2022, the Court handed down a ruling that approves the settlement agreement between the parties. Under the settlement agreement that was approved, and as part of which a review was conducted by a reviewer on behalf of the Court (hereinafter - the "Reviewer"), The Phoenix Insurance shall donate to a dedicated fund set up by virtue of the Class Actions Law, 2006 an amount equal to 80% of the overall refund amount in accordance with the Reviewer's report, will modify its future conduct as set out in the settlement agreement and in the judgment, and will pay a compensation to the class action plaintiff and legal fees to his attorneys. It should be noted that the amounts referred to in the ruling are immaterial to The Phoenix Insurance.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.
* For additional claims concluded between January 1, 2022, and March 29, 2022, please see Note 43A.2, Sections 11-16 of the table of concluded claims in the Company's financial statements as of December 31, 2021, published on March 29, 2022 (Ref. No. 2022-01-036997).

NOTE 7 – CONTINGENT LIABILITIES (cont.)

B. Concluded claims* (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
8.	April 2017 Tel Aviv Regional Labor Court (the hearing was transferred from the Tel Aviv District Court due to substantive jurisdiction) Shekel Insurance Agency (2008) Ltd. (hereinafter - "Shekel"), Agam Liderim (Israel) Insurance Agency (2003) Ltd. (hereinafter - " Agam Liderim"), second-tier companies of The Phoenix Holdings, and other insurance agencies. Approximately NIS 357 million of all defendants, of which NIS 47.81 million is attributed to Agam Liderim and NIS 89.64 million to Shekel.	According to the plaintiffs, until the regulator intervened and legislative changes were made in connection with this issue, managers of pension arrangements in general and the defendants in particular, provided employers with operating services involving preparing and managing pension insurance for employees without the employers paying any consideration in respect thereof to the pension arrangement managers, and that all costs pertaining to the operating services are paid by the employees through management fees they pay for the products marketed to them by the managers of the pension arrangement.	In August 2020, the Regional Court handed down a judgment rejecting the motion for approval of the claim as a class action, and in October 2020, the plaintiffs appealed the ruling to the National Labor Court. On September 5, 2022, the National Court handed down a judgment rejecting the plaintiffs' appeal.
9.	February 2016 Tel Aviv Regional Labor Court (the hearing was transferred from the Central District Court due to substantive jurisdiction) The Phoenix Pension and Provident Fund Ltd. and management companies of additional pension funds. Approximately NIS 1 billion of all the defendants.	The plaintiffs argue that the defendants are acting inappropriately by charging management fees in respect of disability and survivors benefits, and do not disclose that fact, and that the rate of management fees collected from such benefit recipients is the maximum permitted rate, taking advantage of the fact that benefit recipients cannot transfer their funds and/or entitlement to such benefits elsewhere.	On September 19, 2022, the court issued a ruling rejecting the motion for approval of the claim as a class action.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.
* For additional claims concluded between January 1, 2022, and March 29, 2022, please see Note 43A.2, Sections 11-16 of the table of concluded claims in the Company's financial statements as of December 31, 2021, published on March 29, 2022 (Ref. No. 2022-01-036997).

NOTE 7 – CONTINGENT LIABILITIES (cont.)

B. Concluded claims* (cont.)

No.	Date,[1] court,[2] defendants and claim amount[3]	Main arguments	Details
10.	November 2021 Tel Aviv District Court The Phoenix Insurance NIS 4 million.	According to the plaintiff, the lawsuit deals with The Phoenix Insurance' refusal to fund the cost of a consultation in an ambulatory health insurance, stating as the reason for refusal the exclusions section in the general terms of health insurance plans, whereas the plaintiff claims that these exclusions are not included in the terms of the ambulatory insurance, and that The Phoenix Insurance did not provide fair disclosure of this matter.	On September 22, 2022, the Magistrates' Court granted the agreed motion for the plaintiff to withdraw from the motion to approve the claim as a class action.
11.	September 2015 Tel Aviv District Court The Phoenix Pension (currently - The Phoenix Pension and Provident Fund Ltd.) and management companies of additional pension funds Approximately NIS 300 million per year since 2008 of all the defendants.	The claim is that the defendants pay agents fees and commissions calculated as a percentage of the management fees charged by them, thus allegedly violating their fiduciary duties, and that, as a result, the management fees that planholders are charged are higher than the appropriate rate.	On November 22, 2022, the Court rejected the motion to approve the claim as a class action.

[1] The date on which the petition for approval of the claim as a class action was originally filed.
[2] The court with which the petition to approve the claim as a class action lawsuit was originally filed.
[3] The claim amount as assessed (if assessed) by the claimant(s) in the petition to approve the claim as a class action lawsuit.
* For additional claims concluded between January 1, 2022, and March 29, 2022, please see Note 43A.2, Sections 11-16 of the table of concluded claims in the Company's financial statements as of December 31, 2021, published on March 29, 2022 (Ref. No. 2022-01-036997).

NOTE 7 – CONTINGENT LIABILITIES (cont.)

C. **Legal and other proceedings**

Set forth below is a description of legal and other proceedings against the group. For proceedings where, in the opinion of management - which is based, among other things, on the legal opinion it has received - it is more likely than not that the group's defense claims will be allowed and the proceeding will be dismissed, no provision was included in the financial statements.

For proceedings where it is more likely than not that the group's defense claims will be dismissed, in whole or in part, the financial statements include provisions to cover the exposure estimated by the group. In management's opinion, which is based, among other things, on legal opinions it received, the financial statements include adequate provisions, where provisions were required, to cover the exposure estimated by the group.

1. On November 11, 2020, an insurance agency filed a lawsuit in the amount of approximately NIS 17.6 million against The Phoenix Insurance and nine other defendants, including an agency which consolidated in The Phoenix group's financial statements, alleging misuse of the plaintiff's trade secrets and list of customers. It should be noted that the plaintiff had previously filed a motion for a temporary injunction in respect of the subject matter of the claim - and the motion was dismissed. The lawsuit continues to be heard in court.

2. On January 29, 2017, Pilat Group Ltd. (hereinafter - "Pilat Group") and Pilat Holdings (1986) Ltd. (hereinafter, jointly, - "Pilat Group" and/or the "Plaintiffs") filed a lawsuit with the District Court, against Halman Aldubi Provident and Pension Funds Ltd. (by virtue of its merger with Hadas Arazim Provident Funds Ltd. on April 30, 2013), and against 17 other defendants, including Oracle Solutions Ltd. (hereinafter - "Oracle"). The main arguments of the claim was that some of the defendants joined Oracle in purchasing shares of the Pilat Group, constituting approximately 17.9% of the voting rights in Pilat Group (hereinafter - the "Oracle Group"), and that Hadas Provident joined forces with the Oracle Group to acquire control of Pilat Group, such that Oracle would hold 20% of the voting rights, and Hadas Provident - approximately 17%, while obtaining the approval of the Israel Securities Authority (ISA) that the Oracle Group and Hadas Provident not be considered "joint holders" under the Securities Law, 1968. At the same time, the plaintiffs claim, data and documents regarding collaboration between the parties were concealed from the ISA. In addition, allegations were made regarding a series of appointments and interested party transactions made in Pilat Group in violation of the law, which contributed significantly to the collapse of Pilat Group.

   In the statement of claim, the Court is requested to order the defendants, jointly and severally, to compensate the plaintiffs for the damage caused to them, according to the claim, due to the impairment of Pilat Group's value, in the total amount of NIS 35.9 million. The lawsuit continues to be heard in court.

3. On June 14, 2021, a derivative lawsuit and a motion to approve the filing of a derivative lawsuit to the Economic Department at the Tel Aviv-Jaffa District Court (hereinafter - the "Lawsuit") was filed against The Phoenix Holdings, The Phoenix Insurance, the Chairman of the Board of Directors of The Phoenix Holdings and The Phoenix Insurance, serving board members of The Phoenix Holdings and the Phoenix Insurance and a long-serving manager in The Phoenix Insurance (hereinafter jointly - the "Defendants").

   According to the plaintiff, the subject matter of the claim is the alleged breach of duty towards the Company by the board members and officers, who allegedly allowed the Company to recruit customers and help them over more than three decades to benefit from guaranteed return insurance policies; such steps were allegedly carried out in breach of guidance prohibiting the marketing of such policies as from December 31 1990.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

C. Legal and other proceedings (cont.)

3. (cont.)

The claim amount, as claimed and estimated by the plaintiff, is NIS 124 million, which - according to the plaintiff - is the total direct damage caused to the Company as a result of El Al employees added to the guaranteed-return policies enjoying better conversion coefficients.[1]

In October 2021, the defendants filed a motion to dismiss the claim in limine. The court has not yet ruled in this dismissal in limine motion. The defendants' response to the motion to approve the lawsuit as a derivative lawsuit was also submitted. Further to the hearing held in June 2022, in November the plaintiff announced that he insists on continuing the proceeding; in view of that, the defendants announced that they insist that the motion to dismiss the lawsuit in limine will be resolved.

4. In December 2021, The Phoenix Insurance received a letter from the Capital Market, Insurance and Savings Authority in connection with the restriction of insurance coverages in accordance with Regulation 45 to the Income Tax Regulations (Rules for Approval and Management of Provident Funds), 1964. As part of the said letter, The Phoenix Insurance was requested to transfer information and check whether it acted in accordance with provisions of the law referred to in the letter, and should it failed to act in accordance with the said provisions, to repay the cost of insurance coverage allegedly collected not in accordance with the relevant provisions.
The letter states that it was sent, among other things, against the backdrop of a legal proceeding currently being conducted against another insurance company in connection with this issue. On April 28, 2022, The Phoenix Insurance responded in writing to this letter. The Authority's decision has yet to be issued.

5. On August 11, 2022, a shareholder filed a lawsuit with the Tel Aviv Jaffa District Court (Economic Department) against The Phoenix Holdings, The Phoenix Insurance, and The Phoenix Pension and Provident (hereinafter jointly - the "Defendants"), and against Mr. Eldad Lador Fresher (hereinafter - "Mr. Fresher"), for the issuance of a mandatory injunction that will cancel Mr. Fresher's appointment as Chairman of the Defendants' Investment Committee and/or a declaratory relief whereby Mr. Fresher will not be able to serve in the said office, due to his alleged conflict of interest in view of his service as the Chairman of the Boards of Directors of other companies. On November 13, 2022, the defendants filed a motion to dismiss the lawsuit in limine as well as a statement of defense in the proceeding. The court has not yet ruled in this dismissal in limine motion.

6. The group is a party to legal and other proceedings, which are not insurance claims, including, among other things, claims made by customers, former customers, agents and various third parties in immaterial amounts and for a total amount of approximately NIS 25.54 million. The causes of action against the group in these proceedings are different.

D. Complaints

Complaints are filed against the group from time to time, including complaints to the Commissioner of the Capital Market, Insurance and Savings (hereinafter - the "Commissioner") in relation to policyholders' rights under insurance policies and/or the law. These complaints are handled on an ongoing basis by the group's Public Complaints Department. The Commissioner's decisions with regard to these complaints, to the extent that a decision has been made in respect thereof, are sometimes issued as sweeping decisions relating to a group of policyholders. Before issuing a final version of his decisions, the Commissioner usually issues a draft decision.

[1] Since this is a derivative claim accompanied by a petition to approve the claim as a derivative claim, which, if approved, the Company will be entitled to funds thereunder, the total claimed amount does not appear in the following summary table.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

D. Complaints (cont.)

Furthermore, as part of the Commissioner's inquiries with the group, following complaints and/or audits on his behalf, demands are made from time to time to receive various data regarding the group's handling of insurance policies in the past and/or a demand to reimburse funds to groups of policyholders and/or other guidelines. In addition, the Commissioner has the power, among other things, to impose monetary sanctions on the group in accordance with the data that was and/or will be transferred thereto following inquiries as described above. In addition to the petitions to approve lawsuits filed against the group as class actions.

and the legal and other proceedings, there is a general exposure, which cannot be assessed and/or quantified, due to, among other things, the complexity of the services provided by the group to its policyholders. The complexity of these services inevitably leads to interpretive claims and other claims due to information gaps between the group and third parties to the insurance contracts in connection with a long list of commercial and regulatory terms. This exposure is reflected, among other things, in the areas of pension savings and long-term insurance, including health and long-term care insurance, in which the group operates. Insurance policies in these areas of activity are assessed over many years in which policies, regulation and legislation change and new court rulings are issued. These changes are implemented by automated systems that undergo frequent changes and adjustments. The complexity of these changes and the application of the changes over many years lead to an increased operational exposure. In addition, allowing new interpretations for the provisions of insurance policies and long-term pension products sometimes affects the group's future profits in respect of its existing portfolio, in addition to the exposure embodied in claims for compensation for customers in respect of past activity.

It is impossible to anticipate the types of claims that will be raised in this area or the exposure arising from these and other claims in connection with insurance contracts - claims which are raised through, among other things, the procedural mechanism set forth in the Class Actions Law.

In addition, some of the group's products have long terms and are particularly complex in light of the various legislative arrangements both in the field of product management and in the field of taxation, attribution of contributions, investment management, the policyholder's employment status, his contributions and more.

The Wage Protection Law, 1958 imposes a liability on the group's institutional entities, in accordance with the circumstances specified in the law, in respect of employers' debts to the institutional bodies, where such debts have not been repaid on time. The group is in the process of improving the data on employers' debts and policyholders' rights, during the course of which lawsuits were filed against employers and the debts of other employers were rescheduled. Once this process is completed, the group will complete the handling of employers' debts in accordance with the provisions of the law.

E. Summary table

The following table summarizes the amounts claimed in pending motions for approval of claims as class actions, claims approved as class actions and other material claims against the group, as noted by the plaintiffs in the statements of claim filed on their behalf. It is hereby clarified that the amount claimed does not necessarily constitute a quantification of the exposure amount assessed by the group, since these are assessments on behalf of the plaintiffs which will be resolved as part of the legal proceedings. It is further clarified that the table below does not include proceedings that have been concluded, including proceedings that concluded after a compromise agreement was approved in respect thereof.

NOTE 7 – CONTINGENT LIABILITIES (cont.)

E. Summary table (cont.)

Type	No. of claims	The claimed amount in NIS thousand unaudited
Claims approved as a class actions:		
A specific amount was attributed to the Company	7	1,167,443
The claim pertains to several companies and no specific amount was attributed to the Company	1	48,000
The amount of the claim was not specified	3	-
Pending petitions to approve lawsuits as class actions:		
A specific amount was attributed to the Company	20	2,835,767
The claim pertains to several companies and no specific amount was attributed to the Company	4	370,875
The amount of the claim was not specified	21	-
Other material claims:		
A specific amount was attributed to the Company	-	-
The claim pertains to several companies and no specific amount was attributed to the Company	1	35,900
The amount of the claim was not specified	-	-
Claims and other requirements	18	25,534

The total provision amount in respect of class actions, legal proceedings and others, filed against the group as specified above as of September 30, 2022, and December 31, 2021, amounted to approximately NIS 309,484 thousand (of which a total of approximately NIS 7,927 thousand is in respect of concluded class actions) and approximately NIS 263,312 thousand, respectively.

NOTE 8 – SIGNIFICANT EVENTS DURING THE REPORTING PERIOD (cont.)

A. Changes in estimates and principal assumptions used to calculate the insurance reserves:

1. Effect of interest rate on pension reserves

A decrease (increase) in long-term interest rates may increase (decrease) the paid pension reserve and the supplementary retirement pension reserve is deferred due to the use of a lower (higher) discount rate, to the extent that a change in the discount rate is required due to changes in market interest rates.

In addition, the supplementary retirement pension reserve for deferred pensions is affected by future income expectations (using K factor), so that the decrease (increase) in interest rates may decrease (increase) the expected future income, and if according to the new projection it will be impossible to continue funding the provisions to the reserve, the Company will increase the reserve in order to reduce future provision amounts (or vice versa).

2. K factor values used by the Company

	September 30,		December 31,
	2022	2021	2021
	Unaudited		Audited
		%	
In respect of yield-dependent insurance policies	-	-	-
In respect of yield-dependent insurance policies	0.85	0.85	0.85

3. Reserve in respect of liability adequacy test (LAT)

The Company tests the adequacy of the reserves for life insurance and LTC and where necessary, increases the reserves. Testing is performed according to the regulatory guidelines and on the basis of actuarial assumptions and a risk-free yield curve plus an illiquidity premium. To the extent that there are changes in these assumptions, the supplement required according to the test will change. A decrease (increase) in the risk-free interest rate curve and/or in the rate of illiquidity premium will increase (decrease) the supplement for the reserves required according to the LAT test (to the extent that a supplement is required).

4. A change to the provisions relating to life insurance plans incorporating savings that include "annuity conversion coefficients taking into account guaranteed life expectancy"

In June 2022, the Commissioner published the Circular "Amendment of the Provisions of the Consolidated Circular regarding Measurement of Liabilities - Updating the Demographic Assumptions System in Life Insurance and Pension Funds" (hereinafter - the "Circular"). The Circular lists updated default assumptions on the basis of which insurance companies will calculate the liabilities in respect of life insurance policies, which allow them to receive an annuity according to guaranteed conversion rates based on up-to-date demographic assumptions.
The Circular refers, among other things, to a change in life expectancy, including future improvements, and the resulting consequences for the level of reserves and how they are created. The circular includes a new life table for retirees of insurance companies, which is based, among other things, on past experience regarding mortality of retirees of insurance companies.
The Company has updated its estimates of pension liabilities based on the new life table and future life expectancy improvements included in the Circular.

NOTE 8 – SIGNIFICANT EVENTS DURING THE REPORTING PERIOD (cont.)

A. Changes in estimates and principal assumptions used to calculate the insurance reserves: (cont.)

4. A change to the provisions relating to life insurance plans incorporating savings that include "annuity conversion coefficients taking into account guaranteed life expectancy" (cont.)

   As a result, in the second quarter of the year, the Company increased the provision for the supplementary pension reserve and paid pensions, and reduced the comprehensive income by NIS 364 million (pre-tax) and NIS 240 million (post-tax).

5. Completion of the study regarding annuity Take Up Rate (TUR)

   Further to Note 41, Section 5.1.5 to the Consolidated Annual Financial Statements, life insurance contracts containing a saving component, offered two tracks for funds withdrawal: equity track (one-off withdrawal), or an annuity track (with a secured annuity conversion factor), which also offers various tracks that can be selected (such as: life-long, policyholder and spouse, annuity secured for 10 years, and more). In some of the contracts, the policyholder may select the manner of receiving the funds at the time of their withdrawal. Since the insurance liability amount differs in each of these two tracks, the Company must determine the rate of policyholders opting for annuity, and the track that will be selected. This rate was determined based on Company's experience.

   As of the report date, the Company completed a study on retirement age and pension take up rates (hereinafter - the "Study"), regarding retirees' tendency to take up an annuity at different rates in accordance with retirement age. Following the Study, in the second quarter of the year, the Company recorded a NIS 462 million pre-tax profit, and a total post-tax profit of NIS 305 million.

6. Calculation of reserves in property and casualty insurance and offsetting the excess value of illiquid assets (hereinafter - "UGL")

   In the nine months ended September 30, 2022, the Company offset from the reserve balance in property and casualty insurance the change in excess value of illiquid assets totaling NIS 163 million (of which NIS 176 million were classified from the health insurance and capital subsegments). In the 3 months ended September 30, 2022, the Company offset the change in excess value of illiquid assets totaling NIS 96 million, which were classified from the health insurance subsegment. It should be noted that the said impact in the current quarter led to a NIS 135 million decrease in reserves in the compulsory motor insurance and liability subsegment, and a NIS 39 million increase in reserves in the motor property and other property subsegments (mainly the motor property subsegment). The effect of the aforesaid classification is being offset against the operating results in the health insurance segment.

   The mechanism for offsetting the excess value of assets was implemented in accordance with Section 1C to the Position of the Commissioner of the Capital Market, Insurance and Savings - Best Practice for Calculation of Reserves in Property and Casualty Insurance for financial reporting purposes, where under the method employed in the revaluation of the assets reported in the financial statements against the liabilities may be taken into consideration when executing the prudence test as required under this position and in accordance with the draft insurance circular for revising the provisions of the consolidated circular, published on November 22, 2022, regarding the allocation of assets not measured at fair value when assessing reserves in property and casualty insurance. It should be noted that the draft circular includes a clarification where under the excess value of illiquid assets may be offset against reserves in property and casualty insurance; however, this offsetting will not reduce the reserves in property and casualty insurance below the reserve calculated based on best estimate.

NOTE 8 – SIGNIFICANT EVENTS DURING THE REPORTING PERIOD (cont.)

A. Changes in estimates and principal assumptions used to calculate the insurance reserves: (cont.)

7. Set forth below is the effect of the changes in the interest rate curve and the main changes described above on the insurance liabilities:

	For the 9 months ended September 30		For the 3 months ended September 30		For the year ended December 31
	2022	2021	2022	2021	2021
	Unaudited				Audited
	NIS million				
Life insurance segment:					
Effect of updating assumptions regarding rates of annuity uptake (see Section 5 above)	(462)	-	-	-	(55)
Effect of updating other assumptions on the supplementary retirement pension reserve and paid pensions	-	-	-	-	(12)
Effect of updating assumptions on the mortality and morbidity rates (see Section 4 above)	364	-	-	-	-
Effect of updating assumptions on the expense rates	-	(16)	-	-	(13)
Change in the discount rate used in the calculation of the supplementary retirement pension reserve and paid pensions	(490)	(68)	(93)	(84)	46
Change in the supplementary retirement pension reserve following the application of the illiquidity premium circular (*)	-	-	-	-	(66)
Total decrease in liabilities on retention in life insurance segment	**(588)**	(84)	**(93)**	**(84)**	**(100)**
Health insurance segment:					
Effect of updating of assumptions on the cancellation rates:					
LAT	-	-	-	-	159
Other	-	-	-	-	(21)
Effect of updating assumptions on the expense rates:					
LAT	-	(198)	-	-	(204)
Other	-	19	-	-	(23)
Effect of updating assumptions on the mortality and morbidity rates:					
LAT	-	293	-	-	293
Other	-	(121)	-	-	(42)
Change in the LAT reserve following a change in the discount rate (**)	(793)	(63)	(40)	(117)	429
Change in the LAT reserve following application of the illiquidity premium circular (*)	-	-	-	-	(298)
Total increase (decrease) in liabilities on retention in health insurance segment	**(793)**	**(70)**	**(40)**	**(117)**	**293**
P&C insurance segment:					
Change in discount rate (**)	(204)	(7) (***)	(136)	1 (***)	(8)(***)
Total decrease in liabilities on retention in P&C insurance segment	**(204)**	**(7)**	**(136)**	**1**	**(8)**
Total increase (decrease) in liabilities on retention before tax	**(1,585)**	**(161)**	**(269)**	**(200)**	**185**
Total increase (decrease) in liabilities on retention, after tax	**(1,043)**	**(106)**	**(177)**	**132**	**122**

(*) For information about the Amendment to the Provisions of the Consolidated Circular regarding Measurement of Liabilities - Illiquidity Premium, see Note 41(5.1.10)D to the 2021 Consolidated Annual Financial Statements.
(**) This effect includes the change in the excess of value of illiquid assets, and the effect of the classification of excess value illiquid assets. For further details, please see Section 6 above.
(***) Reclassified.

NOTE 8 – SIGNIFICANT EVENTS DURING THE REPORTING PERIOD (cont.)

B. Fluctuations in financial markets and changes in the risk-free interest curves affect the group's results. During the reporting period, there were slumps in capital markets; those slumps intensified upon the breakout of the war between Russia and Ukraine. Consequently, the participating life insurance policies marketed through 2004 achieved negative real yields. Therefore, during the reporting period the Company did not record variable management fees; rather, it only recorded fixed management fees. So long as the policies do not achieve a positive real yield that will cover the investment losses accrued by the policyholders, the Company will not be able to collect variable management fees. As of September 30, 2022, management fees that were not collected due to the negative real return and until accumulative positive return is achieved amounted to NIS 672 million. In addition, the slumps in capital markets also had an adverse effect on the Company's liquid nostro investments portfolio; on the other hand, there was an increase in the risk-free interest rate curve during the period, which caused a decrease in liabilities in respect of insurance contracts. The effect of the increase in interest rates has offset most of the impact of the slumps in capital markets. For further details about the impact of interest, please see Section A above.

For information concerning the effect of the change in the interest rate curve and the rise in financial markets subsequent to balance sheet date, see Note 9A below.

C. Early redemption of Series 3 Bonds and issuance of Series 6 Bonds

1. On December 9, 2021, the Company's Board of Directors decided to make a full conditional early redemption of the bonds (Series 3) at the total amount of NIS 284 million, which was implemented on January 18, 2022. The full early redemption was conditional upon the completion of a debt raising considered by the Company, through the issuance of its Series 6 bonds by way of a series expansion (hereinafter: the " Condition Precedent") which were offered by way of a uniform offering to the public pursuant to the Company's shelf prospectus published on December 9, 2021. On January 5, 2022, the Condition Precedent for the full early redemption was met; on January 16, 2022, the bonds (Series 3) were removed from the indices on the Tel Aviv Stock Exchange. In order to reflect the expected exercise of the early redemption option, the Company revised the carrying amount of Series 3 Bonds as of December 31, 2021. Following the above, the Company recognized a loss of approximately NIS 10 million in 2021.

   For further details, please see the Company's immediate reports of December 9, 2021, and January 6, 2022 (Ref. Nos.: 2021-01-107986, 2022-01-004077).

2. On January 9, 2022, the Company issued NIS 300 million in NIS 1 p.v each registered bonds (Series 6), which were issued pursuant to the Company's shelf offering report dated August 15, 2019, in consideration for NIS 300,000 thousand. The principal of the bonds shall be repayable in nine (9) annual unequal installments, that will be paid on December 31 of each of the years 2024 to 2032; the first installment will be paid on December 31, 2024, and the last installment will be paid on December 31, 2032. The first installment will account for 4% of the principal; each of the second through the fourth installments will account for 12% of the principal; each of the fifth through the seventh installments will account for 10% of the principal, and each of the eighth and ninth installments will account for 15% of the principal. The Series 6 bonds are not linked to any linkage basis.

   The outstanding balance of the bonds' principal bears a fixed annual interest rate of 1.94%. The interest payable on the outstanding balance of the bonds' principal shall be paid in semi-annual installments, on June 30 and December 31 of each of the years 2022 through 2032; the last interest installment will be paid on December 31, 2032. The Bonds (Series 6) were rated by Midroog at Aa3.il with a stable outlook, and by Maalot at ilAA-.

   The issuance proceeds are designed to be used for early redemption of Series 3 bonds and for the Company's operating activities.

NOTE 8 – SIGNIFICANT EVENTS DURING THE REPORTING PERIOD (cont.)

D. On January 17, 2022, Midroog reiterated the rating of the Series 3-6 bonds at Aa3.il, and changed the outlook from stable to positive.

E. On January 31, 2022, the Company's Board of Directors approved, after receiving the approval of Compensation Committee, to allocate the employees of the Company and its subsidiaries - some of whom are officers of the Company (including the Company's CEO) as well as some of the Company's service providers (hereinafter - the "Offerees") a total of up to 4,883,593 options, not listed for trading, offered at no cash monetary consideration (offered in consideration for work performed or service rendered to the Company by the Offerees) exercisable into up to 4,883,593 registered ordinary shares of NIS 1 par value each of the Company, out of the Company's reserved shares. Under the theoretical assumption of all allocatable options being exercised under the outline, immediately after exercise thereof and taking into account the issued and paid-up capital of the Company, the shares arising from the exercise of the options as of the Board of Directors' approval, shall constitute approximately 1.94% of the issued and paid-up capital of the Company and approximately 1.94% of its voting rights (and approximately 1.85% and 1.85%, respectively, fully diluted). In practice, no allotment will be made to the offerees who will realize the full stock options arising from them, but only shares in an amount that reflects the amount of the monetary benefit inherent in the options. In accordance with the Board of Directors' decision, out of the amount of 4,883,593 options offered to offerees a total of 90,000 options were allotted to the Company's CEO. The fair value at the Award Date is calculated based on an appraisal received from an external appraiser who used the binomial model.

The average value of one option was estimated at approximately NIS 4.18, and the total value of the options allotted was estimated at that date at approximately NIS 20 million. The award of options to the Company's CEO was approved in an extraordinary annual general meeting of the Company on March 8, 2022. For further details regarding the vesting terms and conditions, see Note 37B(4) to the Consolidated Annual Financial Statements. For more information, please see immediate reports dated February 1, 2022, and March 8, 2022 (Ref. Nos.: 2022-01-012510, 2022-01-023133 and 2022-01-023208, respectively).

F. On February 6, 2022, and March 7, 2022, Gama raised from an institutional entity, which is not an interested party in Gama, a total of NIS 200 million and NIS 100 million, respectively, through an illiquid commercial security (hereinafter - the "CSs"), the proceeds in respect of which were used to fund the Company's operating activities. The CSs bears Prime interest plus a 0.4%-1.4% spread. The term of the CSs is one year, with an option to renew for further one-year periods, up to a maximum period of five years. During the period, each of the parties may shorten the term of the CSs by giving a 60-day advance notice. Gama did not provide any collateral, and no financial covenants were set.

G. On March 28, 2022, the Company's Board of Directors approved a dividend distribution in the amount of NIS 421 million. The dividend per share of NIS 1 par value is NIS 1.68. The record date for the distribution is April 5, 2022; the dividend was paid on April 13, 2022.

H. On March 28, 2022, the Company's Board of Directors approved an update to the dividend distribution policy that was approved by the Board of Directors in October 2020; the policy will apply in connection with future dividend distributions that will be executed in connection with the Company's financial results for 2022 and thereafter. According to the update, the rate of dividend will not change (will not be lower than 30% of the Company's distributable comprehensive income as per its financial statements in a relevant year); however, the Company will take steps to distribute a dividend twice a year:

Dividend at the discretion of the Board of Directors on the approval date of the financial statements for the second quarter of each calendar year.

- Supplementary dividend in accordance with the policy on the annual report's approval date of each calendar year.

NOTE 8 – SIGNIFICANT EVENTS DURING THE REPORTING PERIOD (cont.)

H. (cont.)

Furthermore, the Company will not include in the amount of the dividend any amounts that were used for the execution of the share buyback plan. It is stipulated that the foregoing policy is not intended to derogate from the power of the Board of Directors to determine and approve the dividend to be distributed, as it deems appropriate at any given time.

I. Following the Company's share buyback plan of up to NIS 100 million as of August 24, 2021, the Company purchased a total of 1,412 thousand shares during 2022, for a total of approximately NIS 56 million; the plan's cumulative performance percentage is 55.9%. Subsequent to those buybacks, the Company holds 5,396 thousand Company shares.

J. In February 2022, Gama's Board of Directors approved a plan for the allocation of up to 4,045,251 options to employees and officers of Gama. These options, which are not listed for trading, may be offered for no cash monetary consideration (they will be offered in consideration for work performed or service rendered to Gama by the offerees), and are exercisable into up to 4,045,251 registered ordinary shares of Gama of NIS 0.01 p.v. each.

On March 30, 2022, up to 3,761,841 options were offered to employees and officers of Gama (hereinafter - the "Offerees"), under the theoretical assumption of all allocatable options being exercised under the outline (see Gama's immediate report of April 1, 2022, Ref. No.: 2022-01-034830); immediately after exercise thereof and taking into account the issued and paid up capital of Gama as of the approval by Gama's Board of Directors, the shares arising from the exercise of the options shall constitute approximately 6.17% of the issued and paid up capital and voting rights of Gama. In practice, no allotment will be made to the offerees who will realize the full stock options arising from them, but only shares in an amount that reflects the amount of the monetary benefit inherent in the options.

For further details, see Gama's immediate reports dated April 1, 2022 (Ref. Nos.: 2022-01-034830 and 2022-01-034836).

K. In May 2022, The Phoenix Insurance expanded, through The Phoenix Capital Raising, NIS 293,361 thousand p.v. in registered Bonds (Series K) of NIS 1 p.v. each; the proceeds of the issuance is NIS 270 million. The Bonds were issued pursuant to The Phoenix Capital Raising's shelf offering report dated May 8, 2022 (Ref. No. 2022-01-054814). On April 27, 2022, Midroog announced it was reiterating the rating at Aa3.il, with a stable outlook for this series. Also, on May 1, 2022, Maalot announced that it was reiterating the ilAA- rating for this series. These bonds shall be recognized as a Tier 2 capital instrument by The Phoenix Insurance, subject to the Commissioner's directives on restricting recognized capital.

L. In September 2021 The Phoenix Pension and Provident signed an agreement for the sale of IRA funds to Global Net Provident Fund Management (G.N.P.F.M) Ltd., subject to the fulfillment of conditions precedent and after obtaining all of the required regulatory approvals. The sale was completed on May 1, 2022. Total assets under management in the IRA funds that were sold to Global Net amount to NIS 2.3 billion. As a result of the sale, the Company recognized in the reporting period a pre-tax profit of NIS 14 million.

NOTE 8 – SIGNIFICANT EVENTS DURING THE REPORTING PERIOD (cont.)

M. On April 18, 2022, Gama issued NIS 216,273 par value of registered Series B bonds of NIS 1 par value each; the bonds, were issued pursuant to Gama's shelf offering report of May 30, 2021 (Ref. No. 2021-01-032896) in consideration for NIS 216,273 thousand. The bonds shall be repayable (principal) in three unequal annual installments; the first installment, constituting 30% of the principal amount, shall be made on October 18, 2024; the second installment, constituting 30% of the principal amount, shall be made on April 18, 2025, and the third and last installment, constituting 40% of the principal amount, shall be made on October 18, 2025. The outstanding balance of the bonds' principal shall bear fixed annual interest of 3%; the interest on the outstanding balance of the bonds' principal will be paid in semi-annual installments, on April 18 and October 18 of each of the years 2022 through 2025. The first interest payment will be paid on October 18, 2022, and the last principal and interest payments will be paid on October 18, 2025. The bonds were rated by Midroog at Aa3.il with a stable outlook.

N. On April 18, 2022, Gama issued NIS 283,010 par value of registered Series C bonds of NIS 1 par value each; the bonds, which are linked to the CPI, were issued pursuant to the Company's shelf offering report of May 30, 2021 (Ref. No. 2021-01-032896) in consideration for NIS 283,010 thousand. The bonds shall be repayable (principal) in three unequal annual installments; the first installment, constituting 30% of the principal amount, shall be made on October 18, 2024; the second installment, constituting 30% of the principal amount, shall be made on April 18, 2025, and the third and last installment, constituting 40% of the principal amount, shall be made on October 18, 2025. The outstanding balance of the bonds' principal shall bear variable annual interest at the rate of the Bank of Israel interest, plus a 1.35% spread; the interest on the outstanding balance of the bonds' principal will be paid in semi-annual installments, on April 18 and October 18 of each of the years 2022 through 2025. The first interest payment will be paid on October 18, 2022, and the last principal and interest payments will be paid on October 18, 2025. The bonds were rated by Midroog at Aa3.il with a stable outlook.

O. Spread transactions in Excellence

Excellence performs spread transactions involving financial instruments; the said transactions are presented at fair value through profit or loss. Those transactions are presented in the Company's books of account at their gross amount. Spread transactions include derivatives, underlying assets, credit and deposits, which are managed by the Company as a single financial transaction, whose purpose is to fix the spread with no exposure to market risk or third-party credit risk. These transactions are normally conducted with banking corporations with a maximum ILAAA rating, in dedicated accounts that the bank may offset against one another. As of the financial statements date, the income generated from the said spread transactions is immaterial.

In view of the increase in this activity, the Company is currently assessing the option of entering into an agreement with the bank in connection therewith; such an agreement will be in line with the transaction's characteristics as a single transaction settled on a net cash flow basis. As of September 30, 2022, the balance of deposits backing the financial liabilities due to short sale amounts to NIS 1.8 billion.

P. On June 9, 2022, the Company (through The Phoenix Investments) entered into an agreement with three partners, Mr. Eyal Greenbaum, Mr. Ehud Toibin, and Mr. Yoav Fogel (all of whom have background and experience in the field of underwriting) for the establishment of a new underwriting company (hereinafter - the "Underwriting Company"). In accordance with the terms of the agreement, the Company will hold (indirectly) 19.99% of the new Underwriting Company's issued and paid-up share capital and voting rights, and the remaining rights shall be held by the above-mentioned partners. The above-mentioned transaction is subject to conditions precedent, including the fulfillment of the requirements and conditions for obtaining an underwriter license and registering with the underwriters registry of the Israel Securities Authority in accordance with the Securities Regulations (Underwriting), 2007 (hereinafter - the "Underwriting Regulations").

NOTE 8 – SIGNIFICANT EVENTS DURING THE REPORTING PERIOD (cont.)

(cont.)

Subject to the completion of the transaction as stated above, the Company will use its means of control to cause Excellence Nessuah Underwriting (1993) Ltd. to stop serving as an active underwriter, as this term is defined in the Underwriting Regulations. As of the report date, the conditions precedent have not yet been fulfilled.

Q. On June 26, 2022, Gama offered, through a shelf offering report, 13,107,120 ordinary shares of the Company NIS 0.01 par value each to shareholders of Gama, who held the securities conferring the rights on July 3, 2022, through 2,621,424 right units. The shares were issued by way of issuance of rights, such that each holder of 21 securities that confer rights on July 3, 2022, was entitled to acquire one right unit comprised of 5 ordinary shares of the Company at a price of NIS 45.8 per unit (NIS 9.16 per one share). Through the rights exercise deadline - July 18, 2022 - the Company received announcements regarding the exercise of 2,609,152 units for the acquisition of 13,045,759 ordinary shares of the company, which constitute approx. 99.5% of the total shares offered in the shelf offering report. In consideration for the exercise of the above right units as stated above, Gama received a total of NIS 119.5 million. The entire issuance proceeds will be used to develop the company's businesses and fund its operating activities. Gama's controlling shareholder, The Phoenix Investments, exercised all of its rights to acquire shares as per the shelf offering report, and its stake in Gama increased at an immaterial rate as a result of the acquisition of rights in the issuance, such that as of the date of this report its stake in the company is 61%. For information in connection with this matter, see Gama's immediate reports of June 26, 2022, July 19, 2022, and July 20, 2022 (Ref. Nos.: 2022-01-075996, 2022-01-064965, 2022-01-076500).

R. On August 24, 2022, the company's Board of Directors approved a dividend distribution in the amount of NIS 160 million in respect of the profits for the 6-month period ended June 30, 2022. The dividend per share of NIS 1 par value is NIS 0.63659. The record date for the distribution was September 4, 2022; the dividend will be paid on September 12, 2022.

S. On August 23, 2022, the Company published a shelf prospectus, which is dated August 24, 2022; for more information, see immediate report of August 23, 2022 (Ref. No.: 2022-01-107446).

T. On July 27, 2022, The Phoenix Insurance raised, through The Phoenix Capital Raising, a total of NIS 400 million as part of a public placement (by way of issuance of a new series and expansion of an existing series) of Series M bonds at the total amount of NIS 200 million (of bonds of NIS 1 p.v. each), and Series K bonds at the total amount of NIS 200 million (of NIS 1 p.v. each) (hereinafter- the "Bonds"). The issuance proceeds amounted to NIS 198 million and NIS 185 million, respectively. The Bonds were issued in accordance with a shelf prospectus of The Phoenix Capital Raising of August 16, 2019, whose term was extended through August 15, 2022, in accordance with a permit issued by the Israel Securities Authority. The Bonds were rated by Midroog at Aa3.il with a stable outlook, and by Maalot at -ilAA.

The repayment date of the Series M bonds is October 31, 2032. The Company shall have the right to execute full or partial early redemption of the Series M Bonds on October 31, 2028 (hereinafter - the "Record Date for Additional Interest") when certain conditions set out in the deed of trust are met, without giving bondholders and/or the trustee a right of choice; if partial or full early redemption of the Series M Bonds will not be executed, then the Bonds shall bear additional interest at a rate of 50% of the original risk margin set in relation to the relevant series of bonds as defined in the shelf prospectus, for a period starting on the Record Date for Additional Interest through the repayment date of the Series M Bonds. The Bonds (Series M) shall bear the Bank of Israel's quarterly variable interest plus a 1.75% annual margin. The first installment was paid in October 2022. These bonds were recognized as a Tier 2 capital instrument by The Phoenix Insurance, subject to the Commissioner's directives on restricting recognized capital.

NOTE 8 – SIGNIFICANT EVENTS DURING THE REPORTING PERIOD (cont.)

U. On September 13, 2022, the Company issued - by way of expansion through a private placement - NIS 60 million in NIS 1 p.v each registered bonds (Series 4). The issuance proceeds amounted to NIS 60 million. The principal of the bonds shall be repayable in four (4) annual equal installments, that will be paid on July 31 of each of the years 2025 to 2028. The outstanding balance of the bonds' principal bears a variable interest at the rate of the Bank of Israel's interest + 1.28%. The interest payable on the outstanding balance of the bonds' principal shall be paid in quarterly installments. The Bonds (Series 4) were rated ilAA- by Maalot. The issuance proceeds will be used to extend a loan to Excellence Investments.

V. On August 23, 2022, Midroog affirmed The Phoenix Insurance's rating at Aa1.il with a stable outlook. Furthermore, Midroog affirmed at the rating of the Series E, F, H, I, J, K, L and M Bonds, which were raised through The Phoenix Capital Raising, at Aa3.il with a stable outlook, and the rating of Series D Bonds of The Phoenix Insurance at Aa2.il with a stable outlook. For further details, please see the immediate report of The Phoenix Capital Raising dated August 23, 2022 (Ref. No.: 2022-01-107500).

W. In September 2022, a subsidiary controlled by the Company entered into an agreement with Mr. Uri Omid (hereinafter - the "Entrepreneur"), where under the subsidiary shall invest in a new company which is controlled by the Entrepreneur (hereinafter - the "New Company"), and which will engage in the field of property and casualty insurance, subject to receiving an insurer license in accordance with the Financial Services Supervision Law (Insurance), 1981. For further details, please see the report dated September 18, 2022 (Ref. No. 2022-01-118753).

NOTE 9 – SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

A. Further to what is stated in Note 8B, during the period from reporting date through the financial statements publication date, financial markets in Israel and globally have rallied; this was offset against the decline in the value of the yield-dependent policies and the assets of provident funds and pension funds. Therefore, the estimated management fees which were not collected due to negative real yield, as of the report publication date, amounted to approximately NIS 636 million. however, at this stage it is impossible to estimate the effect of the rallies in financial markets on the results in the fourth quarter of 2022 and on the economic solvency ratio. For additional information on the market risks to which the Company is exposed and on the results of sensitivity tests relating to market risks, please see Note 41, Sections 3.1 and 3.2 to the 2021 Consolidated Annual Financial Statements.

B. In November 2022, Excellence entered into an agreement for the acquisition of the entire issued share capital of Epsilon Investment House Ltd. (hereinafter - "Epsilon Investment House"), which holds, among other things, Epsilon Mutual Funds Management (1991) Ltd. (hereinafter - "Epsilon Funds") and Epsilon Investment Portfolio Management Ltd. The proceeds expected in respect of the transaction amount to NIS 45 million plus an amount equal to Epsilon's liquid capital (as this term was defined in the agreement), and net of dividends to be distributed after the calculation date of the liquid capital and through the completion date.

The completion of the Transaction is subject to the fulfillment of a number of conditions precedent as described in the agreement. As of the report publication date, the conditions precedent have not yet been fully met.

C. On November 3, 2022, S&P Maalot announced the ratification of an ilAA+ rating for The Phoenix Insurance with a stable outlook. (Ref. No. 2022-01-132481).

D. In connection with class actions filed and developments in lawsuits after the balance sheet date, please see Note 7 above.

Details of assets for assets and other financial investments

A. Details of other financial investments

	As of September 30, 2022			
	Presented at fair value through profit and loss	Available-for-sale	Loans and receivables	Total
	Unaudited			
	NIS thousand			
Liquid debt assets (a1)	408,786	5,635,198	-	6,043,984
Illiquid debt assets	-	-	14,523,705	14,523,705
Shares (a2)	-	2,116,308	-	2,116,308
Other (a3)	523,672	4,242,379	-	4,766,051
Total	932,458	11,993,885	14,523,705	27,450,048

	As of September 30, 2021			
	Presented at fair value through profit and loss	Available-for-sale	Loans and receivables	Total
	Unaudited			
	NIS thousand			
Liquid debt assets (a1)	208,855	7,349,261	-	7,558,116
Illiquid debt assets	-	-	12,176,583	12,176,583
Shares (a2)	-	2,414,279	-	2,414,279
Other (a3)	553,089	3,265,721	-	3,818,810
Total	761,944	13,029,261	12,176,583	25,967,788

	As of December 31, 2021			
	Presented at fair value through profit and loss	Available-for-sale	Loans and receivables	Total
	Audited			
	NIS thousand			
Liquid debt assets (a1) (*)	236,367	7,136,770	-	7,373,137
Illiquid debt assets	-	-	12,346,143	12,346,143
Shares (a2)	-	2,602,173	-	2,602,173
Other (a3)	672,079	3,729,284	-	4,401,363
Total	908,446	13,468,227	12,346,143	26,722,816

(*) Reclassified.

Details of assets for assets and other financial investments (cont.)

A1. Liquid debt assets

	As of September 30, 2022	
	Carrying amount	Amortized cost
	Unaudited	
	NIS thousand	
Government bonds	2,493,910	2,881,014
Other debt assets:		
Other non-convertible debt assets	3,141,288	3,405,587
Other convertible debt assets	408,786	453,517
Total liquid debt assets	6,043,984	6,740,118
Impairments carried to profit and loss (cumulative)	432,840	

	As of September 30, 2021	
	Carrying amount	Amortized cost
	Unaudited	
	NIS thousand	
Government bonds	4,287,593	4,253,534
Other debt assets:		
Other non-convertible debt assets (*)	3,061,693	2,751,922
Other convertible debt assets (*)	208,830	201,803
Total liquid debt assets	7,558,116	7,207,259
Impairments carried to profit and loss (cumulative)	87,411	

(*) Reclassified.

	As of December 31, 2021	
	Carrying amount	Amortized cost
	Audited	
	NIS thousand	
Government bonds	3,925,232	3,738,712
Other debt assets:		
Other non-convertible debt assets (*)	3,211,538	2,960,183
Other convertible debt assets (*)	236,367	231,789
Total liquid debt assets	7,373,137	6,930,684
Impairments carried to profit and loss (cumulative)	81,553	

(*) Reclassified.

Details of assets for assets and other financial investments (cont.)

A2. Shares

	As of September 30, 2022	
	Carrying amount	Cost
	Unaudited	
	NIS thousand	
Liquid shares	1,648,646	1,668,986
Illiquid shares	467,662	332,367
Total shares	2,116,308	2,001,353
Impairments carried to profit and loss (cumulative)	321,250	

	As of September 30, 2021	
	Carrying amount	Cost
	Unaudited	
	NIS thousand	
Liquid shares	2,124,331	1,500,951
Illiquid shares	289,948	246,580
Total shares	2,414,279	1,747,531
Impairments carried to profit and loss (cumulative)	191,804	

	As of December 31, 2021	
	Carrying amount	Cost
	Audited	
	NIS thousand	
Liquid shares	2,120,169	1,513,615
Illiquid shares	482,004	354,577
Total shares	2,602,173	1,868,192
Impairments carried to profit and loss (cumulative)	216,277	

Details of assets for assets and other financial investments (cont.)

A3. Other financial investments

	As of September 30, 2022	
	Carrying amount	Cost
	Unaudited	
	NIS thousand	
Total liquid financial investments	585,100	591,083
Total illiquid financial investments	4,180,951	3,098,407
Total other financial investments	4,766,051	3,689,490
Impairments carried to profit and loss (cumulative)	231,481	

	As of September 30, 2021	
	Carrying amount	Cost
	Unaudited	
	NIS thousand	
Total liquid financial investments	625,780	571,817
Total illiquid financial investments	3,193,030	2,404,894
Total other financial investments	3,818,810	2,976,711
Impairments carried to profit and loss (cumulative)	105,176	

	As of December 31, 2021	
	Carrying amount	Cost
	Audited	
	NIS thousand	
Total liquid financial investments	942,070	878,257
Total illiquid financial investments	3,459,293	2,583,864
Total other financial investments	4,401,363	3,462,121
Impairments carried to profit and loss (cumulative)	153,113	

Part 3

Standalone Financial Data from the Consolidated Interim Financial Statements Attributed to the Company

Table of Contents

Page

Kost Forer Gabbay & Kasierer
Menachem Begin Road 144A,
Tel Aviv 6492102
Tel. +972-3-6232525
Fax +972-3-5622555
ey.com

To
The Shareholders of The Phoenix Holdings Ltd.
Dear Madam/Sir,

Re: Special report to the review of the separate interim financial Information pursuant in accordance with Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 1970

Introduction

We have reviewed the separate interim financial information disclosed in accordance with Regulation 38D to the Securities Regulations (Periodic and Immediate Reports), 1970 of The Phoenix Holdings Ltd. ("the Company") as of September 30, 2022, and for the nine and three months periods then ended. The Company's board of directors and management are responsible for the separate interim financial information. Our responsibility is to express a conclusion regarding the separate interim financial information based on our review.

We did not review the separate interim financial information taken from the interim information of investees, in which the total investment amounted to approximately NIS 859,734 thousand as of September 30, 2022, and the Company's share in of their earnings amounted to approximately NIS 47,058 thousand and NIS 30,854 thousand for the nine and three months periods then ended, respectively. The separate interim financial information of those companies was reviewed by other auditors, whose review reports have been furnished to us, and our conclusion, 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 (Israel) 2410 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 of applying analytical and other review procedures. A review is substantially less in scope than an audit performed pursuant to Israeli GAAP and, as a result, 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 are 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 separate interim financial information is not prepared, in all material respects, in accordance with Regulation 38D to the Securities Regulations (Periodic and Immediate Reports), 1970.

Tel Aviv,
November 29, 2022

Kost Forer Gabbay & Kasierer
Certified Public Accountants

	As of		
	September 30, 2022	September 30, 2021	December 31, 2021
	Unaudited		Audited
	NIS thousand		
Assets			
Investments in investees	9,320,775	8,899,165	9,353,800
Loans and capital notes to investees	812,153	700,238	701,740
Total non-current assets	10,132,928	9,599,403	10,055,540
Other financial investments	996,997	942,580	946,470
Other receivables	4,222	3,281	16,839
Current tax assets	31	-	31
Cash and cash equivalents	26,703	9,458	109,922
Total current assets	1,027,953	955,319	1,073,262
Total assets	11,160,881	10,554,722	11,128,802
Equity attributable to Company's shareholders			
Share capital	310,660	310,215	310,323
Premium on shares and capital reserves	845,683	845,812	849,309
Treasury shares	(155,628)	(99,769)	(99,769)
Capital reserves	834,438	1,117,973	1,261,509
Surplus	7,776,248	6,913,182	7,331,992
Total equity	9,611,401	9,087,413	9,653,364
Liabilities			
Non-current liabilities			
Bonds	1,487,779	1,354,790	1,129,848
Current liabilities			
Payables and credit balances	7,988	10,922	11,448
Liability in respect of current taxes	-	4,866	-
Liability in respect of deferred taxes	18,606	18,479	18,479
Bonds	35,107	78,252	315,663
Total current liabilities	61,701	112,519	345,590
Total liabilities	1,549,480	1,467,309	1,475,438
Total equity and liabilities	11,160,881	10,554,722	11,128,802

The attached additional information is an integral part of the Company's separate interim financial information.

Benjamin Gabbay **Chairman of the Board**	**Eyal Ben Simon** **CEO**	**Eli Schwartz** **EVP, CFO**

Date the financial statements were approved - November 29, 2022

	For the nine months ended September 30		For the three months ended September 30		For the year ended December 31
	2022	2021	2022	2021	2021
	Unaudited		Unaudited		Audited
	NIS thousand				
Company's share in the profits of investees, net of tax	994,035	1,298,049	153,196	378,304	1,900,306
Investment income, net and finance income	81,167	102,815	25,865	67,298	117,198
Income from management fees of investees	2,250	2,250	750	750	3,000
Total income	1,077,452	1,403,114	179,811	446,352	2,020,504
General and administrative expenses	7,323	15,811	1,886	6,459	8,703
Finance expenses	47,773	30,641	15,532	11,483	47,105
Total expenses	55,096	46,452	17,418	17,942	55,808
Profit before income tax	1,022,356	1,356,662	162,393	428,410	1,964,696
Taxes on income	-	4,896	-	4,896	-
Profit for the period attributable to the Company’s owners	1,022,356	1,351,766	162,393	423,514	1,964,696

The attached additional information is an integral part of the Company's separate interim financial information.

	For the nine months ended September 30		For the three months ended September 30		For the year ended December 31
	2022	2021	2022	2021	2021
	Unaudited				Audited
	NIS thousand				
Net income for the period	1,022,356	1,351,766	162,393	423,514	1,964,696
Other comprehensive income:					
Amounts that will be or that have been reclassified to profit or loss when specific conditions are met					
Net change in fair value of financial assets classified as available for sale, carried to capital reserves	(678)	3,735	(5)	194	4,460
Gains (losses) net from disposal of financial assets classified as available for sale, carried to the income statement	42	(4,382)	(45)	(3,374)	(4,495)
Impairment loss of financial assets classified as available for sale, carried to the income statement	186	-	76	-	-
The Group's share in other comprehensive income (loss) of equity-accounted investees	(423,703)	206,116	(100,673)	(15,941)	327,092
Taxes on income relating to components of other comprehensive income	104	-	225	-	-
Total components of income (loss) items, subsequently reclassified to profit or loss	(424,049)	205,469	(100,422)	(19,121)	327,057
Amount that will not be subsequently reclassified to profit or loss					
The Group's share in other comprehensive income (loss) of equity-accounted investees	346	-	(251)	-	24,282
Other comprehensive income (loss) for the period, net	(423,703)	205,469	(100,673)	(19,121)	351,339
Total comprehensive income for the period	598,653	1,557,235	61,720	404,393	2,316,035

The attached additional information is an integral part of the Company's separate interim financial information.

	Share capital	Premium and capital reserves in respect of shares	Treasury shares	Retained earnings	Capital reserve from transactions with non-controlling interests	Capital reserve from transaction with controlling shareholder	Capital reserve from share-based payment	Revaluation reserve	Reserve from translation differences	Capital reserve in respect of available-for-sale financial assets	Total equity
						NIS thousand					
Balance on January 1, 2022 (audited)	310,323	849,309	(99,769)	7,331,992	(45,655)	11,000	51,652	131,354	(41,946)	1,155,104	9,653,364
Net income	-	-	-	1,022,356	-	-	-	-	-	-	1,022,356
Other comprehensive income (loss)	-	-	-	593	-	-	-	-	17,807	(442,103)	(423,703)
Total comprehensive income (loss)	-	-	-	1,022,949	-	-	-	-	17,807	(442,103)	598,653
Share-based payment	-	(5,416)	-	-	-	-	13,611	-	-	-	8,195
Acquisition of treasury shares	-	-	(55,859)	-	-	-	-	-	-	-	(55,859)
Exercise of employee options	337	1,790	-	-	-	-	(2,127)	-	-	-	-
Transfer from revaluation reserve in respect of revaluation of property, plant, and equipment, at the depreciation amount	-	-	-	2,307	-	-	-	(2,307)	-	-	-
Dividend (see Note 2A)	-	-	-	(581,000)	-	-	-	-	-	-	(581,000)
Allocation of shares of a consolidated subsidiary to minority interests	-	-	-	-	2,483	-	-	-	-	-	2,483
Acquisition of non-controlling interests	-	-	-	-	(14,435)	-	-	-	-	-	(14,435)
As of September 30, 2022 (unaudited)	310,660	845,683	(155,628)	7,776,248	(57,607)	11,000	63,136	129,047	(24,139)	713,001	9,611,401

The attached additional information is an integral part of the Company's separate interim financial information.

	Share capital	Premium and capital reserves in respect of shares	Treasury shares	Retained earnings	Capital reserve from transactions with non-controlling interests	Capital reserve from transaction with controlling shareholder	Capital reserve from share-based payment	Revaluation reserve	Reserve from translation differences	Capital reserve in respect of available-for-sale financial assets	Total equity
						NIS thousand					
Balance as of January 1, 2021 (audited)	309,951	833,592	(26,411)	5,939,754	(43,622)	11,000	44,943	114,614	(23,338)	809,439	7,969,922
Net income	-	-	-	1,351,766	-	-	-	-	-	-	1,351,766
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	(8,190)	213,659	205,469
Total comprehensive income (loss)	-	-	-	1,351,766	-	-	-	-	(8,190)	213,659	1,557,235
Share-based payment		10,176	-	-	-	-	6,922	-	-	-	17,098
Acquisition of treasury shares	-	-	(73,358)	-	-	-	-	-	-	-	(73,358)
Dividend	-	-	-	(380,000)	-	-	-	-	-	-	(380,000)
Exercise of employee options	264	2,044	-	-	-	-	(2,308)	-	-	-	-
Transfer from revaluation reserve in respect of revaluation of property, plant and equipment, at the depreciation amount	-	-	-	1,662	-	-	-	(1,662)	-	-	-
Allocation of shares of a consolidated subsidiary to minority interests	-	-	-	-	(3,484)	-	-	-	-	-	(3,484)
As of September 30, 2021 (unaudited)	310,215	845,812	(99,769)	6,913,182	(47,106)	11,000	49,557	112,952	(31,528)	1,023,098	9,087,413

The attached additional information is an integral part of the Company's separate interim financial information.

	Share capital	Premium and capital reserves in respect of shares	Treasury shares	Retained earnings	Capital reserve from transactions with non-controlling interests	Capital reserve from transaction with controlling shareholder	Capital reserve from share-based payment	Revaluation reserve	Reserve from translation differences	Capital reserve in respect of available-for-sale financial assets	Total equity
	NIS thousand										
Balance on July 1, 2022 (unaudited)	310,514	845,296	(155,628)	7,773,062	(56,276)	11,000	60,516	129,840	(23,123)	812,658	9,707,859
Net income	-	-	-	162,393	-	-	-	-	-	-	162,393
Other comprehensive income loss	-	-	-	-	-	-	-	-	(1,016)	(99,657)	(100,673)
Comprehensive income (loss)	-	-	-	162,393	-	-	-	-	(1,016)	(99,657)	61,720
Share-based payment	-	(423)	-	-	-	-	3,576	-	-	-	3,153
Exercise of employee options	146	810	-	-	-	-	(956)	-	-	-	-
Transfer from revaluation reserve in respect of revaluation of property, plant, and equipment, at the depreciation amount	-	-	-	793	-	-	-	(793)	-	-	-
Dividend	-	-	-	(160,000)	-	-	-	-	-	-	(160,000)
Allocation of shares of a consolidated subsidiary to minority interests	-	-	-	-	1,104	-	-	-	-	-	1,104
Acquisition of non-controlling interests	-	-	-	-	(2,435)	-	-	-	-	-	(2,435)
As of September 30, 2022 (unaudited)	310,660	845,683	(155,628)	7,776,248	(57,607)	11,000	63,136	129,047	(24,139)	713,001	9,611,401

The attached additional information is an integral part of the Company's separate interim financial information.

	Share capital	Premium and capital reserves in respect of shares	Treasury shares	Retained earnings	Capital reserve from transactions with non-controlling interests	Capital reserve from transaction with controlling shareholder	Capital reserve from share-based payment	Revaluation reserve	Reserve from translation differences	Capital reserve in respect of available-for-sale financial assets	Total equity
						NIS thousand					
Balance on July 1, 2021 (unaudited)	310,059	839,186	(93,271)	6,489,114	(43,622)	11,000	48,194	113,506	(25,833)	1,036,524	8,684,857
Net income	-	-	-	423,514	-	-	-	-	-	-	423,514
Other comprehensive income loss	-	-	-	-	-	-	-	-	(5,695)	(13,426)	(19,121)
Total comprehensive income (loss)	-	-	-	423,514	-	-	-	-	(5,695)	(13,426)	404,393
Transfer from revaluation reserve in respect of revaluation of property, plant, and equipment, at the depreciation amount	-	-	-	554	-	-	-	(554)	-	-	-
Share-based payment	-	5,538	-	-	-	-	2,607	-	-	-	8,145
Acquisition of treasury shares	-	-	(6,498)	-	-	-	-	-	-	-	(6,498)
Exercise of employee options	156	1,088	-	-	-	-	(1,244)	-	-	-	-
Allocation of shares of a consolidated subsidiary to minority interests	-	-	-	-	(3,484)	-	-	-	-	-	(3,484)
As of September 30, 2021 (unaudited)	310,215	845,812	(99,769)	6,913,182	(47,106)	11,000	49,557	112,952	(31,528)	1,023,098	9,087,413

The attached additional information is an integral part of the Company's separate interim financial information.

	Share capital	Premium and capital reserves in respect of shares	Treasury shares	Retained earnings	Capital reserve from transactions with non-controlling interests	Capital reserve from transaction with controlling shareholder	Capital reserve from share-based payment	Revaluation reserve	Reserve from translation differences	Capital reserve in respect of available-for-sale financial assets	Total equity
	NIS thousand										
Balance as of January 1, 2021 (audited)	309,951	833,592	(26,411)	5,939,754	(43,622)	11,000	44,943	114,614	(23,338)	809,439	7,969,922
Net income	-	-	-	1,964,696	-	-	-		-	-	1,964,696
Other comprehensive income (loss)	-	-	-	(1,787)	-	-	-	26,069	(18,608)	345,665	351,339
Total comprehensive income (loss)	-	-	-	1,962,909	-	-	-	26,069	(18,608)	345,665	2,316,035
Share-based payment	-	13,083	-	-	-	-	9,715	-	-	-	22,798
Acquisition of treasury shares	-	-	(73,358)	-	-	-	-	-	-	-	(73,358)
Exercise of employee options	372	2,634	-	-	-	-	(3,006)	-	-	-	-
Transfer from revaluation reserve in respect of revaluation of property, plant, and equipment, at the depreciation amount	-	-	-	9,329	-	-	-	(9,329)	-	-	-
Dividend	-	-	-	(580,000)	-	-	-	-	-	-	(580,000)
Transaction with minority interest	-	-	-	-	1,223	-	-	-	-	-	1,223
Allocation of shares of a consolidated subsidiary to minority interests	-	-	-	-	(3,256)	-	-	-	-	-	(3,256)
Balance on December 31, 2021 (audited)	310,323	849,309	(99,769)	7,331,992	(45,655)	11,000	51,652	131,354	(41,946)	1,155,104	9,653,364

The attached additional information is an integral part of the Company's separate interim financial information.

	Appendix	For the nine months ended September 30 2022	For the nine months ended September 30 2021	For the three months ended September 30 2022	For the three months ended September 30 2021	For the year ended December 31 2021
		Unaudited		Unaudited		Audited
		NIS thousand				
Cash flows for operating activities						
Gain		1,022,356	1,351,766	162,393	423,514	1,964,696
Adjustments required to present cash flows for operating activities	(a)	(1,027,810)	(1,373,323)	(157,878)	(438,949)	(1,986,532)
Net cash used for operating activities of the Company		(5,454)	(21,557)	4,515	(15,435)	(21,836)
Cash flows from investing activities:						
Loans and capital notes repaid by subsidiaries		5,441	70,505	316	3,505	70,505
Dividend from investees		615,000	763,000	115,000	225,000	1,063,000
Net sales of financial investments of the Company		17,270	19,145	6,643	11,826	19,888
Acquisition of a subsidiary		(14,925)	(275,000)	-	-	(275,000)
Loans and capital notes provided to subsidiaries		(105,097)	(428,633)	(105,097)	(205,000)	(428,633)
Net cash from investing activities		517,689	149,017	16,862	35,331	449,760
Cash flows from financing activities						
Dividend paid to shareholders		(581,000)	(380,000)	(160,000)	-	(580,000)
Share buyback by the Company		(55,859)	(73,358)	-	(6,498)	(73,358)
Repayment of bonds		(315,159)	(53,371)	-	(53,371)	(53,371)
Issuance of bonds (less issuance expenses)		356,564	348,457	59,616	-	348,457
Net cash provided by (used in) financing activities		(595,454)	(158,272)	(100,384)	(59,869)	(358,272)
Increase (decrease) in cash and cash equivalents		(83,219)	(30,812)	(79,007)	(39,973)	69,652
Balance of cash and cash equivalents at beginning of period		109,922	40,270	105,710	49,431	40,270
Balance of cash and cash equivalents at end of period		26,703	9,458	26,703	9,458	109,922

The attached additional information is an integral part of the Company's separate interim financial information.

		For the nine months ended September 30		For the three months ended September 30		For the year ended December 31
		2022	2021	2022	2021	2021
		Unaudited				Audited
		NIS thousand				
(a)	**Adjustments required to present cash flows (for) from operating activities:**					
	Items not involving cash flows:					
	Profits from financial investments, net	(68,247)	(77,326)	(21,533)	(75,374)	(62,354)
	Income and expenses not involving cash flows:					
	Accrued interest and appreciation (impairment) of bonds	35,970	19,418	10,707	7,748	31,887
	Expenses (income) for income tax	-	4,896	-	4,896	-
	Company's share in the profits of investees, net	(994,035)	(1,298,049)	(153,196)	(378,304)	(1,900,306)
	Changes in other balance sheet line items, net:					
	Change in receivables and debit balances	12,685	3,052	6,367	9,773	(10,456)
	Change in payables and credit balances	(3,460)	4,967	3,192	(565)	(13,490)
	Changes in loans to investees	(10,723)	(12,064)	(3,415)	(3,409)	(13,565)
	Cash paid and received during the period for:	-	-	-	-	-
	Taxes paid, net	-	(18,217)	-	(3,894)	(18,248)
	Total cash flows for operating activities	(1,027,810)	(1,373,323)	(157,878)	(439,129)	(1,986,532)

The attached additional information is an integral part of the Company's separate interim financial information.

NOTE 1 - GENERAL

The Interim Separate Financial Information is presented in accordance with Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 1970 and does not include all the information required under Regulation 9C and the Tenth Addendum to the Securities Regulation (Periodic and Immediate Reports), 1970, "Separate Financial Information of the Corporation".
This separate financial information should be read in conjunction with the separate financial information as of the date and year ended December 31, 2021, and in conjunction with the consolidated condensed interim financial statements as of September 30, 2022 (hereinafter - the "Consolidated Financial Statements").

Definitions

The "**Company**" - The Phoenix Holdings Ltd.

"**Investee companies**" - Consolidated companies and companies the Company's investment in which is included, whether directly or indirectly, in the financial statements based on the equity method.

NOTE 2 - SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

A. On March 28, 2022, and June 30, 2022, the Company's Board of Directors approved a dividend distribution in the amount of NIS 421 million and NIS 160 million, respectively. For further details, please see Section 8G and 8R.

B. On March 28, 2022, The Phoenix Insurance's board of directors approved a dividend distribution totaling NIS 500 million; the dividend was paid on April 5, 2022.

C. On August 24, 2022, The Phoenix Insurance's board of directors approved a dividend distribution totaling NIS 115 million; the dividend was paid on September 7, 2022.

D. On September 15, 2022, the Company and Excellence Investments Ltd. signed a loan agreement, where under the Company extended a NIS 60 million loan against the expansion of Series 4 bonds by NIS 60 million.
The loan shall bear annual interest at a rate equal to the Bank of Israel's interest plus 1.476%; it is expected to be repaid in four annual equal payments starting on July 31, 2025, and through July 31, 2028. The terms of the bonds are identical to the terms of the loan.

E. On July 11, 2022, investments issued a NIS 45 million capital note to holdings. The capital note is not linked to the CPI, does not bear interest, and has no fixed repayment date. In any event, the capital note will not be repaid before five years have elapsed from its issuance date.

F. For other material events during the reporting period, please see Note 8 to the Consolidated Financial Statements.

NOTE 3 - SUBSEQUENT EVENTS

A. For further details regarding material subsequent events, please see Note 9 to the Consolidated Financial Statements.

Tel. +972-3-6232525
Fax +972-3-5622555
ey.com

Kost Forer Gabbay & Kasierer
144A Menachem Begin Road,
Tel Aviv 6492102

Building a better working world

November 29, 2022

To
The Board of Directors of The Phoenix Holdings Ltd. (hereinafter - the "Company")

Dear Madam/Sir,

Re: Shelf Prospectus of The Phoenix Holdings Ltd. (hereinafter - the "Shelf Prospectus") published on August 24, 2022

We hereby inform you that we agree to the inclusion (including by way of reference) of our reports outlined below in a shelf offering based on the Shelf Prospectus:

1. The Review Report dated November 29, 2022 on the Condensed Consolidated Financial Information of The Phoenix Holdings Ltd. as of September 30, 2022 and for the six-month and nine-month periods then ended.

2. Special report dated November 29, 2022 on the Standalone Interim Financial Information in accordance with Regulation 9C to the Securities Regulations (Periodic and Immediate Reports), 1970 of The Phoenix Holdings Ltd. of The Phoenix Holdings Ltd. as of September 30, 2022 and for the nine-month and three-month periods then ended.

Kost Forer Gabbay & Kasierer
Certified Public Accountants

Part 4

Report on the Effectiveness of Internal Control over Financial Reporting and Disclosure

Quarterly Report on the Effectiveness of the Internal Control over Financial Reporting and Disclosure in accordance with Regulation 38C(a):

Management, under the supervision of the Board of Directors of The Phoenix Holdings Ltd. (hereinafter - the "Corporation") is responsible for establishing and maintaining adequate internal control over financial reporting and disclosure in the Corporation.

For this matter, the members of management are as follows:

1. Eyal Ben Simon, CEO of the Company and The Phoenix Insurance.
2. Eli Schwartz, EVP, CFO of the Company and The Phoenix Insurance.
3. Haggai Schreiber, EVP, Chief Investment Manager, CEO The Phoenix Investments Ltd.
4. Meni Neeman, EVP, Chief Legal Counsel and Corporate Secretary of the Company and The Phoenix Insurance.
5. Michal Leshem, EVP, Chief Internal Auditor of the Company and The Phoenix Insurance.
6. David Alexander, EVP, Head of Business Development of the Company and The Phoenix Insurance.
7. Eilon Dachbash, EVP, Head of Retail Credit of the Company.
8. Amit Netanel, EVP, Chief Risk Officer of the Company and The Phoenix Insurance.

The internal control over financial reporting and disclosure consists of the Corporation's existing controls and procedures that have been planned by the chief executive officer and the most senior financial officer or under their supervision, or by the equivalent acting officers, under the supervision of the Corporation's Board of Directors, designed to provide reasonable assurance about the reliability of financial reporting and the preparation of the financial statements in compliance with applicable laws, and ensure that all information that the Company is required to disclose in the financial statements its publishes pursuant to law is collected, processed, summarized and reported in a timely manner and according to the format prescribed by law.

Among other things, internal controls include controls and procedures planned to ensure that all information that the Corporation is required to disclose as aforesaid is collected and transferred to the Corporation's management, including the chief executive officer and the most senior financial officer, or the equivalent acting officers, in order to allow decision making on a timely basis with respect to the disclosure requirements.

Due to its inherent limitations, internal control over financial reporting and disclosure is not designed to provide absolute assurance that misstatements or omissions of information in the financial statements shall be prevented or detected.

The Phoenix Insurance Ltd., a subsidiary of the Corporation, is an institutional entity which is subject to the directives of the Commissioner of the Capital Market, Insurance and Savings in the Ministry of Finance regarding the assessment of the effectiveness of internal controls over financial reporting.

With respect to the internal control of the said subsidiary, the Corporation implements the following provisions:
Institutional Entities Circular 2009-9-10, “Management’s Responsibility for Internal Controls over Financial Reporting”; Institutional Entities Circular 2010-9-6, “Management’s Responsibility for internal control over financial reporting - Amendment”; Circular 2010-9-7, “internal control over financial reporting - Statements, Reports and Disclosures”; and Circular 2015-9-15, “internal control over financial reporting - Statements, Reports, Disclosures and Management’s Responsibility for internal control over financial reporting - Amendments”.

In the quarterly report on the effectiveness of internal control over financial reporting and the disclosure attached to the quarterly report for the period ended June 30, 2022 (hereinafter - the “Last Quarterly Internal Control Report"), the internal control was found to be effective.

As of the report date, the Board of Directors and management have not been informed of any event or matter that may alter the assessment of the effectiveness of internal control, as presented in the Most Recent Annual Report Over Internal Control.

As of the report date, based on the Most Recent Quarterly Report over Internal Control and based on information brought to the attention of management and the Board of Directors as stated above, the internal control is effective.

Certification

Statement of the CEO

I, Eyal Ben Simon, hereby certify that:

(1) I have examined the periodic report of The Phoenix Holdings Ltd. (hereinafter - the "Corporation") for the third quarter of 2022 (hereinafter - the "Reports");

(2) To my knowledge, the Reports do not contain any misrepresentation of a material fact, or omit a representation of a material fact that is necessary in order for the representations included therein - under the circumstances in which such representations were included - to be misleading as to the reporting period;

(3) To my knowledge, the financial statements and other financial information included in the Reports fairly represent, in all material aspects, the Company's financial position, financial performance and cash flows of the Corporation as of the dates and for the periods covered by the Reports;

(4) I have disclosed to the independent auditor of the Corporation, the Board of Directors, and the Board of Directors' audit committee, based on my most recent evaluation of the internal control over financial reporting and disclosure, the following:

(a) All significant deficiencies and material weaknesses in the establishment or implementation of the internal controls over financial reporting and disclosure that may adversely affect, in a reasonable manner, the Corporation's ability to collect, process, summate or report financial information in a manner that may give rise to doubt as to the reliability of financial reporting and preparation of the financial statements in accordance with the provisions of the law; and -

(b) Any fraud, whether material or not, involving the chief executive officer or anyone directly reporting thereto or involving other employees who have a significant role in the internal control over financial reporting and disclosure;

(5) I, alone or together with others in the Corporation, state that:

(a) I have established such controls and procedures, or ensured that such controls and procedures under my supervision be established and in place, designed to ensure that material information relating to the Corporation, including its consolidated companies as defined in the Securities Regulations (Preparation of Annual Financial Statements), 2010, is brought to my attention by others in the Corporation and the consolidated companies, particularly during the Reports' preparation period; and -

(b) I have established controls and procedures, or ensured that such controls and provisions under my supervision be established and in place, designed to ensure, in a reasonable manner, the reliability of financial reporting and preparation of financial statements in accordance with the provisions of the law, including in accordance with generally accepted accounting principles;

(c) I have not been informed of any event or matter that occurred in the period between the most recent report date (quarterly or periodic, as the case may be) and the date of this Report, which may change the conclusion of the Board of Directors and management regarding the effectiveness of internal controls over the corporation's financial reporting and disclosure.

Nothing in the foregoing shall derogate from my responsibility or the responsibility of any other person, under any law.

November 29, 2022 ____

Eyal Ben Simon, CEO

Certification

Statement of the Most Senior Financial Officer

I, Eli Schwartz, hereby certify that:

(1) I have reviewed interim financial statements and other financial information included in the interim report of The Phoenix Holdings Ltd. (hereinafter - the "Corporation") for the third quarter of 2022 (hereinafter – the "Reports" or "Interim Reports");

(2) To my knowledge, the interim financial statements and other financial information included in the Interim Reports do not contain any misrepresentation of a material fact, nor omit a representation of a material fact that is necessary in order for the representations included therein - under the circumstances in which such representations were included - to be misleading as to the reporting period;

(3) To my knowledge, the Interim Financial Statements and other financial information included in the Interim Reports present fairly, in all material aspects, the Company's financial position, financial performance and cash flows of the Corporation as of the dates and for the periods covered by the Reports;

(4) I have disclosed to the independent auditor of the Corporation, the Board of Directors, and the Board of Directors' audit committee, based on my most recent evaluation of the internal control over financial reporting and disclosure, the following:

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting and disclosure insofar as it relates to the Interim Financial Statements and other financial information included in the Interim Reports, that could reasonably adversely affect the Corporation's ability to collect, process, summarize or report financial information so as to cast doubt on the reliability of financial reporting and the preparation of the financial statements in accordance with law; and -

(b) Any fraud, whether material or not, involving the chief executive officer or anyone directly reporting thereto or involving other employees who have a significant role in the internal control over financial reporting and disclosure;

(5) I, alone or together with others in the Corporation, state that:

(a) I have established such controls and procedures, or ensured that such controls and procedures under my supervision be established and in place, designed to ensure that material information relating to the Corporation, including its consolidated companies as defined in the Securities Regulations (Preparation of Annual Financial Statements), 2010, is brought to my attention by others in the Corporation and the consolidated companies, particularly during the Reports' preparation period; and -

(b) I have established controls and procedures, or ensured that such controls and provisions under my supervision be established and in place, designed to ensure, in a reasonable manner, the reliability of financial reporting and preparation of financial statements in accordance with the provisions of the law, including in accordance with generally accepted accounting principles.

(c) I have not been informed of any event or matter that occurred in the period between the most recent report date (quarterly or periodic, as the case may be) and the date of this Report, which may change the conclusion of the Board of Directors and management regarding the effectiveness of internal controls over the corporation's financial reporting and disclosure.

Nothing in the foregoing shall derogate from my responsibility or the responsibility of any other person, under any law.

November 29, 2022 ____

Eli Schwartz, EVP, CFO

Phoenix

Part 5

Statements Regarding Controls and Procedures in respect of Disclosure in the Financial Statements of The Phoenix Insurance Company Ltd.

The Phoenix Insurance Company Ltd. - Certification

I, Eyal Ben Simon, hereby certify that:

1. I have reviewed the quarterly report of The Phoenix Insurance Company Ltd. (hereinafter - the "Company") for the quarter ended September 30, 2022 (hereinafter - the "Report").
2. To my knowledge, the Report does not contain any misrepresentation of a material fact, or omit a representation of a material fact, that is necessary in order for the representations included in it - under the circumstances in which such representations were included - to be misleading as to the reporting period.
3. To my knowledge, the quarterly financial statements and other financial information included in the Report present fairly, in all material aspects, the Company's financial position, financial performance and changes in equity and cash flows as at the dates and for the periods covered by the report.
4. I and others at the Company signing this certification are responsible for the establishment and implementation of controls and procedures regarding the Company's disclosure and internal control over financial reporting of the Company; and
   (a) We have established such controls and procedures, or caused such controls and procedures to be established under our oversight, with the aim of ensuring that material information about the Company and its consolidated companies is brought to our attention by others in the Company and these companies, especially during the preparation of the Report;
   (b) We have established such internal controls over the financial reporting or have overseen the establishment of such controls over financial reporting, with the aim of providing reasonable assurance as to the reliability of the financial reporting and that the financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the directives of the Commissioner of the Capital Market, Insurance and Savings;
   (c) We have evaluated the effectiveness of the Company's disclosure controls and procedures and presented in the Report our conclusions regarding the effectiveness of the disclosure controls and procedures as of the end of the reporting period according to our evaluation; and -
   (d) The Report discloses any change in the Company's internal control over financial reporting which occurred during the fourth quarter and has materially affected, or is reasonably expected to affect, the Company's internal control over financial reporting; and -
5. I and others at the Company signing this certification have disclosed to the joint independent auditors, the Board of Directors, and the Board of Directors' audit committee, based on our most recent evaluation of the internal control over financial reporting, the following:
   (a) All significant deficiencies and material weaknesses in the establishment or implementation of the internal controls over financial reporting that may harm the Company's ability to record, process, summarize and report financial information; and -
   (b) Any fraud, whether or not material, involving management or other employees who have a significant role in the Company's internal control over financial reporting.

Nothing in the foregoing shall derogate from my responsibility or the responsibility of any other person, under any law.

November 29, 2022

____

Eyal Ben Simon, Chief Executive Officer

The Phoenix Insurance Company Ltd. - Certification

I, Eli Schwartz, hereby certify that:

1. I have reviewed the quarterly report of The Phoenix Insurance Company Ltd. (hereinafter - the "Company") for the quarter ended September 30, 2022 (hereinafter - the "Report").
2. To my knowledge, the Report does not contain any misrepresentation of a material fact, or omit a representation of a material fact, that is necessary in order for the representations included in it - under the circumstances in which such representations were included - to be misleading as to the reporting period.
3. To my knowledge, the quarterly financial statements and other financial information included in the Report present fairly, in all material aspects, the Company's financial position, financial performance and changes in equity and cash flows as at the dates and for the periods covered by the report.
4. I and others at the Company signing this certification are responsible for the establishment and implementation of controls and procedures regarding the Company's disclosure and internal control over financial reporting[1] of the Company; and

(a) We have established such controls and procedures, or caused such controls and procedures to be established under our oversight, with the aim of ensuring that material information about the Company and its consolidated companies is brought to our attention by others in the Company and these companies, especially during the preparation of the Report;

(b) We have established such internal controls over the financial reporting or have overseen the establishment of such controls over financial reporting, with the aim of providing reasonable assurance as to the reliability of the financial reporting and that the financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the directives of the Commissioner of the Capital Market, Insurance and Savings;

(c) We have evaluated the effectiveness of the Company's disclosure controls and procedures and presented in the Report our conclusions regarding the effectiveness of the disclosure controls and procedures as of the end of the reporting period according to our evaluation; and -

(d) The Report discloses any change in the Company's internal control over financial reporting which occurred during the fourth quarter and has materially affected, or is reasonably expected to affect, the Company's internal control over financial reporting; and -

5. I and others at the Company signing this certification have disclosed to the joint independent auditors, the Board of Directors, and the Board of Directors' audit committee, based on our most recent evaluation of the internal control over financial reporting, the following:
   (a) All significant deficiencies and material weaknesses in the establishment or implementation of the internal controls over financial reporting that may harm the Company's ability to record, process, summarize and report financial information; and -
   (b) Any fraud, whether or not material, involving management or other employees who have a significant role in the Company's internal control over financial reporting.

Nothing in the foregoing shall derogate from my responsibility or the responsibility of any other person, under any law.

November 29, 2022

____

Eli Schwartz, EVP, CFO

[1] As defined in the provisions of the institutional entities circular titled "Internal Controls over Financial Reporting - Statements, Reports and Disclosures".