

The Phoenix Holdings Ltd  
Consolidated Interim Financial Statements  
As of June 30,2019  
Unaudited

This report is a translation of The Phoenix Holdings Ltd's Hebrew-language Consolidated Interim Financial statements as of June 30, 2019. It is prepared solely for convenience purposes. Please note that the Hebrew version constitutes the binding version, and in any event of discrepancy, the Hebrew version shall prevail.

## Consolidated Interim Statements Of Financial Position

	Up to date		
	30.06.2019	30.06.2018	31.12.2018
	Unaudited		Audited
	NIS thousands		
<b>Assets</b>			
Intangible assets	1,717,194	1,586,352	1,630,248
Deferred tax assets	30,664	45,507	28,859
Deferred acquisition costs	1,742,205	1,645,994	1,691,166
Fixed Assets	707,814	568,936	579,268
Investments in associates	639,643	646,241	761,260
Investment property for performance-based contracts	1,466,002	1,356,727	1,439,636
Other investment property	2,386,289	2,217,409	2,280,794
Reinsurance assets	2,222,062	1,903,309	2,036,939
Credit for acquisition of securities	275,000	212,000	317,000
Current tax assets	72,174	133,366	296,452
Other receivables	338,792	419,617	403,830
Premiums collectible	819,901	742,285	679,112
Assets held for distribution to owners	230,286	-	-
Financial investments for performance-based contracts	56,046,390	47,306,407	48,861,633
Assets for holders of debentures, exchange-traded funds , reverse certificates, complex certificates, certificates of deposit, and structured bonds	306,000	27,923,461	425,000
<b>Other financial investments</b>			
Marketable debt assets	7,686,249	7,252,736	7,190,437
Non-marketable debt assets	12,661,134	12,339,857	12,480,584
Shares	1,391,310	1,174,380	1,303,935
Others	1,929,768	1,614,526	1,762,860
<b>Total other financial investments</b>	<b>23,668,461</b>	<b>22,381,499</b>	<b>22,737,816</b>
Cash and cash equivalents for performance-based contracts	7,263,783	4,438,942	5,223,271
Other cash and cash equivalents	1,855,247	1,365,985	1,730,520
<b>Total assets</b>	<b>101,787,907</b>	<b>114,894,037</b>	<b>91,122,804</b>

**Consolidated Interim Statements Of Financial Position**

	Up to date		
	30.06.2019	30.06.2018	31.12.2018
	Unaudited		Audited
NIS thousands			
<b>Capital</b>			
Share capital	309,917	309,824	309,892
Premium and capital reserves on shares	831,073	787,652	828,221
Treasury shares	-	(26,649)	-
Capital reserves	557,380	415,319	331,915
Retained earnings	4,921,227	4,488,811	4,841,658
<b>Total equity attributed to Company shareholders</b>	<b>6,619,597</b>	<b>5,974,957</b>	<b>6,311,686</b>
Non-controlling interests	92,447	40,943	114,467
<b>Total shareholders' equity</b>	<b>6,712,044</b>	<b>6,015,900</b>	<b>6,426,153</b>
<b>Liabilities</b>			
Liabilities for non-performance-based insurance contracts and investment contracts	22,292,496	21,361,344	21,479,765
Liabilities for performance-based insurance contracts and investment contracts	64,656,649	54,258,976	55,508,137
Liabilities for deferred taxes	643,585	544,465	499,587
Liabilities for employee benefits, net	64,898	55,069	50,676
Liabilities for current taxes	2,520	8,035	21,947
Other payables	1,929,588	1,680,071	1,796,961
Liabilities for debentures, ETFs, reverse certificates and complex certificates, certificates of deposit, and structured debentures	306,000	26,565,378	384,000
Financial liabilities	5,180,127	4,404,799	4,955,578
<b>Total liabilities</b>	<b>95,075,863</b>	<b>108,878,137</b>	<b>84,696,651</b>
<b>Total shareholders' equity and liabilities</b>	<b>101,787,907</b>	<b>114,894,037</b>	<b>91,122,804</b>

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Eli Schwartz  
CFO, VP

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Eyal Ben-Simon  
CEO, Acting

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Asi Bartfeld  
Chairman of the Board

Financial statements approved on August 27, 2019

Consolidated Interim Statement of Income

	<u>For the six months ended June 30,</u>		<u>For the three months ended June 30,</u>		<u>To the year that ended on December 31st</u>
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2018</u>
	Unaudited				Audited
	NIS thousands				
Premiums earned, gross	5,711,139	4,873,226	2,842,525	2,422,221	10,104,187
Premiums earned by reinsurers	659,572	552,379	334,396	283,844	1,177,983
Premiums earned in retention	5,051,567	4,320,847	2,508,129	2,138,377	8,926,204
Investment income, net, and financing income	4,644,456	1,400,696	1,786,230	1,079,560	1,068,641
Management fees	659,783	426,913	276,977	210,181	826,670
Revenue from commissions	255,015	233,141	127,477	115,262	483,433
Income from other financial services	70,000	65,762	35,000	44,551	164,558
Other revenue	53,685	15,993	12,457	7,732	37,826
<b>Total revenue</b>	<b>10,734,506</b>	<b>6,463,352</b>	<b>4,746,270</b>	<b>3,595,663</b>	<b>11,507,332</b>
Payments and changes in liabilities for insurance contracts and investment contracts, gross	9,013,210	5,059,759	3,802,935	2,868,412	8,430,720
Share of reinsurers in payments and changes in liabilities for insurance contracts	455,832	535,140	198,280	272,221	939,957
Payments and changes in liabilities for insurance contracts and investment contracts in retention	8,557,378	4,524,619	3,604,655	2,596,191	7,490,763
Commissions, marketing expenses, and other acquisition costs	910,624	831,215	470,187	436,743	1,753,339
General and administrative expenses	651,768	600,995	323,696	304,841	1,210,657
Other expenses (Income)	12,832	9,937	6,256	6,138	(5,036)
Finance expenses	89,883	95,517	64,037	61,783	179,526
<b>Total expenses</b>	<b>10,222,485</b>	<b>6,062,283</b>	<b>4,468,831</b>	<b>3,405,696</b>	<b>10,629,249</b>
Share in the profits (loss) of equity-accounted investees	32,985	31,471	(14,166)	(5,016)	70,600
Income before taxes on income	545,006	432,540	263,273	184,951	948,683
Taxes on income	201,965	99,668	117,588	41,864	251,833
<b>Profit for the year</b>	<b>343,041</b>	<b>332,872</b>	<b>145,685</b>	<b>143,087</b>	<b>696,850</b>
<b>Attributable to:</b>					
Company shareholders	328,620	326,880	139,095	137,663	679,033
Non-controlling interests	14,421	5,992	6,590	5,424	17,817
<b>Profit for the year</b>	<b>343,041</b>	<b>332,872</b>	<b>145,685</b>	<b>143,087</b>	<b>696,850</b>
<b><u>Earnings per share attributed to shareholders (in NIS):</u></b>					
<b><u>Basic earnings per share</u></b>					
Earnings per ordinary share of NIS 1 par value (NIS)	1.28	1.30	0.54	0.55	2.69
<b><u>Diluted earnings per share</u></b>					
Earnings per ordinary share of NIS 1 par value (NIS)	1.28	1.30	0.54	0.55	2.69

## Consolidated Interim Statement of Comprehensive Income

	<u>For the six months ended June 30,</u>		<u>For the three months ended June 30,</u>		<u>To the year that ended on December 31st</u>
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2018</u>
	<u>Unaudited</u>		<u>Unaudited</u>		<u>Audited</u>
	NIS thousands				
<b>Profit for the year</b>	<b>343,041</b>	<b>332,872</b>	<b>145,685</b>	<b>143,087</b>	<b>696,850</b>
<b>Other comprehensive income (loss)</b>					
<b><u>Amounts classified or reclassified to profit or loss under specific conditions</u></b>					
Net change in the fair value of financial assets available for sale attributed to capital reserves	442,042	(164)	173,963	(29,185)	(109,525)
Net change in the fair value of financial assets available for sale transferred to the statement of income	(126,518)	(107,109)	(97,218)	(44,510)	(189,489)
Gain from impairment to financial assets available for sale transferred to statement of income	37,587	30,287	10,452	20,028	60,661
Company's share in other comprehensive loss, net, of companies accounted for at equity	(7,469)	9,103	121	5,847	13,032
Tax effect	(120,748)	24,358	(29,893)	18,210	79,329
Total components of other comprehensive income (loss), net, subsequently reclassified to profit or loss:	<b>224,894</b>	<b>(43,525)</b>	<b>57,425</b>	<b>(29,610)</b>	<b>(145,992)</b>
<b><u>Amounts not subsequently reclassified to profit or loss</u></b>					
Re-assessment for fixed assets	-	-	-	-	8,407
Actuarial gain (loss) for defined benefit plans	-	-	-	-	(394)
Company's share in other comprehensive loss, net, of companies accounted for at equity	-	-	-	-	(48)
Tax effect	-	-	-	-	(1,714)
Total components of comprehensive income, not subsequently reclassified to profit or loss:	-	-	-	-	<b>6,251</b>
<b>Total other comprehensive income (loss), net</b>	<b>224,894</b>	<b>(43,525)</b>	<b>57,425</b>	<b>(29,610)</b>	<b>(139,741)</b>
<b>Total comprehensive income for the year</b>	<b>567,935</b>	<b>289,347</b>	<b>203,110</b>	<b>113,477</b>	<b>557,109</b>
<b>Attributable to:</b>					
Company shareholders	553,514	283,355	196,520	108,053	539,315
Non-controlling interests	14,421	5,992	6,590	5,424	17,794
<b>Comprehensive income for the year</b>	<b>567,935</b>	<b>289,347</b>	<b>203,110</b>	<b>113,477</b>	<b>557,109</b>

## Consolidated Interim Statement of Changes in Equity

Attributed to Company shareholders												
Shareholders' equity	Premium and capital reserves on shares	Retained earnings	Capital reserve for transactions with non-controlling interests	Capital reserve for a transaction with a controlling shareholder	Capital reserve for sharebased payment	Revaluation fund	Reserve from translation differences	Capital reserve for available for-sale financial assets	Total	Non-controlling interests	Total Capital	
NIS thousands												
<u>Balance as at January 1, 2019 (Audited)</u>	309,892	828,221	4,841,658	(43,622)	11,000	36,931	97,441	(2,076)	232,241	6,311,686	114,467	6,426,153
Net profit	-	-	328,620	-	-	-	-	-	-	328,620	14,421	343,041
Other comprehensive income (loss)	-	-	-	-	-	-	(7,469)	232,363	224,894	-	224,894	
Total comprehensive income (loss)	-	-	328,620	-	-	-	(7,469)	232,363	553,514	14,421	567,935	
Share-based payment	-	2,806	-	-	1,591	-	-	-	4,397	-	4,397	
Dividend paid to holders of non-controlling interests	-	-	-	-	-	-	-	-	-	(36,627)	(36,627)	
Entrance to consolidation	-	-	-	-	-	-	-	-	-	186	186	
Exercise of employee options	25	46	-	-	(71)	-	-	-	-	-	-	
Transfer from revaluation fund for revaluation of property, plant and equipment, in the amount of the depreciation	-	-	949	-	-	(949)	-	-	-	-	-	
Dividend	-	-	(250,000)	-	-	-	-	-	(250,000)	-	(250,000)	
<u>Balance as at 30 June, 2019 (Unaudited)</u>	<u>309,917</u>	<u>831,073</u>	<u>4,921,227</u>	<u>(43,622)</u>	<u>11,000</u>	<u>38,451</u>	<u>96,492</u>	<u>(9,545)</u>	<u>464,604</u>	<u>6,619,597</u>	<u>92,447</u>	<u>6,712,044</u>

## Consolidated Interim Statement of Changes in Equity

	Attributed to Company shareholders											Total	Non-controlling interests	Total Capital
	Shareholders' equity	Premium and capital reserves on shares	Treasury shares	Retained earnings	Capital reserve for transactions with non-controlling interests	Capital reserve for a transaction with a controlling shareholder	Capital reserve for sharebased payment	Revaluation fund	Reserve from translation differences	Capital reserve for available for-sale financial assets				
	NIS thousands													
<u>Balance as at January 1, 2018 (Audited)</u>	304,574	689,753	(24,669)	4,280,060	(57,274)	11,000	37,065	92,740	(15,108)	391,265	5,709,406	35,573	5,744,979	
Net profit	-	-	-	326,880	-	-	-	-	-	-	326,880	5,992	332,872	
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	9,103	(52,628)	(43,525)	-	(43,525)	
Total comprehensive income (loss)	-	-	-	326,880	-	-	-	-	9,103	(52,628)	283,355	5,992	289,347	
Share-based payment	-	-	-	-	-	-	35	-	-	-	35	-	35	
Issue of shares	5,250	98,101	-	-	-	-	-	-	-	-	103,351	-	103,351	
Dividend paid to holders of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(622)	(622)	
Acquisition of treasury shares	-	-	(7,889)	-	-	-	-	-	-	-	(7,889)	-	(7,889)	
Reissue of treasury shares	-	(202)	5,909	-	-	-	-	-	-	-	5,707	-	5,707	
Transfer from revaluation fund for revaluation of property, plant and equipment, in the amount of the depreciation	-	-	-	879	-	-	-	(879)	-	-	-	-	-	
Effect of initial application of IFRS 15	-	-	-	992	-	-	-	-	-	-	992	-	992	
Dividend	-	-	-	(120,000)	-	-	-	-	-	-	(120,000)	-	(120,000)	
<u>Balance as at 30 June, 2018 (Unaudited)</u>	<u>309,824</u>	<u>787,652</u>	<u>(26,649)</u>	<u>4,488,811</u>	<u>(57,274)</u>	<u>11,000</u>	<u>37,100</u>	<u>91,861</u>	<u>(6,005)</u>	<u>338,637</u>	<u>5,974,957</u>	<u>40,943</u>	<u>6,015,900</u>	



## Consolidated Interim Statement of Changes in Equity

	Attributed to Company shareholders											
	Shareholders' equity	Premium and capital reserves on shares	Retained earnings	Capital reserve for transactions with non-controlling interests	Capital reserve for a transaction with a controlling shareholder	Capital reserve for sharebased payment	Revaluation fund	Reserve from translation differences	Capital reserve for available-for-sale financial assets	Total	Non-controlling interests	Total Capital
	NIS thousands											
Balance as at 1 April, 2019 (Unaudited)	309,892	828,683	4,781,657	(43,622)	11,000	37,440	96,967	(9,666)	407,300	6,419,651	88,137	6,507,788
Net profit	-	-	139,095	-	-	-	-	-	-	139,095	6,590	145,685
Other comprehensive income	-	-	-	-	-	-	-	121	57,304	57,425	-	57,425
Total comprehensive income	-	-	139,095	-	-	-	-	121	57,304	196,520	6,590	203,110
Share-based payment	-	2,344	-	-	-	1,082	-	-	-	3,426	-	3,426
Dividend to holders of non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,466)	(2,466)
Entrance to consolidation	-	-	-	-	-	-	-	-	-	-	186	186
Exercise of employee options	25	46	-	-	-	(71)	-	-	-	-	-	-
Transfer from revaluation fund for revaluation of property, plant and equipment, in the amount of the depreciation	-	-	475	-	-	-	(475)	-	-	-	-	-
Balance as at 30 June, 2019 (Unaudited)	<u>309,917</u>	<u>831,073</u>	<u>4,921,227</u>	<u>(43,622)</u>	<u>11,000</u>	<u>38,451</u>	<u>96,492</u>	<u>(9,545)</u>	<u>464,604</u>	<u>6,619,597</u>	<u>92,447</u>	<u>6,712,044</u>

## Consolidated Interim Statement of Changes in Equity

	Attributed to Company shareholders											Non-controlling interests	Total Capital
	Shareholders' equity	Premium and capital reserves on shares	Treasury shares	Retained earnings	Capital reserve for transactions with non-controlling interests	Capital reserve for a transaction with a controlling shareholder	Capital reserve for sharebased payment	Revaluation fund	Reserve from translation differences	Capital reserve for available-for-sale financial assets	Total		
	NIS thousands												
Balance as at January 1, April, 2018 (Unaudited)	309,824	787,854	(32,558)	4,470,706	(57,274)	11,000	37,088	92,303	(11,852)	374,094	5,981,185	35,519	6,016,704
Net profit	-	-	-	137,663	-	-	-	-	-	-	137,663	5,424	143,087
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	5,847	(35,457)	(29,610)	-	(29,610)
Total comprehensive income (loss)	-	-	-	137,663	-	-	-	-	5,847	(35,457)	108,053	5,424	113,477
Share-based payment	-	-	-	-	-	-	12	-	-	-	12	-	12
Dividend	-	-	-	(120,000)	-	-	-	-	-	-	(120,000)	-	(120,000)
Reissue of treasury shares	-	(202)	5,909	-	-	-	-	-	-	-	5,707	-	5,707
Transfer from revaluation fund for revaluation of property, plant and equipment, in the amount of the depreciation	-	-	-	442	-	-	-	(442)	-	-	-	-	-
Balance as at 30 June, 2018 (Unaudited)	309,824	787,652	(26,649)	4,488,811	(57,274)	11,000	37,100	91,861	(6,005)	338,637	5,974,957	40,943	6,015,900

## Consolidated Interim Statement of Changes in Equity

	Attributed to Company shareholders											Non-controlling interests	Total Capital
	Shareholders' equity	Premium and capital reserves on shares	Treasury shares	Retained earnings	Capital reserve for transactions with non-controlling interests	Capital reserve for a transaction with a controlling shareholder	Capital reserve for sharebased payment	Revaluation fund	Reserve from translation differences	Capital reserve for available-for-sale financial assets	Total		
NIS thousands													
<u>Balance as at January 1, 2018 (Audited)</u>	304,574	689,753	(24,669)	4,280,060	(57,274)	11,000	37,065	92,740	(15,108)	391,265	5,709,406	35,573	5,744,979
Net profit	-	-	-	679,033	-	-	-	-	-	-	679,033	17,817	696,850
Other comprehensive income (loss)	-	-	-	(199)	-	-	-	6,473	13,032	(159,024)	(139,718)	(23)	(139,741)
Total comprehensive income (loss)	-	-	-	678,834	-	-	-	6,473	13,032	(159,024)	539,315	17,794	557,109
Transfer from revaluation fund for revaluation of property, plant and equipment, in the amount of the depreciation	-	-	-	1,772	-	-	-	(1,772)	-	-	-	-	-
Share-based payment	-	7,285	-	-	-	-	4	-	-	-	7,289	-	7,289
Share issue	5,250	98,101	-	-	-	-	-	-	-	-	103,351	-	103,351
Exercise of employee options	68	70	-	-	-	-	(138)	-	-	-	-	-	-
Dividend paid to holders of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(2,595)	(2,595)
Acquisition of treasury shares	-	-	(19,476)	-	-	-	-	-	-	-	(19,476)	-	(19,476)
Reissue of treasury shares	-	33,012	44,145	-	-	-	-	-	-	-	77,157	-	77,157
Expiration of a put option granted to holders of noncontrolling shareholders	-	-	-	-	13,652	-	-	-	-	-	13,652	63,695	77,347
Dividend	-	-	-	(120,000)	-	-	-	-	-	-	(120,000)	-	(120,000)
Effect of initial application of IFRS 15	-	-	-	992	-	-	-	-	-	-	992	-	992
<u>Balance as at December, 2018 (Audited)</u>	<u>309,892</u>	<u>828,221</u>	<u>-</u>	<u>4,841,658</u>	<u>(43,622)</u>	<u>11,000</u>	<u>36,931</u>	<u>97,441</u>	<u>(2,076)</u>	<u>232,241</u>	<u>6,311,686</u>	<u>114,467</u>	<u>6,426,153</u>

**Consolidated Interim Statement of Cash Flows**

	<u>For the six months ended June 30,</u>		<u>For the three months ended June 30,</u>		<u>To the year that ended on December 31st</u>
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2018</u>
	<u>Unaudited</u>				<u>Audited</u>
<u>Note</u>	<u>NIS thousands</u>				
<u>Cash flows to operating activities</u>					
Profit for the year	343,041	332,872	145,685	143,087	696,850
Adjustments to reconcile cash flows from operating activities:	(A)				
	<u>2,142,615</u>	<u>(1,992,704)</u>	<u>98,147</u>	<u>(1,561,438)</u>	<u>(1,516,678)</u>
Net cash from (used in) operating activities	<u>2,485,656</u>	<u>(1,659,832)</u>	<u>243,832</u>	<u>(1,418,351)</u>	<u>(819,828)</u>
<u>Cash flow for investment activities</u>					
Acquisition of fixed assets	(14,094)	(10,249)	(9,808)	(9,560)	(27,953)
Proceeds from disposal of fixed assets	-	13	-	-	95
Investment in associates	(98,993)	(402)	(31,597)	(562)	(86,218)
Dividend from associates	10,526	30,239	5,099	24,920	36,314
Repayment of a loan from an associate	(1,103)	-	(631)	-	(2,460)
Acquisition of initially consolidated subsidiaries	(B)				
	<u>(35,135)</u>	<u>-</u>	<u>(13,135)</u>	<u>-</u>	<u>-</u>
Proceeds from disposal of an investment in an associate	2,379	-	-	-	10,434
Repayment of a loan to an associate	-	201	-	960	-
Acquisition and capitalization of costs of intangible assets	<u>(102,713)</u>	<u>(82,675)</u>	<u>(48,888)</u>	<u>(41,968)</u>	<u>(180,892)</u>
Net cash used for investment activities	<u>(239,133)</u>	<u>(62,873)</u>	<u>(98,960)</u>	<u>(26,210)</u>	<u>(250,680)</u>
<u>Cash flows from (for) financing activities</u>					
Dividend to shareholders	(250,000)	(120,000)	(250,000)	(120,000)	(120,000)
Issue of share capital	-	103,351	-	-	103,351
Acquisition of Company shares	-	(7,889)	-	-	(19,476)
Reissue of the Company's shares by consolidated companies	-	5,707	-	5,707	77,157
Financial liabilities received	12,000	-	-	-	-
Financial liabilities discharged	(181,799)	(146,673)	(39,412)	(62,000)	(197,266)
Financial lease liabilities discharged	(20,897)	-	(11,177)	-	-
Issue of debentures	396,039	269,753	396,039	-	766,853
Dividend paid to holders of non-controlling interests	(36,627)	(622)	(2,466)	-	(2,595)
Payment of contingent liability for a put option to holders of non-controlling interests	-	(13,520)	-	(13,520)	(21,250)
Net cash from (used in) finance activities	<u>(81,284)</u>	<u>90,107</u>	<u>92,984</u>	<u>(189,813)</u>	<u>586,774</u>
<u>Increase in cash and cash equivalents</u>	<u>2,165,239</u>	<u>(1,632,598)</u>	<u>237,856</u>	<u>(1,634,374)</u>	<u>(483,734)</u>
<u>Cash and cash equivalents at the beginning of the period:</u>	(C)				
	<u>6,953,791</u>	<u>7,437,525</u>	<u>8,881,174</u>	<u>7,439,301</u>	<u>7,437,525</u>
<u>Balance of cash and cash equivalents at the end of the period</u>	(C)				
	<u>9,119,030</u>	<u>5,804,927</u>	<u>9,119,030</u>	<u>5,804,927</u>	<u>6,953,791</u>

Consolidated Interim Statement of Cash Flows

	<u>For the six months ended June 30,</u>		<u>For the three months ended June 30,</u>		<u>To the year that ended on December 31st</u>
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2018</u>
	<u>Unaudited</u>				<u>Audited</u>
	<u>NIS thousands</u>				
(A) <u>Adjustments to reconcile cash flows from operating activities:</u>					
<u>Items not involving cash flows</u>					
Net (gains) from financial investments for performance-based insurance contracts and investment contracts	(3,910,346)	(822,499)	(1,313,105)	(730,289)	86,794
Change in the fair value of investment property for performancebased contracts	-	(1,253)	-	(1,253)	(55,600)
<u>Net loss (income) of other financial investments:</u>					
Marketable debt assets	(224,745)	97,796	(93,710)	43,003	257,536
Non-marketable debt assets	(189,392)	(180,141)	(176,666)	(142,714)	(317,732)
Shares	(94,143)	10,636	(9,286)	(3,838)	93,703
Others	(152,958)	56,841	(51,757)	35,984	73,768
Amortization and depreciation	142,534	134,388	74,040	76,677	251,975
Loss (profit) from disposal of fix assets	16	3	16	-	(47)
Change in fair value of investment property	(15,024)	(10,085)	(15,024)	(10,085)	(42,051)
Gain from the sale of real estate	-	(683)	-	(683)	(691)
Impairment loss of property, plant and equipment	5,434	-	5,434	-	-
Gain from sale of an associate	(29,000)	-	-	-	-
Change in financial liabilities	(138,495)	232,356	20,832	47,232	441,263
Income tax expenses	201,965	99,668	117,588	42,158	251,833
Company's share in earnings of associates, net	(32,985)	(31,471)	14,167	5,017	(70,600)
Salary expenses for share-based payments	1,591	35	1,082	12	4
<u>Changes in other balance sheet items, net:</u>					
Increase in liabilities for non-performance-based insurance contracts	812,731	624,834	290,819	249,907	743,255
Increase in liabilities in respect of yield-contingent contracts	9,148,512	2,365,657	2,349,735	1,468,478	3,614,818
Increase (decrease) in liabilities for debentures, ETFs	(78,000)	(1,053,559)	(28,000)	512,722	(27,279,937)
Increase (decrease) in financial investments for holders of ETFs and certificates of deposit	119,000	1,034,278	1,000	(556,103)	28,546,292
Increase in deferred acquisition costs	(51,039)	(27,615)	9,048	(2,040)	(72,787)
Decrease (increase) in reinsurance assets	(185,123)	(307,532)	(74,753)	(120,469)	(441,162)
Increase (decrease) in employee benefit liabilities, net	14,222	7,749	4,888	(484)	3,134
Decrease (increase) in receivables and debt balances	(75,751)	(75,390)	87,651	41,062	583
Increase (decrease) in payables and credit balances	121,663	46,326	105,035	65,214	130,111
Increase (decrease) in credit for acquisition of securities	42,000	(17,000)	46,000	(14,000)	(122,000)
<u>Financial investments and investment property for performancebased insurance contracts and investment contracts</u>					
Acquisition of property	(26,366)	(19,139)	(9,806)	(10,592)	(47,723)
Proceeds from sale of real estate	-	29,439	-	29,439	29,771
Acquisitions of financial investments, net	(3,274,411)	(3,057,474)	(1,335,206)	(2,195,874)	(5,521,993)

## Consolidated Interim Statement of Cash Flows

	<u>For the six months ended June 30,</u>		<u>For the three months ended June 30,</u>		<u>To the year that ended on December 31st</u>
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2018</u>
	<u>Unaudited</u>				<u>Audited</u>
	<u>NIS thousands</u>				
<u>Financial investments and other investment property</u>					
Acquisitions of financial investments, net	84,580	(1,017,125)	151,279	(341,891)	(1,656,952)
Acquisitions of property	(90,471)	(14,161)	(9,093)	(6,787)	(45,588)
Proceeds from sale of real estate	-	16,058	-	16,058	16,239
<u>Cash paid and received in the period for:</u>					
Taxes paid	(129,848)	(146,781)	(59,992)	(88,749)	(443,292)
Taxes received	146,464	33,140	(4,069)	31,450	60,398
Total cash flows from ordinary activities	<u>2,142,615</u>	<u>(1,992,704)</u>	<u>98,147</u>	<u>(1,561,438)</u>	<u>(1,516,678)</u>

Consolidated Interim Statement of Cash Flows

	<u>For the six months ended June 30,</u>		<u>For the three months ended June 30,</u>		<u>To the year that ended on December 31st</u>
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2018</u>
	<u>Unaudited</u>				<u>Audited</u>
	<u>NIS thousands</u>				
(B) <u>Acquisition of initially consolidated subsidiaries</u>					
<u>The subsidiaries' assets and liabilities at date of acquisition:</u>					
Working capital (excluding cash and cash equivalents)	3,895	-	895	-	-
Credit for acquisition of securities	(876)	-	(876)	-	-
Property, plant and equipment	(1,168)	-	(168)	-	-
Goodwill	(42,234)	-	(11,234)	-	-
Intangible assets	(46,160)	-	(7,160)	-	-
Deferred taxes	10,523	-	1,523	-	-
Non-controlling interests	186	-	186	-	-
Disposal of an subsidiary	32,000	-	-	-	-
Liability to purchase an subsidiary	8,699	-	3,699	-	-
	<u>(35,135)</u>	<u>-</u>	<u>(13,135)</u>	<u>-</u>	<u>-</u>
(C) <u>Cash and cash equivalents</u>					
<u>Cash and cash equivalents at the beginning of the period:</u>					
Cash and cash equivalents	1,730,520	1,317,703	1,515,249	1,527,919	1,317,703
Cash and cash equivalents for performance-based contracts	<u>5,223,271</u>	<u>6,119,822</u>	<u>7,365,925</u>	<u>5,911,382</u>	<u>6,119,822</u>
	<u>6,953,791</u>	<u>7,437,525</u>	<u>8,881,174</u>	<u>7,439,301</u>	<u>7,437,525</u>
<u>Cash and cash equivalents at the end of the period</u>					
Cash and cash equivalents	1,855,247	1,365,985	1,855,247	1,365,985	1,730,520
Cash and cash equivalents for performance-based contracts	<u>7,263,783</u>	<u>4,438,942</u>	<u>7,263,783</u>	<u>4,438,942</u>	<u>5,223,271</u>
	<u>9,119,030</u>	<u>5,804,927</u>	<u>9,119,030</u>	<u>5,804,927</u>	<u>6,953,791</u>
(D) <u>Amounts included in ordinary activities</u>					
Interest paid	2,352	2,033	2,019	265	10,818
Interest received	312,335	278,970	117,339	111,382	585,487
Dividends received	17,027	22,288	12,206	14,582	36,867
(E) <u>Significant non-cash transactions</u>					
Purchase of property, plant and equipment by finance lease	26,826	-	26,826	-	-
Finance lesase liabilities received	(26,826)	-	(26,826)	-	-

