March 24, 2021

The Phoenix Continues to Deliver Excellent Returns and Value for Savers and Investors

The Phoenix Group Records Strong Results for 2020, In Total NIS 1.35 Billion Profit Attributable to Shareholders, 18.5% Return on Equity and Distributes Cash Dividend in the amount of NIS 380 million.

Q4 Profit to Shareholders Results in the amount of NIS 860 million Reflect the Initial Implementation of Strategic Plan Developed During 2020

The Phoenix Group's CEO, Eyal Ben Simon:

During 2020, we launched a forward-looking, strategic plan, that strengthens the group's leading position and its deep commitment to policyholders, savers, investors and agents. In doing so, we continue to develop the Phoenix group as a leader in Israeli insurance, asset management, and investments.

Against the backdrop of the global pandemic and crisis, we began implementation our strategic plan, boosting our investment and risk management capabilities, and were able to deliver strong returns to our savers and investors.

We focused the group's activities under four key value drivers: accelerated yield-focused growth, innovation and efficiency, active ownership to maximize the value of our portfolio, and capital management and deployment. Under these focal points, we began to significantly upgrade growth and the group's technological and operational capabilities by shifting resources and streamlining. We acquired asset manager Halman Aldubi. We announced our intention to sell our controlling stake in Ad 120, the premium assisted living facilities network, and our intention to acquire control over Gamma. In addition, we reported the adoption of a target capital plan and dividend distribution policy.

These focal points have already enabled us to achieve excellent results this year, to improve our solvency ratio and to announce a cash dividend distribution in the amount of NIS 380 million (NIS 406 million including share buyback).

The 2020 results are the fruits of hard work by all of the group's employees and managers, and by our core partners - the insurance agents and the pension and financial consultants. We believe that ongoing investment in human capital, the group's infrastructure and core partners will improve the group's performance and lead to even better risk-adjusted returns in the coming years.

At the end of 2019 and the beginning of 2020, the Board of Directors was strengthend, and includes senior executives from Israel, Europe, and the US with deep experience in the group's areas of operation. A significant part of the group's success was due to the close and productive cooperation between the management and the Board.

As of December 31 2020, the Company's shareholders' equity is approximately NIS 8 billion, compared with approximately NIS 6.6 billion as of December 31 2019.

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In 2020, the return on equity for shareholders is 18.5%, compared with 10.2% in 2019.

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The Group's comprehensive income before tax for 2020, from insurance agencies and financial services (Excellence) is approximately NIS 378 million, which constitutes approximately 18.5% of the Group's comprehensive income before tax, which is NIS 2,040 million.

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On March 24 2021, concurrently with the approval of the Company's financial statements as of December 31 2020, the Company's Board of Directors decided to distribute a dividend, in accordance with the dividend distribution policy, of NIS 380 million, for a total of NIS 406 million including the buyback of treasury shares. (30% of the Company's comprehensive income attributable to shareholders).

At the same time, The Phoenix Insurance's Board of Directors approved a new dividend distribution policy whereby commencing in 2021, Phoenix Insurance shall distribute an annual dividend at a rate of 30% to 50% of its distributable comprehensive income, subject to regulatory restrictions. On March 24, 2021, The Phoenix Insurance's Board of Directors approved a cash dividend distribution in the amount of NIS 200 million. In addition, the Phoenix Insurance's Board of Directors approved the distribution of Excellence Pension and Provident Funds shares as a dividend in kind to the Company, subject to the receipt of approval by the Israel Tax Authority; the total effect of both distributions on the solvency ratio is approximately 4%.

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The Phoenix Insurance published its total solvency ratio as of December 31 2019, according to which the solvency ratio - taking into account the deployment provisions - is 165%. During the first quarter of 2021, The Phoenix Insurance performed an estimate to calculate its Solvency II-based economic solvency ratio as of December 31 2020. According to the results of the estimate, as of the report's publication date, the Company's solvency ratio as of

December 31 2020 - excluding the transitional provisions for the deployment period and without adjusting the share scenario, and following the cash dividend and distribution the shares of Excellence Pension and Provident Funds as dividend in kind - ranges from 112% to 118% (after including the transitional provisions for the deployment period 173%-181%), meeting the 105% capital target set by the Board of Directors (after including the transitional provisions for the deployment period 135%).

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On September 30 2020, the Company's Board of Directors approved a share buyback plan for the purchase of Company shares for a period of one year, totaling up to NIS 100 million. The plan was approved since the price of the Company's shares as of the date of the resolution constituted a good business and economic opportunity for the Company and after the Board of Directors ensured that the Company met the distribution tests as per the law.
As of the report publication date, the Company has purchased shares in the amount of NIS 26.4 million.

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Rating agency S&P (Maalot) reiterated the Company's rating at ilAA, with a stable outlook, following Moody's (Midroog) Aa3.il rating with a stable outlook.

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As part of building the Group's strategy, the Company took several significant measures designed to retain its leading management team, including: a straightforward remuneration policy for executives that better reflects the relationship between performance and remuneration, granting options to employees and signing long-term agreements with the CEO of Oren Mizrach and top executives of KSM Sal Certificates Holdings.

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As part of its business strategy, the Company acquired the Halman-Aldubi Investment House for a total of NIS 275 million.

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In February 2021, the Company expanded its Series 4 and Series 5 bonds to improve cash flow and purchase the entire shares of Halman-Aldubi Investment House. As part of the acquisition, the Company exercised full early redemption of all bonds (Series A) of Halman-Aldubi Provident and Pension Funds Ltd. a wholly owned company of Halman-Aldubi.

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In continuing to exercise its multi-year strategic plan, The Phoenix proactively seeks to generate and unlock value by managing the Group's assets in a proactive and yield-focused manner. As a result, the Board of Directors of Phoenix Insurance resolved to consider selling its controlling stake, and up to 100%, of Ad 120.

In addition, in January 2021, Gamma informed the Israel Securities Authority of its intention to apply for a prospectus publication permit. The Phoenix intends to purchase shares as part of the offering and increase its ownership stake above 50%, fully diluted. As the issue will be carried out and the Company will increase its hold above 50% in Gamma, the Company is expected to register a one-time capital profit depending on the issue price. It is clarified that the information said in this section is forward-looking information and there is no certainty that Gamma will complete the issuance procedure and become a public company.

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During the reporting year, The Phoenix Agencies acquired control of Oren Mizrach Agency and recorded a one-time profit in the amount of approximately NIS 62 million.

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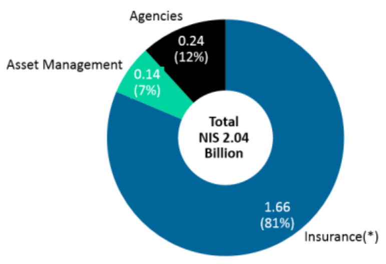
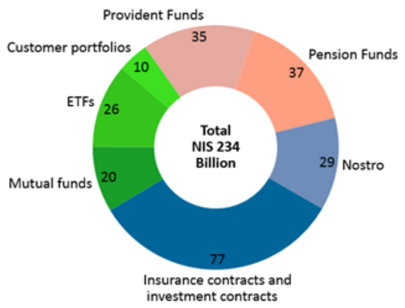
Business results for the reporting year Q4 2020

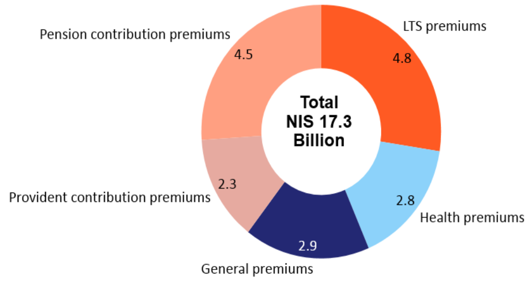
Profit before tax in the reporting year:



Assets under management December 31 2020:



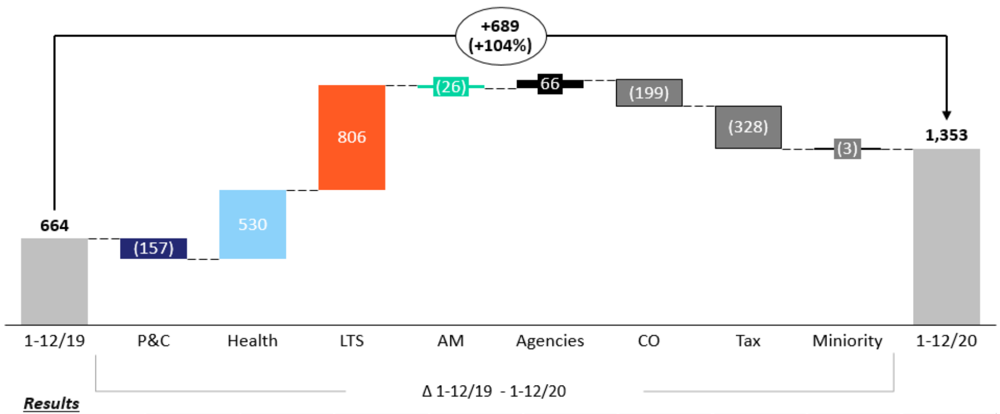
Total premiums earned, gross and management fees contributions during the reporting year:



(*) The income includes intra-group adjustments.

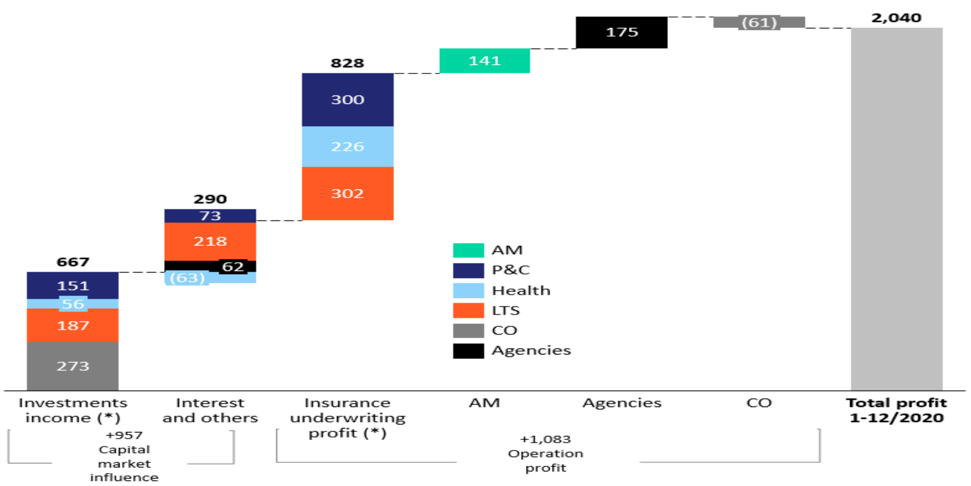
(**) Subsequent to the report date, and upon acquisition of the Halman Aldubi investment house as mentioned above, the Group's total assets under management will reach approximately NIS 298 billion (including NIS 18 billion in pension and provident funds assets and NIS 46 billion in assets of IEC and the Israel Ports Company (IPC)).

The comprehensive income attributed to the Group's shareholders in the reporting year amounted to NIS 1,353 million, compared with approx. NIS 664 million last year. The following chart is an analysis of the Company's financial performance for the reporting year, compared to last year (in NIS million):



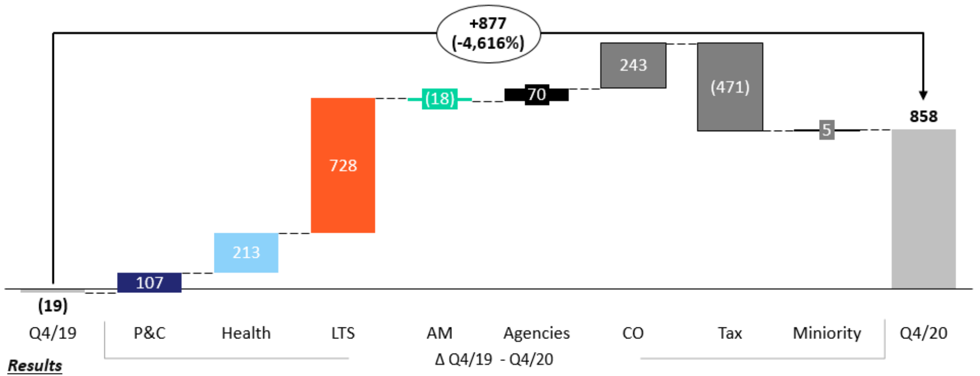
Results									
1-12/2020	***524***	***219***	***707***	***141***	***237***	***212***	***(647)***	***(40)***	***1,353***
1-12/2019	*681*	*(311)*	*(99)*	*167*	*171*	*411*	*(319)*	*(37)*	*664*
1-12/2018	*269*	*79*	*231*	*60*	*125*	*(74)*	*(160)*	*(18)*	*512*

The following is an analysis of the sources of the Company's pre-tax income in the reporting year (in NIS million):



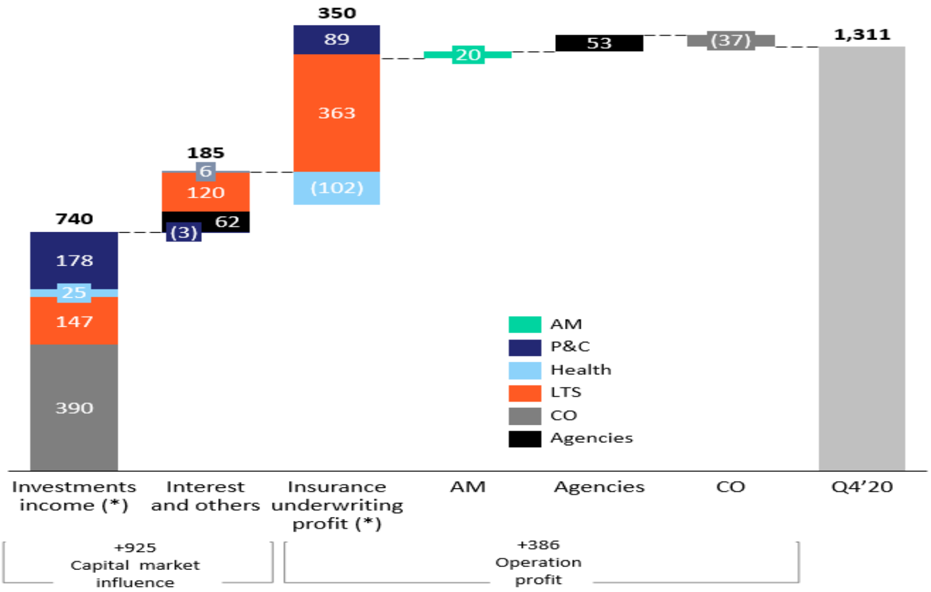
(*)The underwriting earnings in health insurance and in property and casualty insurance and health insurance assumes a real return of 3%; all remaining investment income below and above the 3% real return are included in capital market effects. Furthermore, investment income in life insurance is presented net of yield credited to policyholders. (The actual nostro return for 2020 is 4.85%)

The comprehensive income attributed to the Group's shareholders in the fourth quarter amounted to NIS 858 million, compared with a NIS 19 million loss in the same period last year. Below is an analysis of the Company's financial performance in the fourth quarter of the reporting year compared with the corresponding quarter last year (in NIS million):



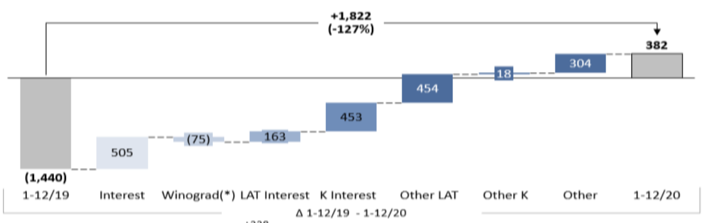
Results	P&C	Health	LTS	AM	Agencies	CO	Tax	Miniority	Q4/20
Q4-20	***264***	***(71)***	***630***	***20***	***115***	***353***	***(444)***	***(9)***	***858***
Q4-19	*157*	*(284)*	*(98)*	*38*	*45*	*110*	*27*	*(14)*	*(19)*

The following is an analysis of the sources of the Company's pre-tax comprehensive income in the fourth quarter of the reporting year (in NIS million):

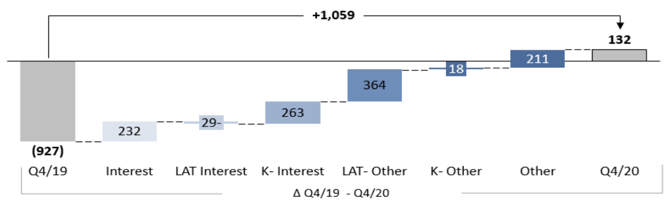


(*)The underwriting earnings in health insurance and in property and casualty insurance and health insurance assumes a real return of 3%; all remaining investment income below and above the 3% real return are included in capital market effects. Furthermore, investment income in life insurance is presented net of yield credited to policyholders.

The following is an analysis of interest and one-time effects, pre tax, in the reporting year and fourth quarter of the reporting year (NIS million):



Results	Interest	Winograd(*)	LAT Interest	K Interest	Other LAT	Other K	Other	1-12/20
	+228 Market Impact				+154 Underwriting Profit			
1-12/2020	***(26)***	***74***	***(63)***	***243***	***15***	***18***	***121***	***382***
P&C	*(1)*	*74*	-	-	-	-	-	*73*
Health	-	-	*(63)*	-	*15*	-	*55*	*7*
LTS	*(25)*	-	-	*243*	-	*18*	*66*	*302*
1-12/2019	***(531)***	***149***	***(226)***	***(210)***	***(439)***	-	***(183)***	***(1,440)***
P&C	*(17)*	*149*	-	-	-	-	-	*132*
Health	-	-	*(226)*	-	*(439)*	-	*(53)*	*(718)*
LTS	*(514)*	-	-	*(210)*	-	-	*(130)*	*(854)*



Results	Interest	LAT Interest	K- Interest	LAT- Other	K- Other	Other	Q4/20
	+123 Market Impact			+9 Underwriting Profit			
Q4-20	***13***	***6***	***104***	***(118)***	***18***	***109***	***132***
P&C	*(3)*	-	-	-	-	-	*(3)*
Health	-	*6*	-	*(118)*	-	*38*	*(74)*
LTS	*16*	-	*104*	-	*18*	*71*	*209*
Q4-19	***(219)***	***35***	***(159)***	***(482)***	-	***(102)***	***(927)***
P&C	-	-	-	-	-	-	-
Health	-	*35*	-	*(482)*	-	*(57)*	*(504)*
LTS	*(219)*	-	*(159)*	-	-	*(45)*	*(423)*

Property and casualty insurance

In the reporting year, pre-tax comprehensive income from the property and casualty insurance operating segment totaled approximately NIS 524 million compared to approximately NIS 681 million last year. Most of the decrease in the comprehensive income in the reporting year compared to last year is due to a NIS 86 million decrease in investment income and a NIS 75 million decrease in the year-on-year Winograd reserve.

Life insurance and long-term savings

The pre-tax comprehensive income in the reporting year amounted to approximately NIS 707 million compared to a NIS 99 million loss last year. In the fourth quarter, the comprehensive income amounted to NIS 630 million, compared with a NIS 98 million loss in the same period last year.

Life insurance

The pre-tax comprehensive income in the reporting year amounted to approximately NIS 679 million compared to a NIS 149 million loss last year. The results in the reporting year were positively affected by the changes in the risk-free interest rate curve and the illiquidity premium in relation to last year. In the reporting year, the effect is a decrease of NIS 218 million in insurance reserves, compared with a NIS 724 million increase last year.

In the fourth quarter of the reporting year, the pre-tax comprehensive income amounted to NIS 605 million, compared with a NIS 105 million loss in the same period last year. The comprehensive income in the fourth quarter of the reporting year was affected compared to the same period last year by an increase in revenues from variable management fees, as a result of the rise in the financial markets in Israel and around the world, which led to the increase in members' portfolio value, from the risk-free interest rate curve positive influence and the K-Factor changes in the fourth quarter compared with the same period last year.

Provident funds

The pre-tax comprehensive income in the reporting year amounted to approximately NIS 32 million compared to approximately NIS 39 million last year. The decrease in comprehensive income is mainly due to the decrease in capital market yields, which affected both the margin in guaranteed return provident funds and in the investment income from the nostro portfolio. The effect is a NIS 10 million decrease in investment income compared with last year. The decrease in contributions towards benefits in the reporting year is mainly due to a decrease in one-time deposits compared to last year.

Pension funds

The pre-tax comprehensive loss in the reporting year amounted to approximately NIS 4 million compared to a pre-tax comprehensive income of approximately NIS 11 million last year. The decrease in profit stems mainly from a decrease in capital market returns which affected the assets of the management company, from an increase in marketing expenses and other acquisition costs, as well as general and administrative expenses resulting from a revision of the Group's expense allocation model. In March 2021, the Company signed an agreement with Meitav-Dash for the sale of the new pension funds of Halman Aldubi (as the sole shareholder of Halman Aldubi) for approximately NIS 45 million; the completion of the sale is subject to meeting acceptable conditions precedent.

Health insurance

The pre-tax comprehensive income in the reporting year amounted to approximately NIS 219 million compared to a NIS 311 million loss last year. The effect is mostly due to a NIS 531 million increase in the underwriting earnings in the reporting year, mainly as a result of a revision of actuarial assumptions and other effects in the amount of NIS 15 million during the year, compared to the increase in the LAT reserve as a result of revising the assumptions regarding cancellations, expenses, mortality rates and others for a total of NIS 499 million last year. Additional effects on the underwriting earnings in the reporting year are mainly due to the termination of an agreement for the provision of collective long-term care insurance for the Meuhedet HMO on December 31 2019, and a result of an almost complete halt of the travel insurance activity; the effect was partially offset by the rate of claims. It should be noted that an increase in the LAT reserve as a result of a decrease in the risk-free interest rate curve in the reporting year compared with last year was offset by a year-on-year decrease in investment income.

In the fourth quarter of the reporting year, the pre-tax comprehensive loss amounted to NIS 71 million, compared with a loss of NIS 284 million in the same period last year. The main effects were due to an increase in insurance reserves as a result of an update in actuarial assumptions and other effects in the amount of NIS 118 million, compared with an increase in the LAT reserve as a result of an update in assumptions regarding the rates of cancellation, mortality, morality, morbidity, and others in the amount of NIS 528 million last year.

Financial services (Excellence)

In the reporting year, pre-tax comprehensive income totaled approximately NIS 141 million compared to approximately NIS 167 million last year. The year-on-year decrease in comprehensive income compared to last year is mainly due to recording NIS 29 million of income as a result of a revaluation of an investment in an investee after the Company became the controlling shareholder therein. In the reporting year, the Company's accounts with the stock exchange member increased from approx. 4 thousand customers at the beginning of the year to 11 thousand at the end of the year. Additionally, in the reporting year, the Company recorded high revenues of approximately NIS 46 million in its market-making activity.

Insurance agencies

In the reporting year, pre-tax comprehensive income in the agencies segment totaled approximately NIS 237 million compared to approximately NIS 171 million last year. Most of the increase is due to a one-time earning in the amount of approximately NIS 62 million in respect to the revaluation of an investment in the Oren Mizrach insurance agency after the Company became a controlling shareholder therein. Net of said effect, comprehensive income from this segment increased in the reporting year, mainly as a result of growth and an increase in sales.

Other segments and activities not attributed to the operating segments

This area includes the results of investments against capital, finance expenses and results of investees that are not under control (mainly Gama Management and Clearing Ltd.). In the reporting year, pre-tax comprehensive income in this segment totaled approximately NIS 212 million compared to approximately NIS 411 million last year. In the fourth quarter of the reporting year, pre-tax comprehensive income totaled approximately NIS 353 million compared to approximately NIS 110 million in the same period last year. This change stems primarily from capital market returns, which were lower in the reporting year compared to the returns in the previous year and significantly higher in the fourth quarter compared with the returns in the same quarter last year. In March 2021, Gama submitted to the Israel Securities Authority a prospectus for an IPO. The Phoenix intends to purchase shares as part of the offering and increase its ownership stake to over 50% on a fully diluted basis.