



Phoenix Holdings Reports Results for the Nine Months of 2021

Phoenix Holdings Ltd., a leading Israel-based financial, insurance, and investment group (TASE: PHOE) (“The Phoenix”, the “Group”, or the “Company”), today reported its results for the third quarter of 2021 and the nine months ended September 30, 2021.

The Phoenix implements its strategic plan and reports consistent and strong growth both in the managed assets and across broad business activities - higher than expected in the strategic plan

Highlights

- Reports NIS 1.6 billion Comprehensive Income for the first nine months of 2021 and NIS 404 million for Q3 2021;
- The Company's shareholders equity as of September 30, 2021 was NIS 9.1 billion;
- Return on shareholders' equity was 25.1% on an annualized basis in the first nine months of 2021 and 19.5% in Q3 2021;
- Assets under management grew to NIS 340 billion;
- As part of strategic plan, completed sale of control of senior housing brand “Ad-120”, resulting in a net income of NIS 90 million in Q3 2021, as part of a total anticipated capital gain of NIS 270 million;
- Following Gama's IPO and selling control of Ad-120, the company announced an interim dividend of NIS 200 million from 2021 income, and completed NIS 74 million buyback during the reporting period;
- The Group will continue to implement its strategy and is assessing its targets based on continuing performance and market opportunities

The Phoenix continues to enhance its position as a dynamic and diverse financial services group. The Group is strategically focused on expanding activities with high returns on capital; driving operational efficiencies through innovation, technology, and digital tools; actively managing the group’s portfolio of activities; and optimizing capital management while maintaining a leading position in returns for clients.

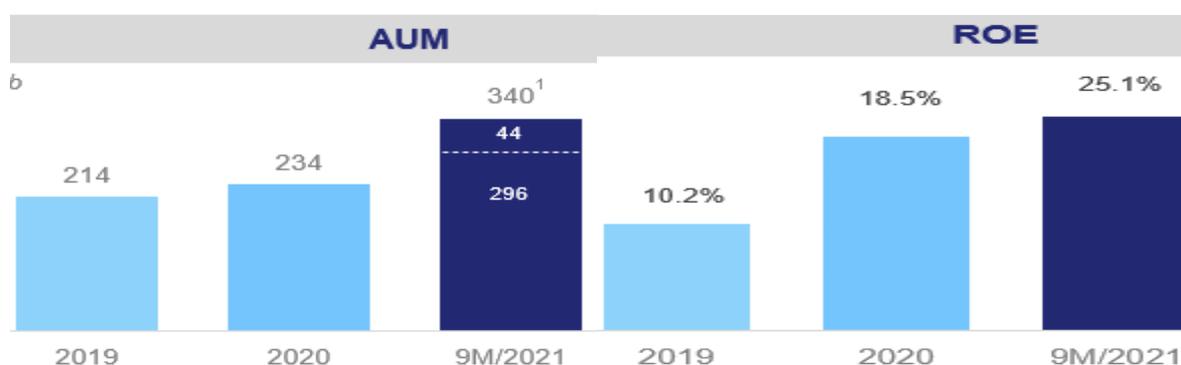
For over one year, the group has been executing a strategic plan based on defined and measurable growth engines. While improving the Group's financial results, the Company is working to produce additional value drivers that will strengthen the Company's competitive advantages in the investment, finance and insurance market. The Phoenix has been implementing a strategic plan that has resulted in the growth of Group's total assets under management to NIS 340 billion. This quarter, the Group completed the integration of Halman-Aldubi's asset management activities and intends to continue to explore strategic acquisitions to augment organic growth.



The Group has also recently completed two strategic transactions to unlock value, including the Q2 IPO of Gama on the Tel Aviv Stock Exchange and the sale of a control interest in the senior housing network Ad-120 in Q3. These transactions further strengthen the Group's strong balance sheet and enable us to continue to capture new business opportunities.

Based on the Company's growth of shareholders equity through the third quarter, it announced an interim dividend in the amount of NIS 200 million from 2021 income. This follows NIS 74 million share buyback during the reporting period and a dividend distribution of NIS 380 million from 2020 net income in April.

Phoenix Holdings continues its efforts to create value for clients, partners, shareholders and employees.



1. including Halman corporate funds

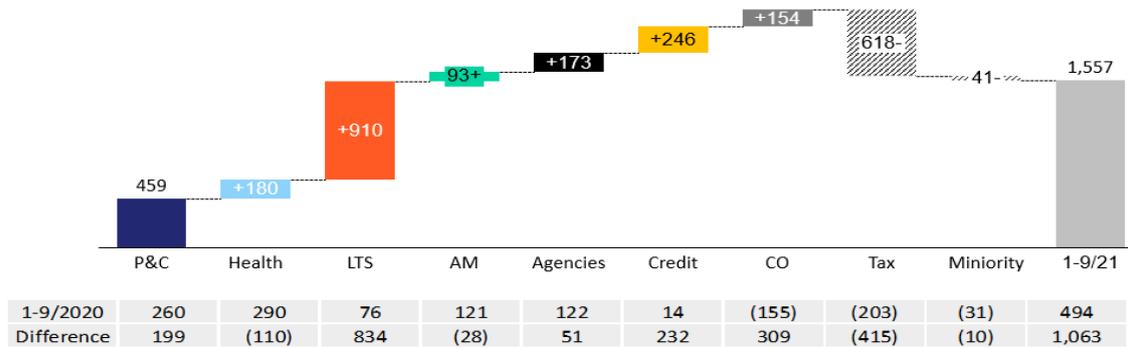
Comprehensive Income attributed to the Group's shareholders – High sector growth and an increase of assets under management to NIS 340 billion led to comprehensive income of NIS 404 million in Q3 2021, an increase of NIS 81 million compared with NIS 323 million in the corresponding quarter last year. In the first nine months of 2021, comprehensive income amounted to NIS 1.6 billion, compared with NIS 494 million in the corresponding period last year, reflecting a return on equity for shareholders of 19.5% in the third quarter of 2021 and 25.1% for the first nine months of 2021, on an annualized basis.

Performance was driven by the on-going execution of the Group's strategic plan and the contribution of each of the company's four growth engines: growth, innovation and efficiency, active management of Groups businesses, and optimizing capital while maintaining leading returns.

The Company has a wide range of income sources based on core activities of insurance and financial services, as well as a focus on investments.



Comprehensive Income
NISm



The Company's shareholders equity – As of September 30, 2021, the Company's shareholder equity was NIS 9.1 billion, compared with NIS 8.0 billion as of December 31, 2020. Phoenix Holdings has a dividend policy to distribute 30% of the Company's annual net income, while Phoenix Insurance, a wholly-owned subsidiary of the Group, has a policy to distribute 30-50% of annual net income. In March and June 2021, Phoenix Insurance distributed NIS 400 million to the Group from 2020 income. In addition, the Phoenix Holdings completed a NIS 100 million buyback during the reporting period and in August 2021 the board of directors approved another buyback plan of up to NIS 100 million in the coming year.

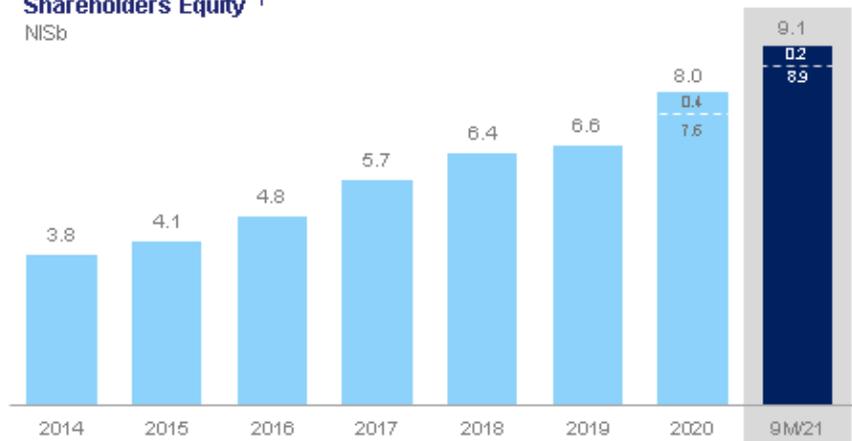
In addition, Phoenix Insurance issued Tier 1 capital totaling approximately NIS 200 million. As part of the issuance, in addition to the aforesaid amount, the Company issued approximately NIS 1 billion of the capital instrument, in exchange for Tier 1 capital notes previously issued by Phoenix Insurance to the Group. Phoenix is the first insurance company in Israel to issue a Tier 1 capital instrument.

Phoenix Insurance published its solvency ratio report for June 30, 2021. The solvency ratio with transitional measures was 196%, and without the transitional provisions the ratio was 123% (120% pro forma for a dividend of NIS 300 million to the Group).



Shareholders Equity ¹

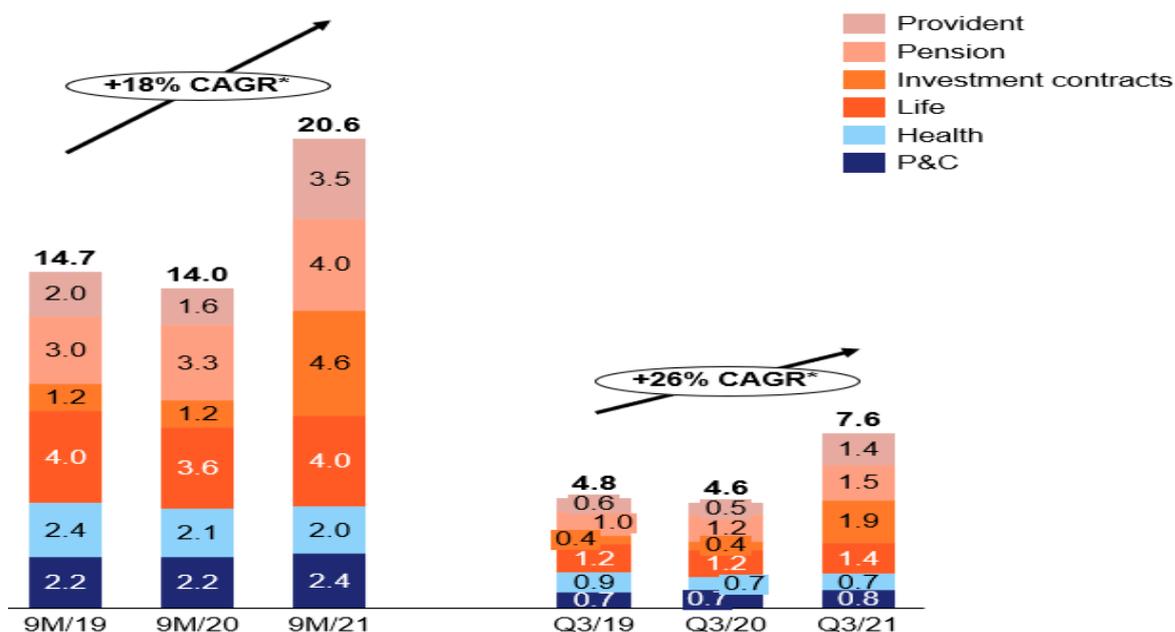
NISb



Dividend And Buyback (NISm)	200	-	-	-	120	480 ²	406 ³	274⁴
Dividend yield (BV)	6.3%	-	-	-	2.3%	4.7%	6.1%	3.4%

1. Including LAT restatement for 2018-19; 2020 figure is before dividend distribution
2. Including approximately 230 NISm of Mehadrin shares as a dividend in kind
3. Including 2020 share buy-back program 26 NISm plus cash dividend 380 NISm 2020 distributed during 2021 H1
4. 74 NISm buyback during the reporting period; after report date the company announced 200 NISm dividend

Premiums and Benefit contributions - Premiums and benefit contributions grew by 26% to NIS 7.6 billion in Q3 2021. In the first nine months of 2021, premiums and benefit contributions grew by 18% to NIS 20.6 billion.



Creating and Unlocking Value in the Portfolio – Phoenix Holdings completed the sale of its control interest in senior housing brand Ad-120 to Shapir Group at an equity value of NIS 1.35 billion. The company's remaining holdings in Ad-120 is 47%. The Company recorded a one-time net capital gain, after tax, of NIS 270 million, of which NIS 90 million was recognized in Q3 2021. This follows the IPO of Gama, a market leader in SME credit, on the Tel Aviv Stock Exchange, which resulted in a one-time net capital gain of NIS 220 million in Q2 2021. In addition, during Q3 2021 the company completed the integration of Halman-Aldubi and the board of directors approved a workplan for the implementation and measurement of ESG priorities across the Group.

Strong Balance Sheet and Financial Strength – The accelerated and profitable growth of the Company has led to an increase in its market capitalization to approximately NIS 10 billion as of the reporting date. Phoenix Holdings is rated at AA- and Phoenix Insurance is rated of AA+, both with a stable outlook. The Company has previously stated that, as part of the strategic plan, it will generate annual savings of NIS 150 million, before tax, as a result of efficiencies that have already begun to be implemented, as well as investing in technology and advanced data capabilities for the purpose of increasing the group's competitive advantage.

The following are the main financial results of the group's operating segments:



For in-depth details of the financial results in each sector, please use the investors presentation as of September 30, 2021

P&C insurance

In Q3 2021, the pre-tax comprehensive income amounted to NIS 49 million compared with NIS 193 million in the corresponding quarter last year, due to investments and special items in Q3 2020. In the first nine months of 2021, the pre-tax comprehensive profit amounted to NIS 459 million compared with NIS 260 million in the corresponding period last year.

Life insurance and long-term savings

The comprehensive pre-tax income in Q3 2021 amounted to NIS 219 million compared with NIS 136 million in the corresponding quarter last year. The comprehensive pre-tax income in the first nine months of 2021 amounted to NIS 910 million compared with NIS 76 million in the corresponding period last year.

Life insurance

The comprehensive profit in Q3 2021 amounted to NIS 204 million compared with a comprehensive profit of NIS 130 million in the corresponding quarter last year. The comprehensive income in the first nine months of 2021 amounted to NIS 866 million compared with NIS 63 million in the corresponding period last year.

Provident funds

The pre-tax comprehensive income in Q3 2021 amounted to NIS 7 million compared with NIS 7 million during the corresponding quarter last year. The pre-tax comprehensive income in the first nine months of 2021 amounted to NIS 27 million compared with NIS 23 million during the corresponding period last year.

Pension funds

The pre-tax comprehensive income in Q3 2021 amounted to NIS 8 million compared with a pre-tax comprehensive loss of NIS 2 million in the corresponding quarter last year. The pre-tax comprehensive income in the first nine months of 2021 amounted to NIS 17 million compared with a pre-tax comprehensive loss of NIS 9 million in the corresponding period last year.



Health insurance

In Q3 2021, the pre-tax comprehensive income amounted to NIS 161 million compared with NIS 64 million in the corresponding quarter last year. In the first nine months of 2021, pre-tax comprehensive income amounted to NIS 180 million compared with NIS 290 million in the corresponding period last year.

Financial services / asset management (Excellence)

The pre-tax comprehensive profit in Q3 2021 amounted to NIS 32 million compared with NIS 26 million in the corresponding quarter last year. The pre-tax comprehensive profit in the first nine months of 2021 amounted to NIS 93 million compared with NIS 121 million in the corresponding period last year, due to capital market volatility in 2020.

Insurance agencies

The pre-tax comprehensive income in Q3 2021 amounted to NIS 62 million compared with NIS 44 million in the corresponding quarter last year. The pre-tax comprehensive income in the first nine months of 2021 amounted to NIS 173 million compared with NIS 122 million in the corresponding period last year.

Credit (Gama)

The pre-tax comprehensive profit in Q3 2021 amounted to NIS 10 million compared with NIS 5 million during the corresponding quarter last year. The pre-tax comprehensive income in the first nine months of 2021 amounted to NIS 246 million compared with NIS 14 million during the corresponding period last year, including special item in the amount of approximately NIS 220 million from the IPO and control purchase in Q2 net of issuance expenses.

Others

Other activities include the results of investments earmarked to capital, finance expenses and results of investees that are not under control. In Q3 2021, pre-tax comprehensive income amounted to NIS 31 million compared with NIS 3 million in the corresponding period last year. In the first nine months of 2021, pre-tax comprehensive income amounted to NIS 155 million compared with loss of NIS 155 million in the corresponding period last year.

Conference Call Information

Phoenix Holdings will hold a conference call on November 30, 2021 at 1pm in Hebrew and at 5pm in English (both Israel time), and has published dial-in details through the Tel Aviv Stock Exchange website.



About Phoenix Holdings

Phoenix Holdings is a leading Israel-based financial, insurance, and investment group traded on the Tel Aviv Stock Exchange (TASE: PHOE). Group activities include multi-line insurance, investment and asset management, credit, and financial product distribution, and have demonstrated strong growth and performance across the cycle. The Phoenix serves a significant portion of Israeli households with a broad set of activities and solutions across businesses and client segments. Managing \$100 billion in assets, the Phoenix accesses Israel's vibrant and innovative economic activity through a robust investment portfolio, creating value for both clients and shareholders.

Contacts:

For further information, please contact:

Robert Brinberg, Rose & Company

Email: phoenix@roseandco.com

Tel: +1 (212) 517-0810.