



# 2021 Q2

## Phoenix Holdings

### Financial Review





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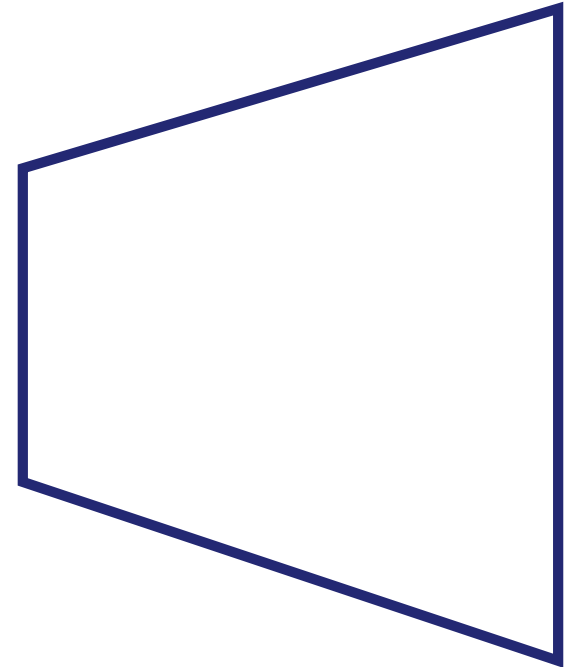
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For the avoidance of doubt, the Company does not undertake to update or change the information contained in this presentation.



# Agenda

- > **Highlights**
- > Financial Results
- > Segment Breakdown
- > Investments
- > Appendix
- > Glossary





# Phoenix Holdings at a Glance

Leading Israeli insurance, asset management & financial group

Proven and recognized experience

Trusted by millions of customers

Strong capital position

High growth and compelling returns

**TA35 index**  
Since 2018

**8.5 NISb**  
Market cap<sup>(1)</sup>

**70+**  
Years of activity

**AA- / AA+**  
Holding / Insurance Rating

**>3m**  
Clients  
c. half adult population

**Top Ranked**  
in leaderboard for  
investments<sup>(2)</sup>

**186%**  
Solvency II Ratio<sup>(3)</sup>

**8.7 NISb**  
Equity

**13%**  
AUM CAGR  
2016H1-2021H1

**16%**  
Average ROE  
2016H1-2021H1

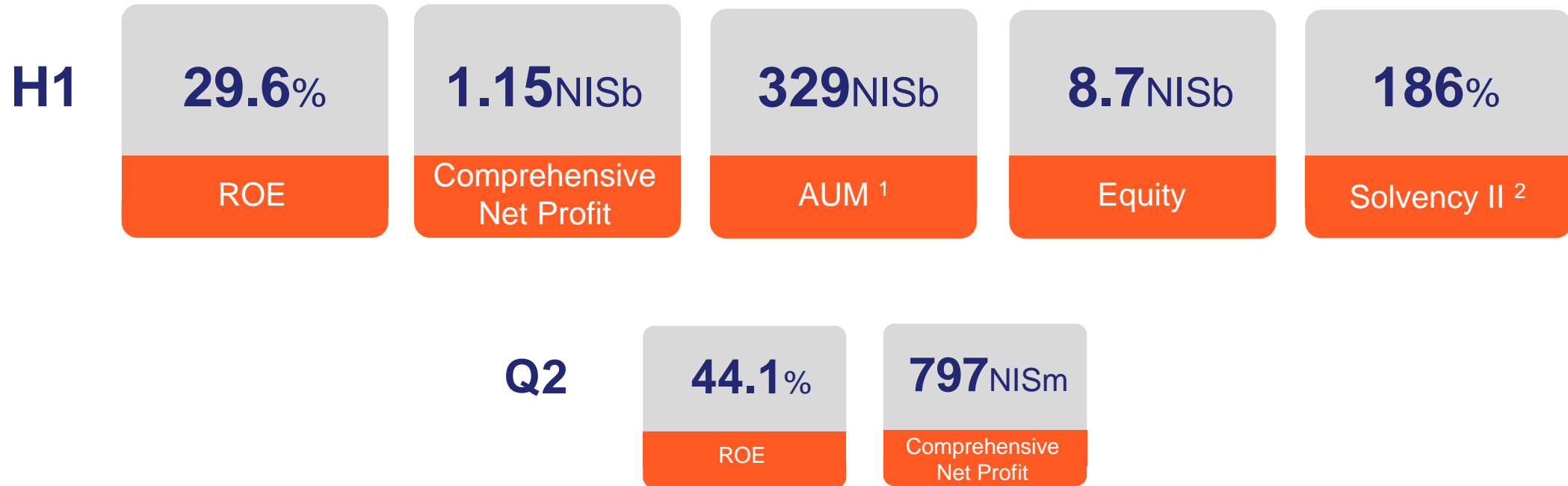
(1) As of August 22, 2021

(2) Based on yields in the general plans: Policies (1991-2003), Pension, and 12 in Provident Funds

(3) As of December 31, 2020 with transitional measures (standard model), after dividend distribution and transfer of shares of Phoenix pension and provident as dividend in kind during 2021



# 2021 H1 Performance Highlights



- *Performance driven by core business and investments*
- *Completion of Gama IPO as planned*
- *Continued execution of strategic plan including focus on growth and ROE*

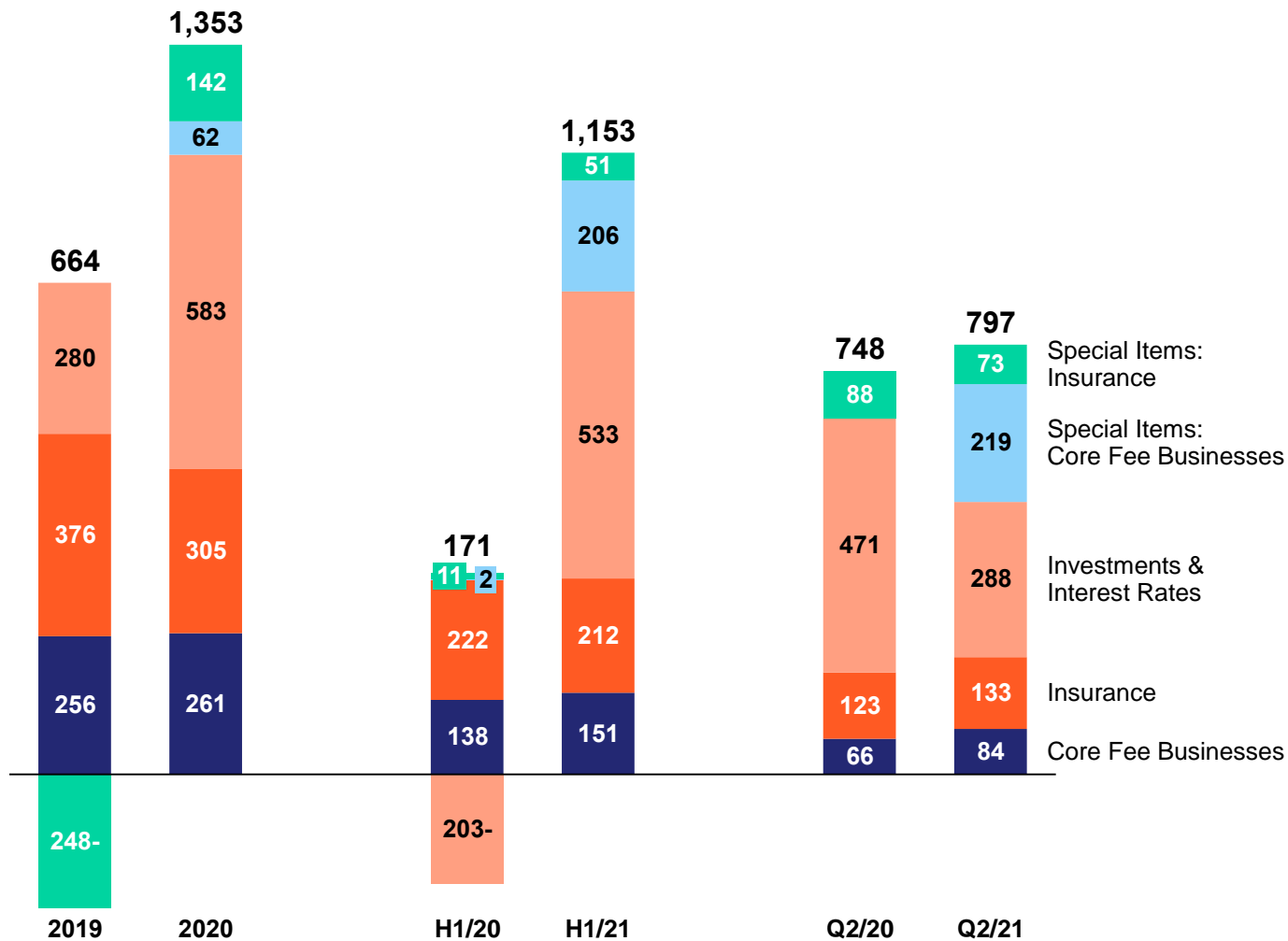
(1) Including Haldman-Aldubi corporate fund of 43 NISb

(2) As of December 31, 2020 with transitional measures (standard model), after dividend distribution and transfer of shares of Phoenix pension and provident as dividend in kind during 2021



# Profit from Broad Activities

Comprehensive Net Profit  
NIS millions



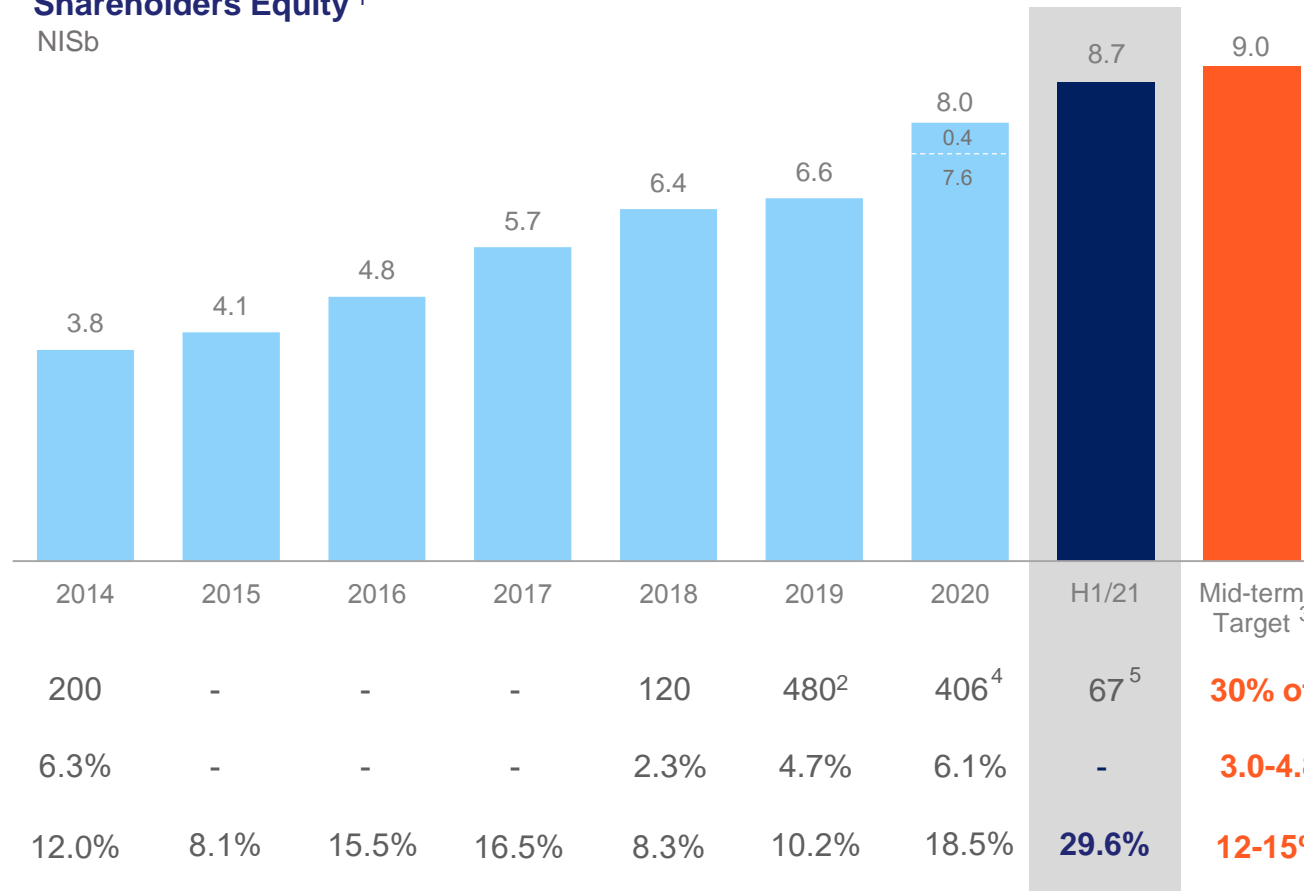
- » Diverse sources of profit include insurance and core fee-based businesses (including agencies, Excellence Investment House, and Gama)
- » Investment yields above 3%, including variable fees, benefited from growth and strong economic performance
- » Performance reflects impact of strategic plan execution
- » Core Fee Business Special Items includes profit from Gama IPO

Notes: Core fee businesses include agencies, Excellence, and Gama. Investments include yields and variable management fees above 3% (previously reported within Insurance). See Appendix D for a detailed breakdown of 2019-20. See Glossary for definition of Special Items.



# Long-Term Equity Generation

**Shareholders Equity <sup>1</sup>**  
NISb



- » Growth in shareholder equity from earnings
- » Equity growth is after dividend paid in March based on 2020 performance, in line with dividend policy, and after share buyback
- » After the end of Q2, share buyback plan of 100 NISm completed
- » 2021 share buyback plan of 100 NISm announced

<b>Dividend And Buyback (NISm)</b>	200	-	-	-	120	480 <sup>2</sup>	406 <sup>4</sup>	67 <sup>5</sup>	<b>30% of profits</b>
<b>Dividend yield</b>	6.3%	-	-	-	2.3%	4.7%	6.1%	-	<b>3.0-4.8%</b>
<b>ROE</b>	12.0%	8.1%	15.5%	16.5%	8.3%	10.2%	18.5%	<b>29.6%</b>	<b>12-15%<sup>3</sup></b>

(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) Mid-term Target based on 5-year plan and assuming 3% return on investments. ROE target range assumes 3% to 4.8% return on Nostro investments (4.8% based on average actual annual return during 1.10.15-30.9.20)

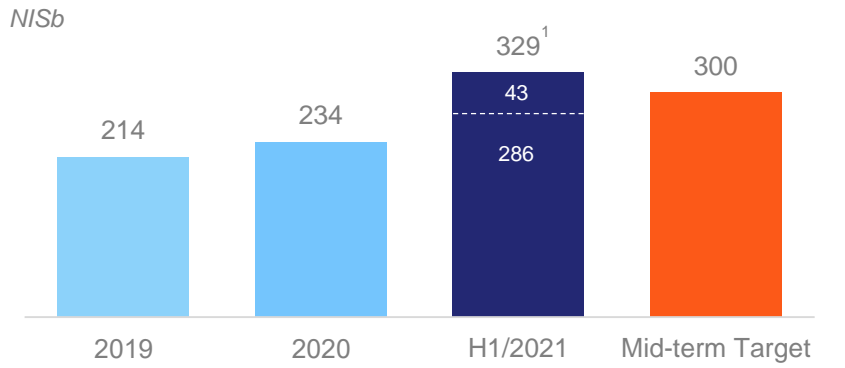
(4) Including 2020 share buy-back program 26 NISm plus cash dividend 380 NISm 2020 distributed during 2021 H1

(5) 67 NISm during the reporting period and 7 NISm subsequent to balance sheet date

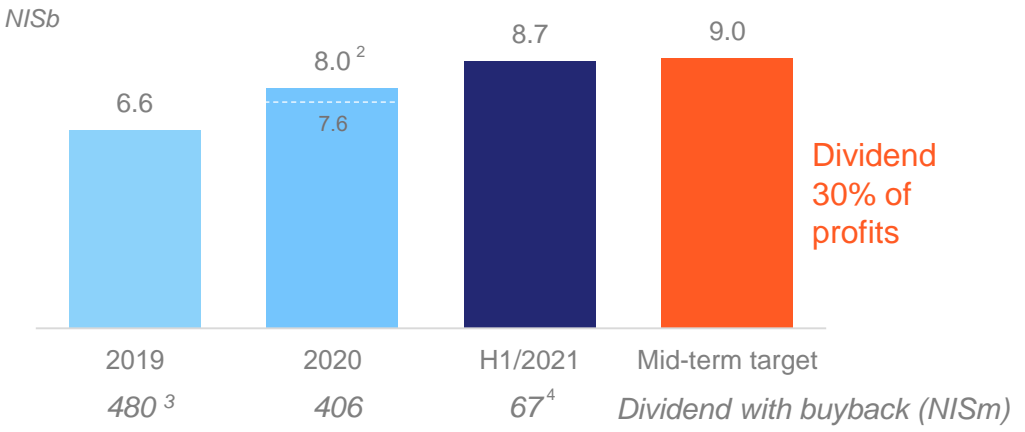


# Progress Toward Mid-term Targets

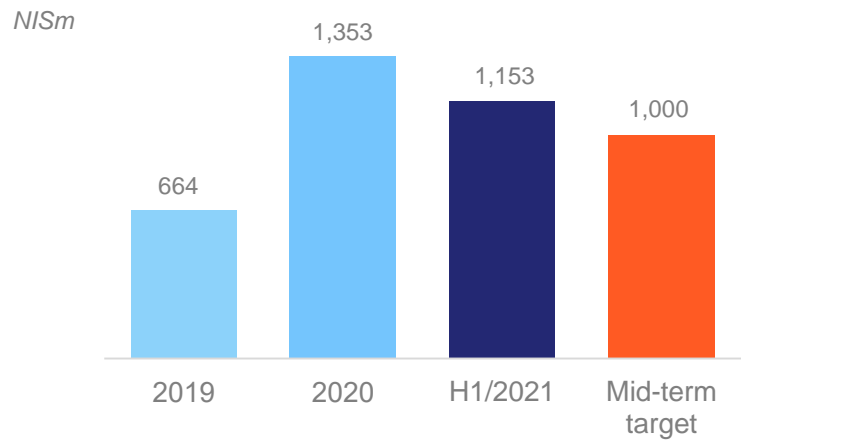
## AUM



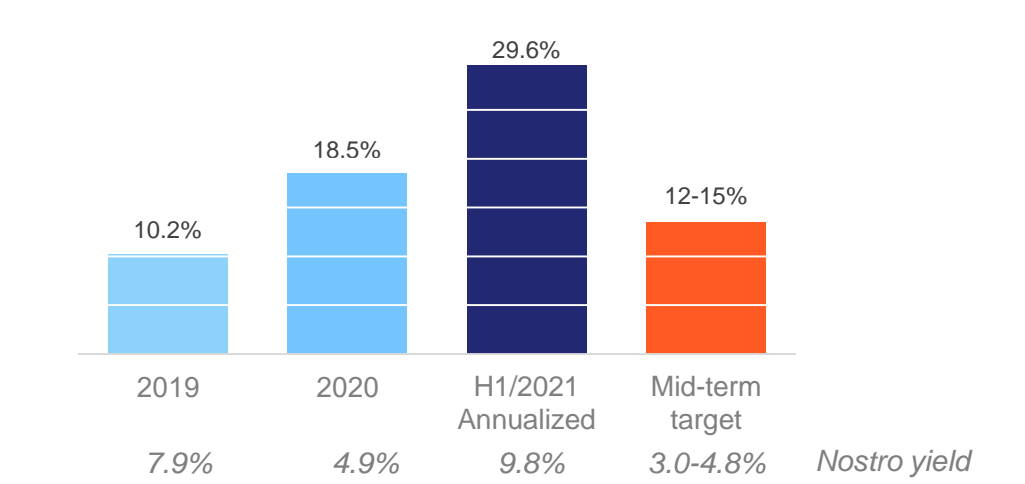
## Equity



## Comprehensive Profit



## ROE



Currently assessing targets in light of performance and business opportunities

<sup>1</sup> AUMs include Halman-Aldubi's 43 NISb corporate fund

<sup>2</sup> Before dividend distribution of 0.4 NISb in March for 2020

<sup>3</sup> Includes approximately 230 NISm of Mehadrin shares as a dividend in kind

<sup>4</sup> Post report date, the Company completed a share purchase of additional 7 NISm

Note: Mid-term Targets based on 5-year plan and assuming 3% return on investments. ROE target range assumes 3% to 4.8% return on Nostro investments (4.8% based on average actual annual return during 1.10.15-30.9.20).

Actual performance will depend on financial markets, macroeconomic growth, industry trends, company performance and other variables





# Strategy Implementation: Value Drivers

## 1 Accelerated growth in high-ROE activities



- **Asset management:** Growth in AUMs to 329 NISb (including Halman corporate fund), customer acquisition in private brokerage accounts
- **P&C:** Growth in premium rate - above industry trends; continuous growth in Phoenix SMART direct sales
- **Agencies:** growth in sales and profit contribution
- **Gama:** growth, reported as credit segment

## 2 Innovation and efficiency



- **Innovation:** new and follow-on investments in selected ventures; Riskified IPO in July with capital gain of \$42m, partially recognized for H1 reports; successful integration of new technologies in automation processes
- **Digitization:** nearly full digitization in claims filling and production across all products; new UI for motor insurance
- **Analytics:** machine-learning P&C pricing model development and implementation
- **Service:** improved customer satisfaction score compared to 2020 H1
- **Efficiency:** piloting post-COVID work-from-home

## 3 Active portfolio management



- **Gama:** IPO process completed successfully in June, 2021
- **Halman-Aldubi Investment House:** integration of activities ongoing
- **Excellence:** implementing growth strategy
- **Agencies:** inorganic as well as organic growth
- **ESG:** work to deepen efforts across group activities
- **Ad-120:** (After reporting period) divestment process ongoing, no-shop granted following binding offer from strategic partner for 53% stake at equity value of 1.35 NISb

## 4 Capital management



- **Restructuring of long-term savings:** Transfer of Phoenix pension and provident businesses from insurance subsidiary to Phoenix Holdings, improving Solvency ratio and creating flexibility for growth
- **IFRS 17:** Progress toward implementation in line with European groups
- **Restricted Tier 1 (RT1):** (After reporting period) Insurance subsidiary issued capital notes - first for sector



# Strategic Growth Via Gama IPO



3

Value Driver:  
Active Portfolio  
Management



## Business Highlights

- Gama is a market leader in Israeli SME clearing and credit based on payments infrastructure with over 28 NISb annual transaction volume (similar to buy now pay later)
- Strong position for growth with broad customer base, excellent brand, track record of consistent growth and profitability, and experienced management team
- Significant potential due to market trends and opportunities for growth new and existing products

## IPO Description

- Phoenix had 49% position and announced intention to achieve control via IPO in order to drive value creation and expand credit offering
- IPO on the Tel Aviv Stock Exchange was completed successfully in June, 2021, attracting leading institutional investors and growing capital base as well as secondary sales
- Phoenix increased position to 61.6%, and recorded 220 NISm net capital gain on holdings as a result of obtaining control

## Priorities Going Forward

- Accelerated growth and value creation, including governance, resources, and strategic planning
- Financials consolidated in group and reported in “Credit” segment



# Restricted Tier 1 Capital Issuance

4

Value Driver:  
Capital  
Management



## Description

- As part of strategic plan implementation (capital management), Phoenix Insurance subsidiary issued Restricted Tier 1 (RT1) subordinated bonds
- First RT1 issuance by Israeli insurance company, rated A+ by S&P
- 200 NISm of issued to institutional investors via the Tel Aviv Stock Exchange, plus additional 1,026 NISm to replace subordinated bonds held by Phoenix Holdings

## Key Terms

- Junior subordinated debt securities that qualify as tier 1 capital under Solvency II regime
- CPI-linked bearing interest rate of 2.29% (3.2% spread over government bond yield), payable semi-annually
- Issued for 50 years, with an early redemption option for issuer after 10 years, and then every five years
- Principal temporary write-down mechanism, subject to reaching 100% or 75% SCR triggers; write-up following write-down subject to Company's discretion and its capital position

## Benefits

- Phoenix Insurance: Increase of Solvency II capital ratio without issuing ordinary shares by maximizing allowed AT1 bucket
- Phoenix Holdings: Improvement of ROE and liquidity; reduction of weighted financing costs for the group; facilitation of dividend distribution



# Looking Ahead

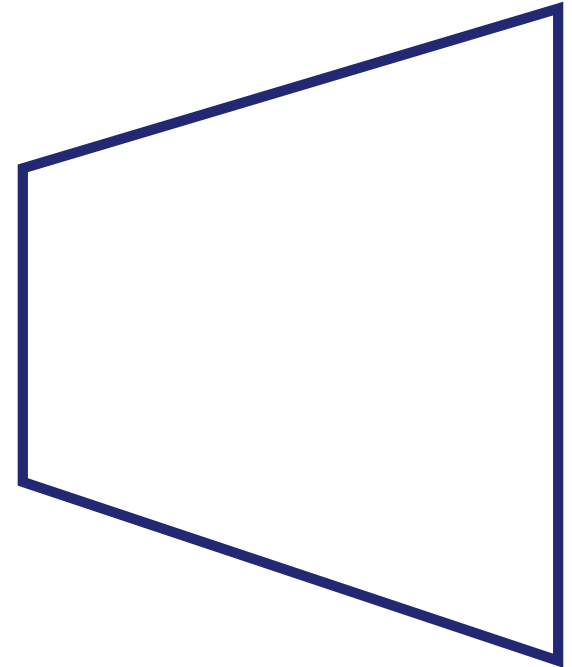
## Priorities for next quarters

- Implementing strategic plan to drive risk-adjusted returns
  - Accelerated growth
  - Innovation & efficiency
  - Active portfolio management including Ad-120 divestment
  - Optimized capital deployment
- Assessing medium-term targets in light of performance and business opportunities
- Implementing ESG workplan and initiatives across the group, working closely with Board of Directors ESG Committee
- Proactively managing COVID-19 impact including variants



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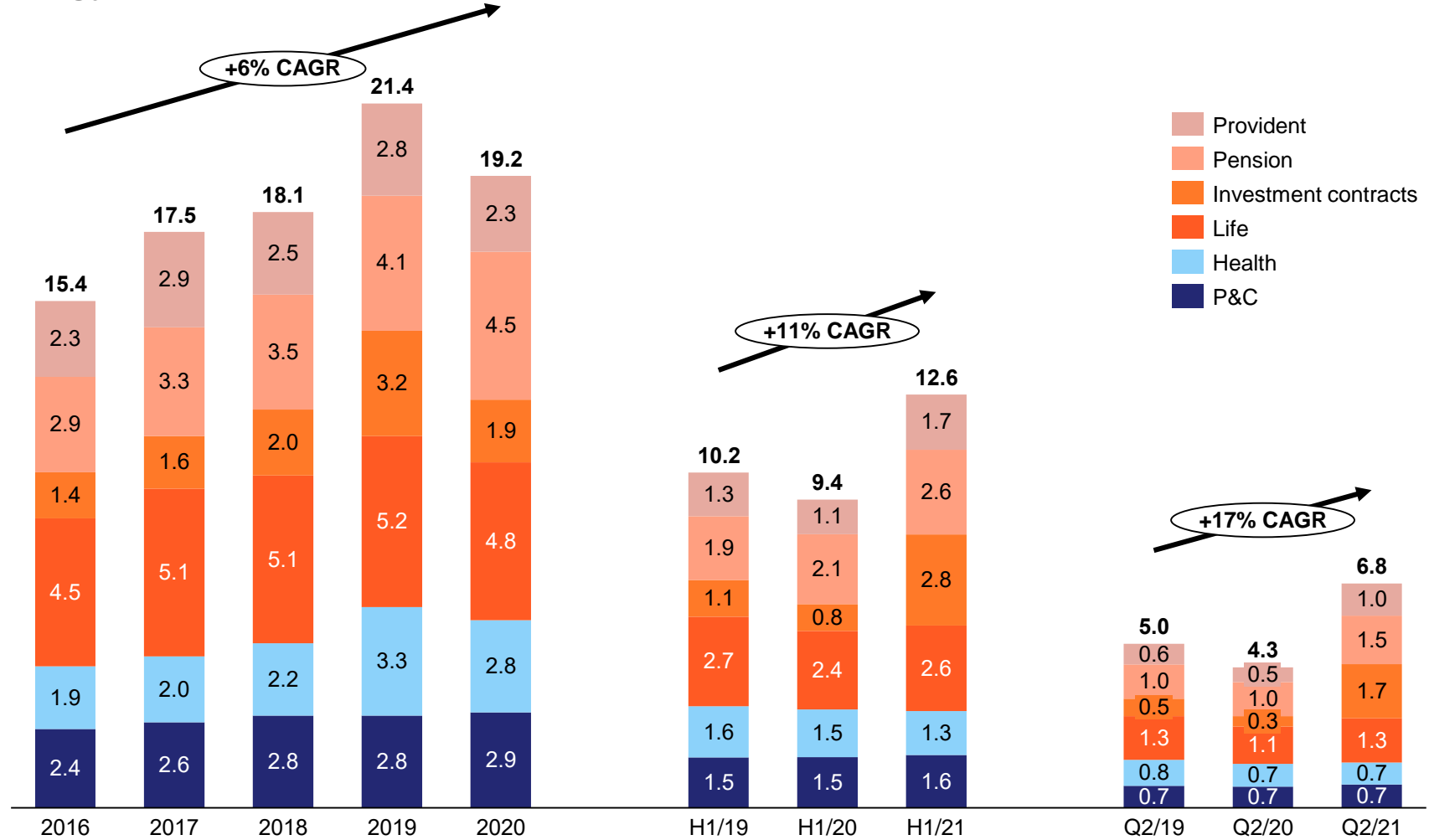


# Continued Growth

Premiums, Benefit Contributions, & Investment Contracts  
NISb

## Growth driven by LTS and investment contracts

- LTS: strong growth in H1/21 compared to H1/20
- P&C: 5% growth in H1/21 compared previous year
- Health: premium decrease due to COVID-19 impact on travel insurance

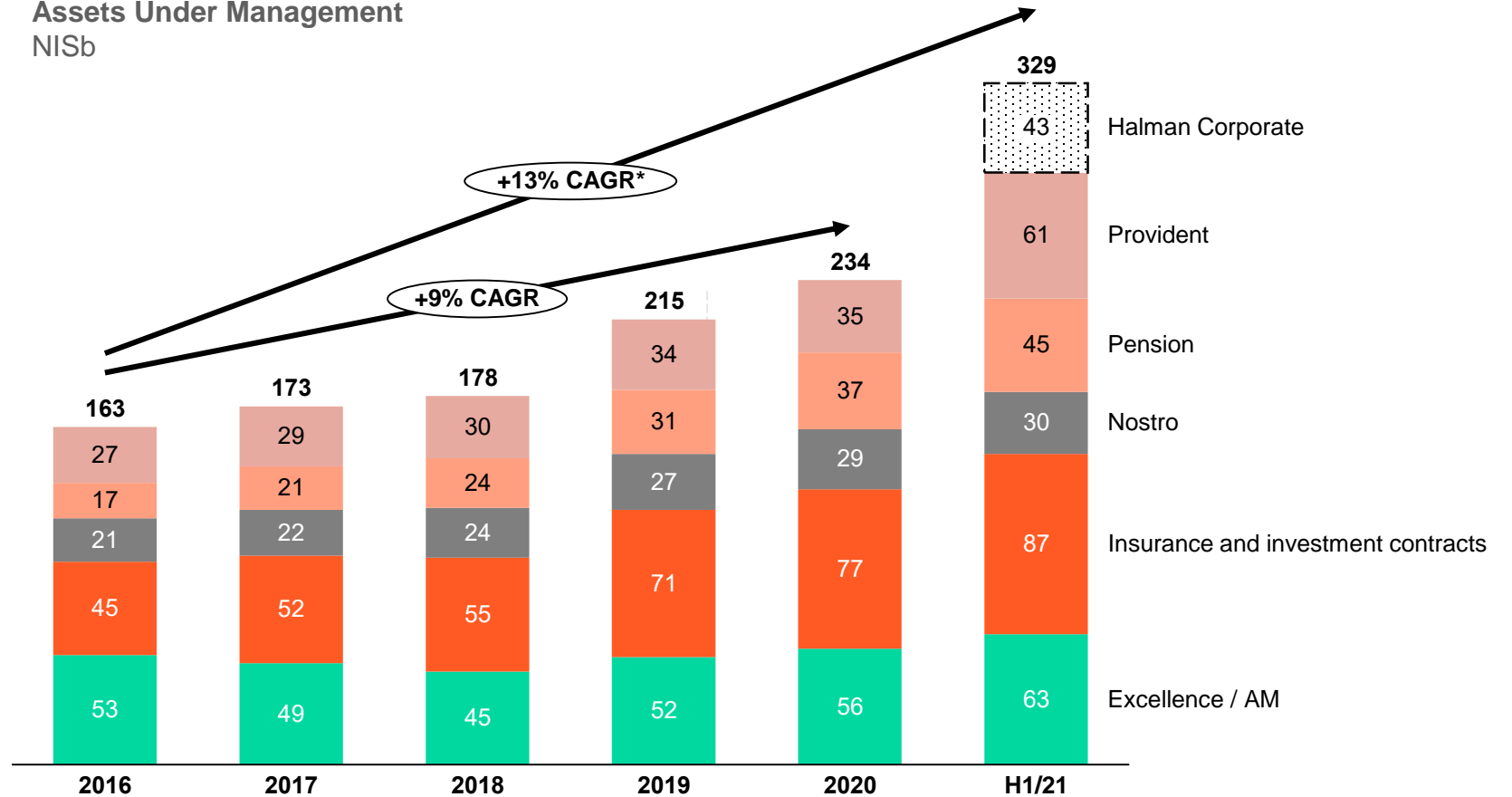


Note: Includes investment contracts for peer comparison, previous versions of this chart showed premiums and benefit contributions only

# Accelerated Growth in AUMs

Assets Under Management  
NISb

- **Excellence** – growth driven by growth in mutual funds and ETFs
- **Insurance, investment contracts, and pensions** – organic growth across products driven by monthly contributions and internal yields
- **Provident** – organic as well as inorganic growth including Halman Aldubi provident and corporate funds during 2021 H1



\* CAGR not including Halman corporate funds (IEC)

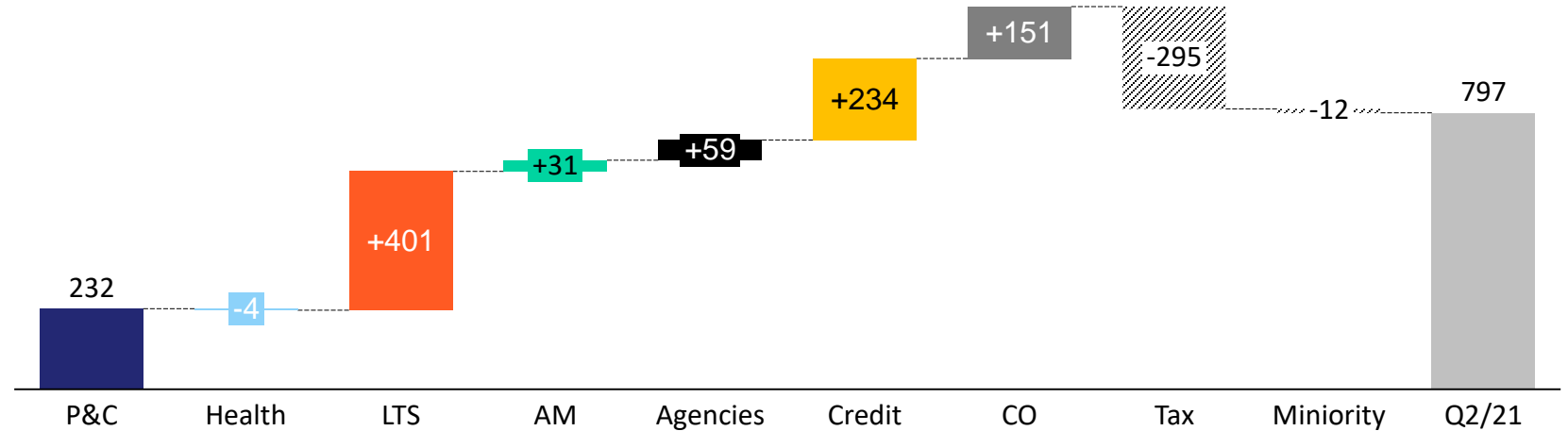


# Quarterly Profit Breakdown – Q2 2021

## Continued performance across activities

- P&C and LTS businesses continued to drive performance, with strong operating and investment results
- Growth in agencies' operations and results
- New credit segment reporting includes Gama and profit from Gama IPO

Comprehensive Net Profit  
NISm



<b>Q2/2020</b>	290	176	196	40	44	5	379	(374)	(8)	748
<b>Difference</b>	(58)	(180)	205	(9)	15	229	(228)	79	(4)	49



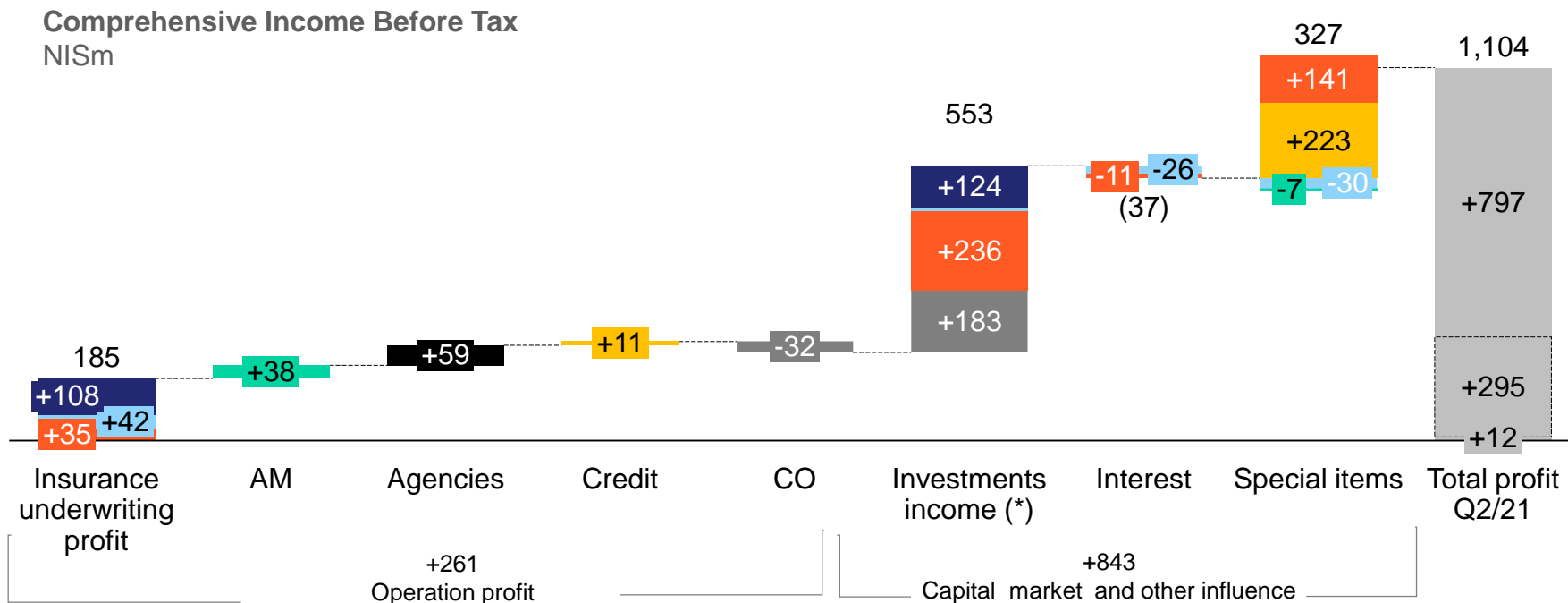


# Quarterly PBT Breakdown – Q2 2021



## Significant quarterly returns

- Investment income contributed 553 NISm PBT during H1
- 261 NISm profit from operations
- Special items include 223 NISm profit from Gama IPO



	Q2/2020(**)	AM	Agencies	Credit	CO	Investments income (*)	Interest	Special items	Total profit
	191	40	44	5	6	702	9	133	1,130
<b>Difference</b>	(6)	(2)	15	6	(38)	(149)	(46)	194	(26)

(\*) Investment income and variable management fees above 3% annual return and after offsetting the guaranteed yield to policyholders (123 NISm) and interest expenses

(\*\*) For full 2020 breakdown please see Appendix C.

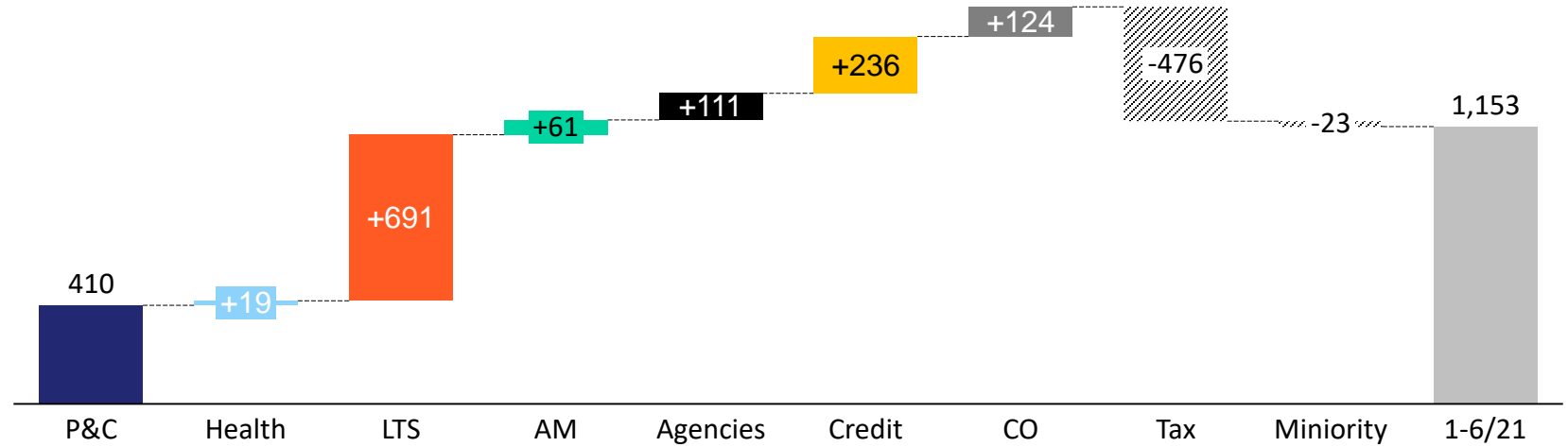


# Profit Breakdown – H1 2021

## Comprehensive Net Profit NISm

### Continued performance across activities

- 1.15 NISb profit year to date
- Driven by P&C and LTS, with contributions from all segments



<b>1-6/2020(**)</b>	67	226	(60)	94	78	10	(158)	(65)	(21)	171
<b>Difference</b>	343	(207)	751	(33)	33	226	282	(411)	(2)	982

(\*\*) For full breakdown please see Appendix B

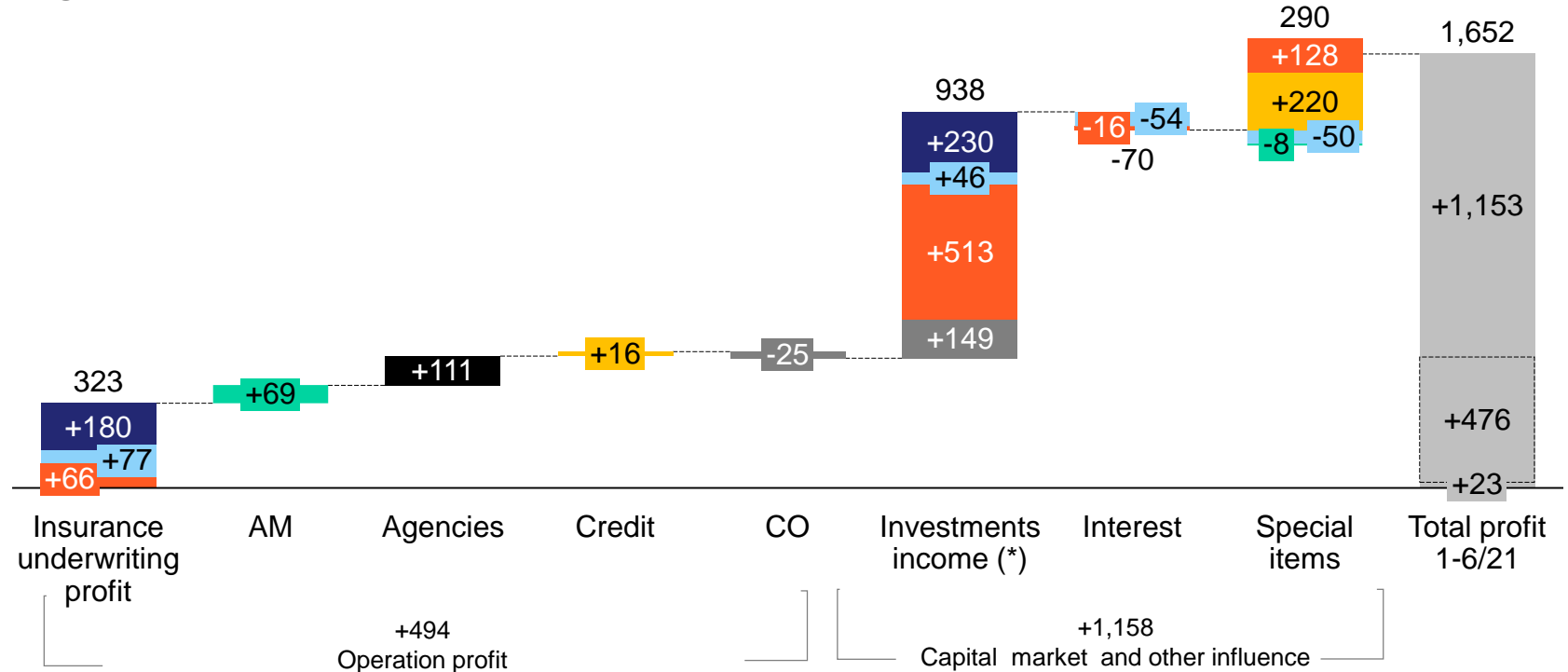
# PBT Breakdown – H1 2021



## Comprehensive Income Before Tax NISm

### Significant investment returns

- Investment income contributed 938 NISm PBT during H1
- 494 NISm profit from operations
- Special items include 220 NISm from Gama IPO







<b>1-6/2020 (**)</b>	348	91	78	10	16	(393)	87	20	257
<b>Difference</b>	(25)	(22)	33	6	(41)	1,331	(157)	270	1,395

(\*) Investment income and variable management fees above 3% annual return (previously reported within insurance underwriting) and after offsetting the guaranteed yield to policyholders and interest expenses  
 (\*\*) For full breakdown please see Appendix B. See segment breakdowns for further details per segment.



# Select Expense KPIs

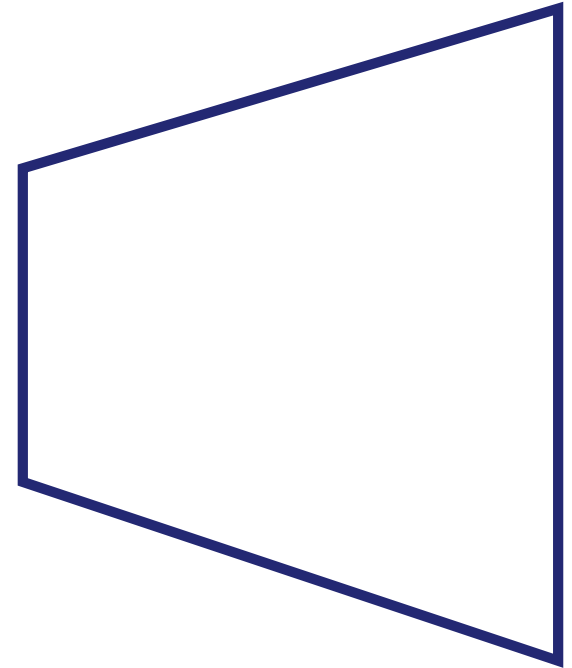
		<u>2020</u>	<u>2020H1</u>	<u>2021H1</u>	
	<b><i>P&amp;C</i></b>	Expenses / Gross Earned Premiums	5.08%	4.66%	4.57%
	<b><i>Health</i></b>	Expenses / Gross Earned Premiums	5.82%	5.80%	5.51%
	<b><i>Life</i></b>	Expenses / AUM	0.49%	0.53%	0.49%
	<b><i>Pension &amp; Provident</i></b>	Expenses / AUM	0.23%	0.26%	0.22%

Note: Expenses include general and administrative expenses, as well as other expenses.



# Agenda

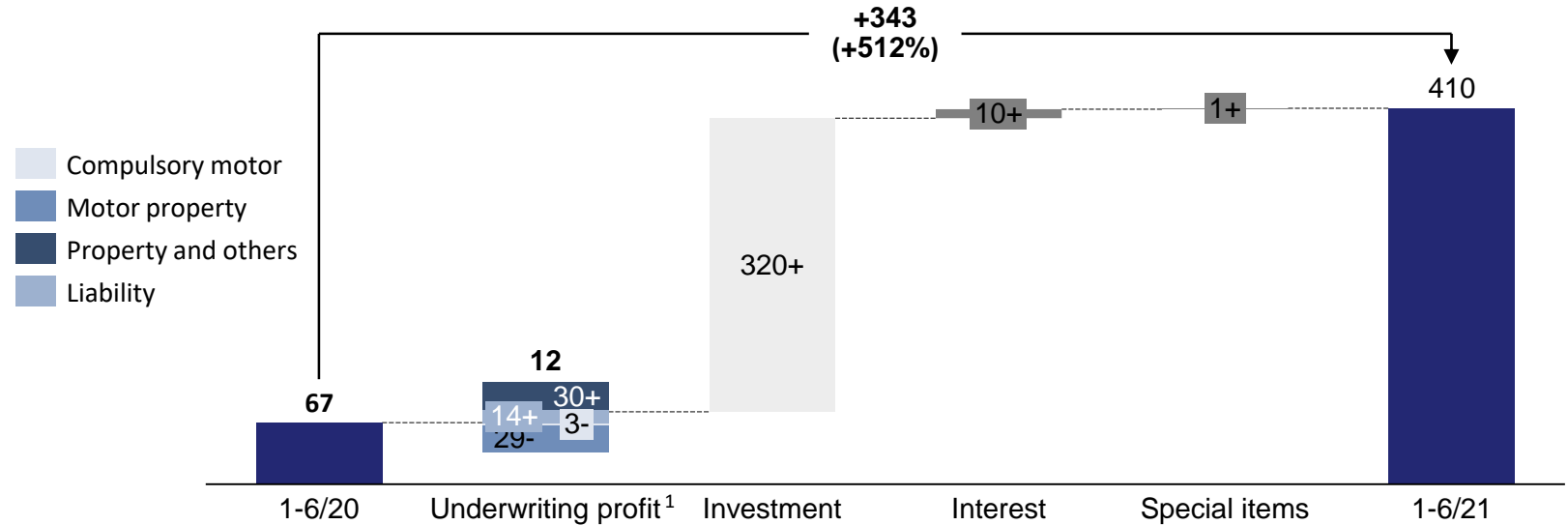
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### Improvement in H1 due to underwriting as well as investments

- Total profit increase in H1 to 410 NISm
- Driven by increase of 320 NISm in investment income as well as higher underwriting profits
- Higher underwriting profit in H1/21 compared H1/20, despite lower profitability in Q2/21 due to low motor claims during COVID-19 in Q2/20
- Continued growth in premiums and in Phoenix Smart direct channel

Comprehensive Income Before Tax (NISm)



<b>1-6/2021</b>	<b>180</b>	<b>230</b>	<b>-</b>	<b>-</b>	<b>410</b>
<b>1-6/2020</b>	<b>168</b>	<b>(90)</b>	<b>(10)</b>	<b>(1)</b>	<b>67</b>

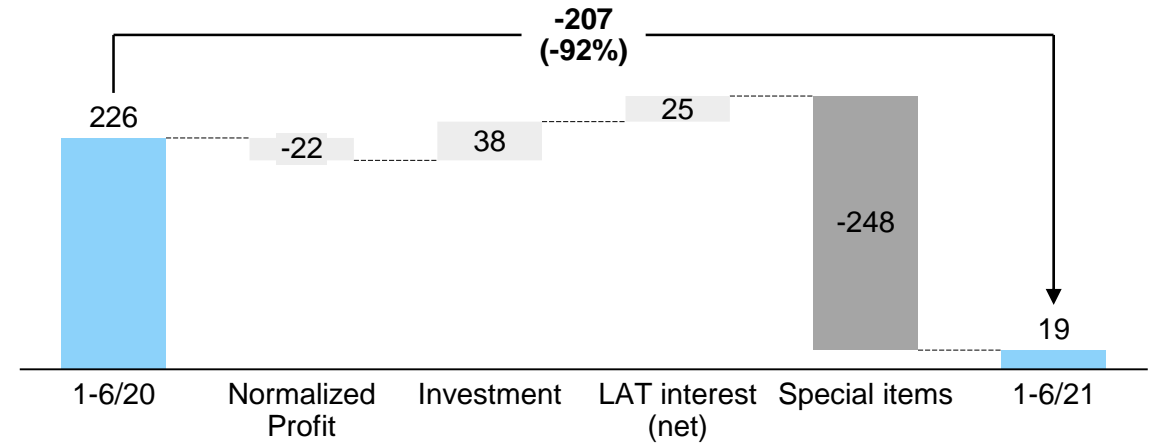
<b>Q2/2021</b>	<b>108</b>	<b>124</b>	<b>-</b>	<b>-</b>	<b>232</b>
<b>Q2/2020</b>	<b>135</b>	<b>177</b>	<b>(21)</b>	<b>(1)</b>	<b>290</b>
<b>Difference</b>	<b>(27)</b>	<b>(53)</b>	<b>21</b>	<b>1</b>	<b>58</b>

(1) The underwriting earnings assume a real rate of return of 3%, investment income includes income from own (Nostro) investments above or below a 3% real return

### Decrease in comprehensive profit due to actuarial research

- Special Items during H1 include actuarial research on health and long-term care backbook, compared to positive impact from LAT reserve changes (initial application of regulatory amendments to the LAT circular) and one time CSM profit last year
- 22 NISm decline in normalized profit due to COVID-19 impact on claim frequency and travel insurance

Comprehensive Income Before Tax (NISm)



<b>1-6/2021</b>	<b>77</b>	<b>46</b>	<b>(54)</b>	<b>(50)</b>	<b>19</b>
<b>1-6/2020</b>	99	8	(79)	198	226

<b>Q2/2021</b>	<b>42</b>	<b>10</b>	<b>(26)</b>	<b>(30)</b>	<b>(4)</b>
<b>Q2/2020</b>	61	90	18	7	176
<b>Difference</b>	<b>(19)</b>	<b>(80)</b>	<b>(44)</b>	<b>(37)</b>	<b>(180)</b>

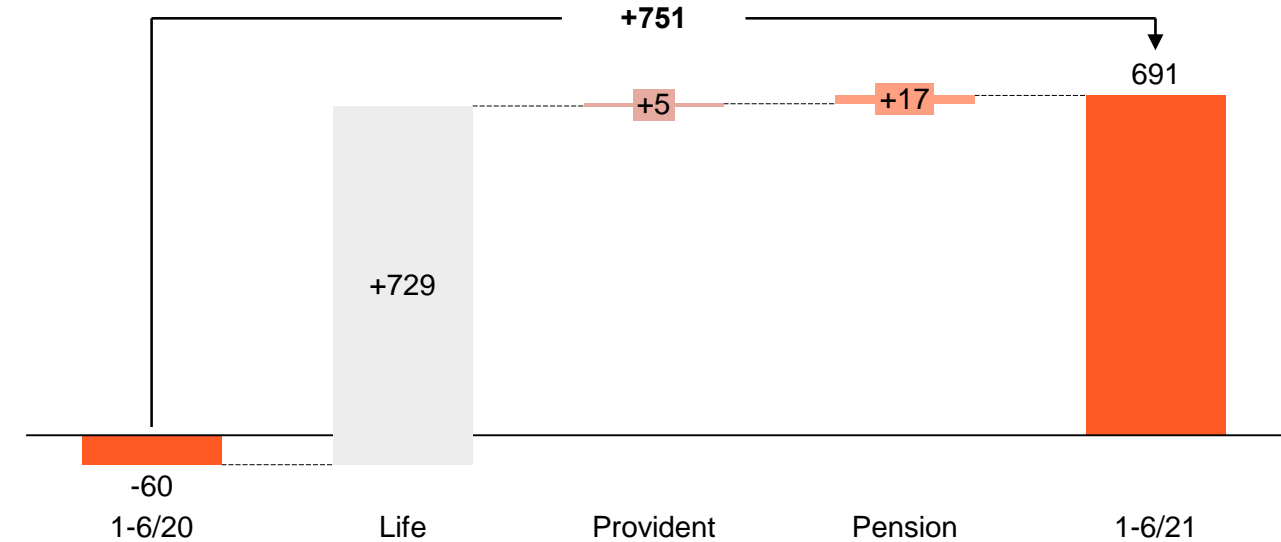
(\*) The underwriting earnings assume a real rate of return of 3%, investment income includes income from own (Nostru) investments above or below a 3% real return

(\*\*) Including all changes in interest rate and excess non-marketable assets in LAT only

## Performance improvement driven by investments

- Significant increase in H1/21 to 691 NISm
- Improvement driven by 662 NISm profit in life segment, due in part to investment performance
- Transfer of shares of pension and provident business as dividend in kind from Phoenix Insurance to Phoenix Holdings, improving future Solvency generation and group liquidity
- Ongoing post-closing integration of Halman-Aldubi funds expecting to be completed by Q4, driving synergies

Comprehensive Income Before Tax (NISm)



<b>1-6/2021</b>	<b>662</b>	<b>20</b>	<b>9</b>	<b>691</b>
<b>1-6/2020</b>	<b>(67)</b>	<b>15</b>	<b>(8)</b>	<b>(60)</b>

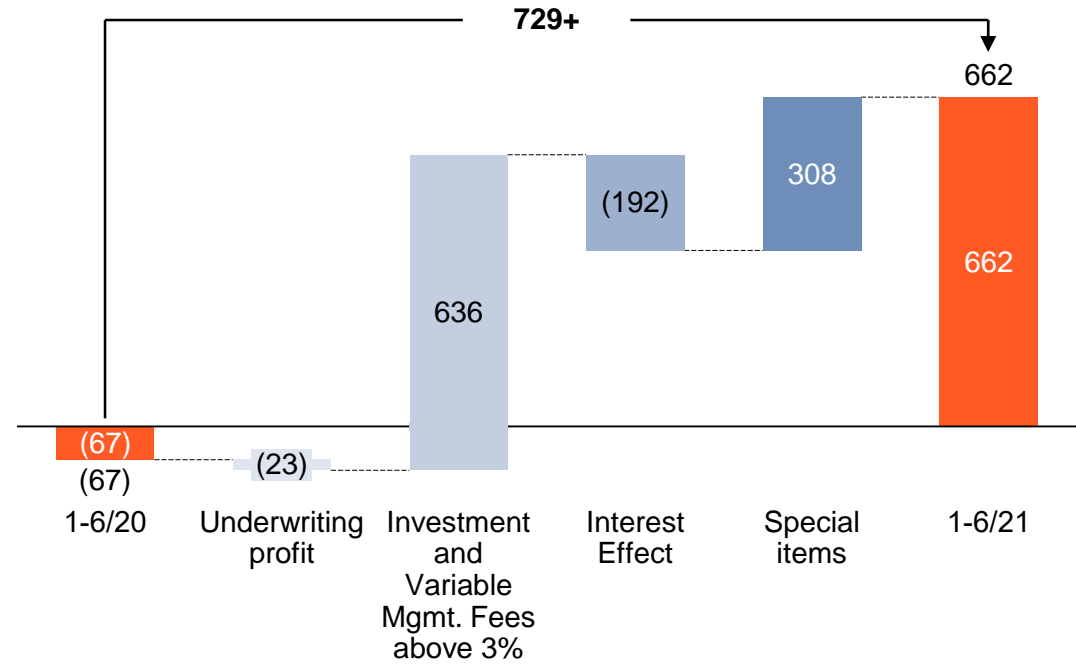
<b>Q2/2021</b>	<b>386</b>	<b>8</b>	<b>7</b>	<b>401</b>
<b>Q2/2020</b>	<b>193</b>	<b>8</b>	<b>(5)</b>	<b>196</b>
<b>Difference</b>	<b>193</b>	<b>-</b>	<b>12</b>	<b>205</b>



### Performance improvement driven by investments

- Significant profit increase to 662 NISm in H1
- Strong results in Nostro and management fees compared to 2020, even after negative interest rate effects
- Special items include actuarial research in H1/21, compared to growth in reserves last year (due to influence of K reserves because of variable management fee deficit)

Comprehensive Income Before Tax (NISm)



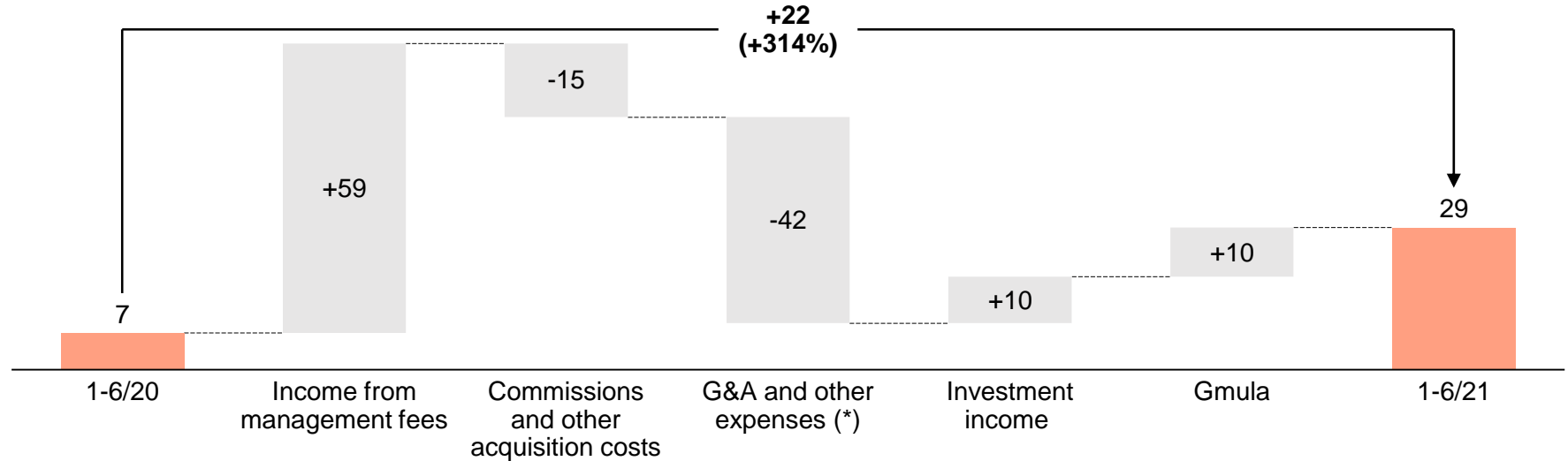
<b>1-6/2021</b>	<b>42</b>	<b>508</b>	<b>(16)</b>	<b>128</b>	<b>662</b>
<b>1-6/2020</b>	65	(128)	176	(180)	(67)

<b>Q2/2021</b>	<b>22</b>	<b>234</b>	<b>(11)</b>	<b>141</b>	<b>386</b>
<b>Q2/2020</b>	(7)	61	12	127	193
<b>Difference</b>	29	173	(23)	14	193



# LTS Breakdown: Pension and Provident Funds

Comprehensive Income Before Tax (NISm)



## Growth in profit during H1

- Reaching profitability with initial scale before full synergies with Halman
- Profit from management fees increase by 22 NISm
- Initial Halman-Aldubi synergies and AUM growth

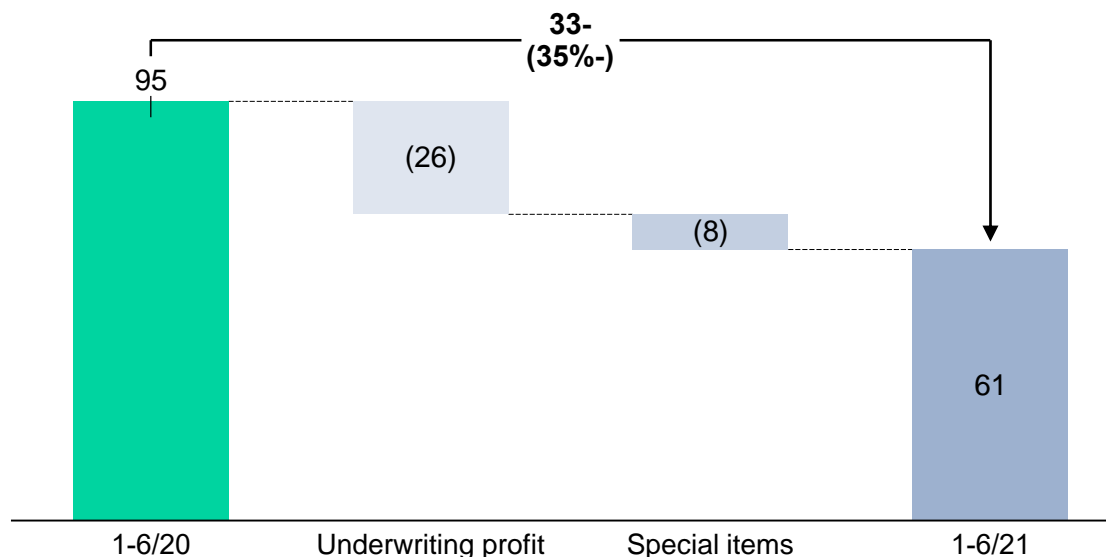
		+18 Underwriting profit		+11 Market impact		
<b>1-6/2021</b>	<b>240</b>	<b>(99)</b>	<b>(123)</b>	<b>7</b>	<b>4</b>	<b>29</b>
<b>1-6/2020</b>	<b>181</b>	<b>(84)</b>	<b>(81)</b>	<b>(3)</b>	<b>(6)</b>	<b>7</b>
<b>Q2/2021</b>	<b>141</b>	<b>(54)</b>	<b>(77)</b>	<b>3</b>	<b>2</b>	<b>15</b>
<b>Q2/2020</b>	<b>90</b>	<b>(43)</b>	<b>(43)</b>	<b>(1)</b>	<b>1</b>	<b>4</b>
<b>Difference</b>	<b>51</b>	<b>(11)</b>	<b>(34)</b>	<b>4</b>	<b>1</b>	<b>11</b>

\* Includes consolidation adjustments (amortization cancelation)

## Lower profitability compared to volatile period in 2020

- Increased AUMs drove higher revenues from mutual funds and ETFs
- Growth in clients and market share in private brokerage (incurring higher acquisition costs, classified as Special Items)
- However, market making activity lower compared to highly volatile H1/20, reducing profits by 19 NISm compared to last year
- In addition, 12 NISm lower profitability due to foreign exchange deposit margins compared to H1/20

Operating Profit (NIS m)

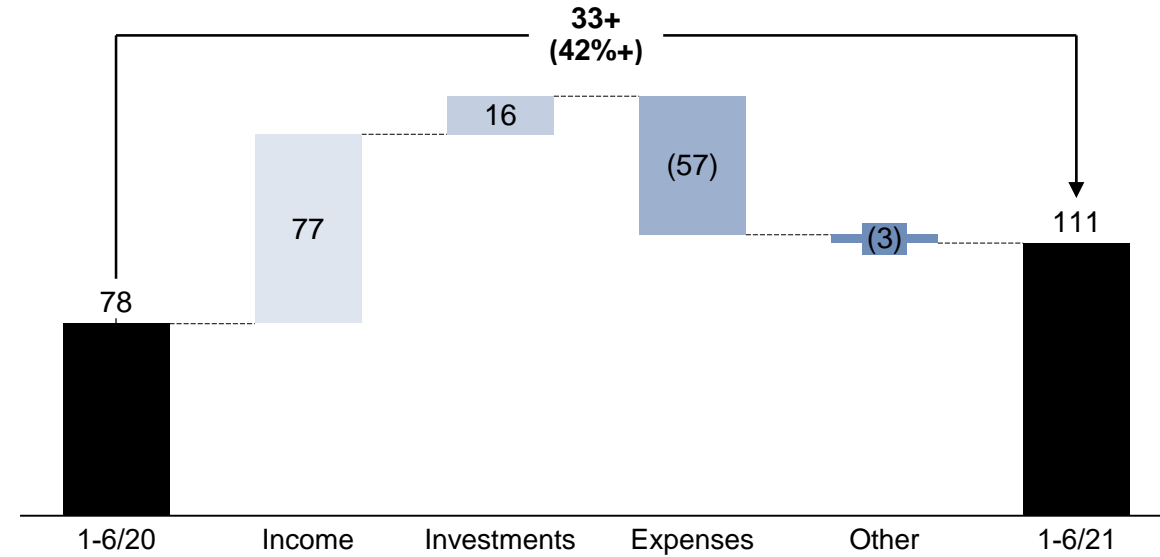


<b>1-6/2021</b>	<b>69</b>	<b>(8)</b>	<b>61</b>
<b>1-6/2020</b>	<b>95</b>	<b>-</b>	<b>95</b>
<b>Q2/2021</b>	<b>38</b>	<b>(7)</b>	<b>31</b>
<b>Q2/2020</b>	<b>40</b>	<b>-</b>	<b>40</b>
<b>Difference</b>	<b>(2)</b>	<b>(7)</b>	<b>(9)</b>

### Growth in proprietary distribution channels

- Growth in profit before tax to 111 NISm during H1
- Driven by continued organic and inorganic growth

Profit Before Tax (NIS m)



<b>1-6/2021</b>	270	12	(174)	3	111
<b>1-6/2020</b>	193	(4)	(117)	6	78

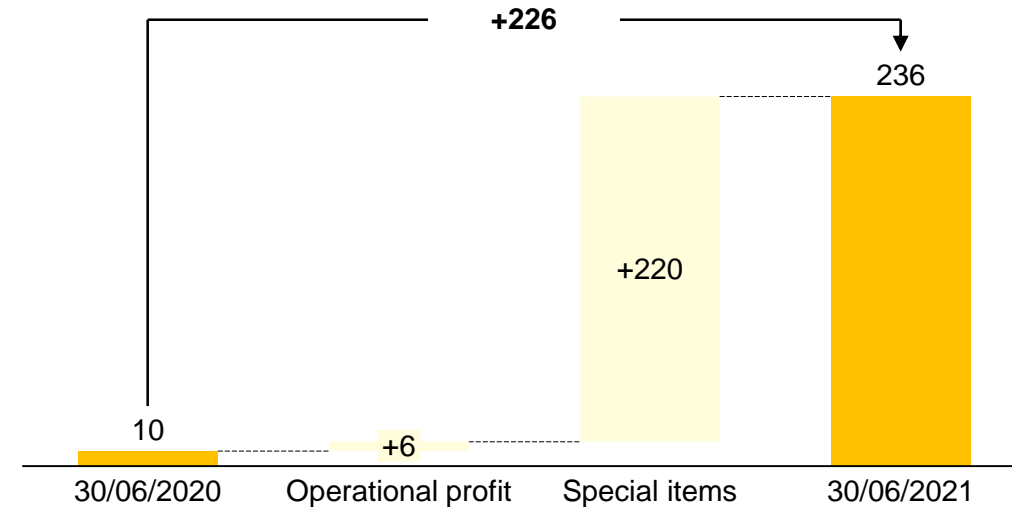
<b>Q2/2021</b>	140	8	(90)	1	59
<b>Q2/2020</b>	92	2	(52)	2	44
<b>Difference</b>	48	6	(38)	(1)	15

\* Including : Ramon Granit, Omri and Phoenix agencies (solo)

### Successful IPO of Gama

- Gama IPO on the Tel Aviv Stock Exchange completed in June, 2021, recording net capital gain of 220 NISm
- Phoenix holds 61.6%
- Continued growth in core activities during first half of year

Comprehensive Income Before Tax (NISm)



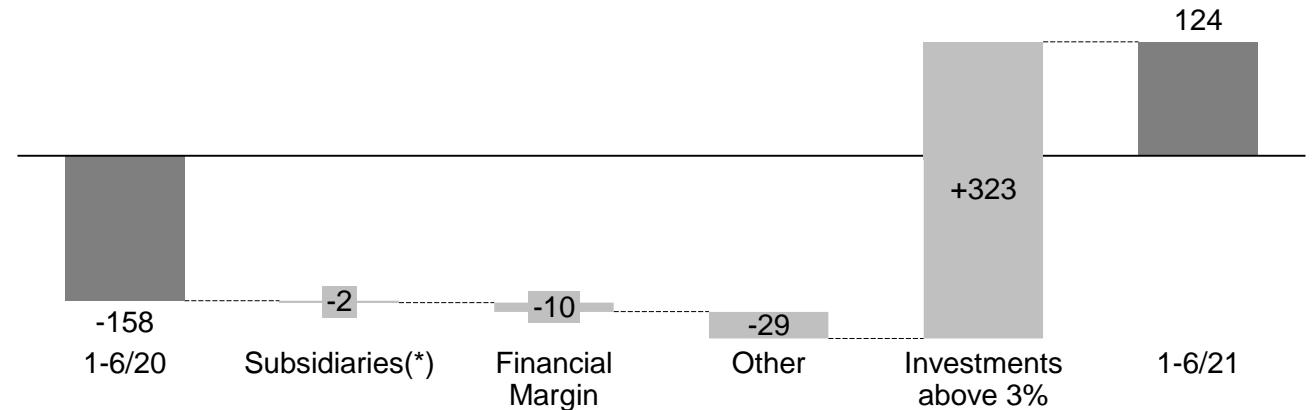
<b>1-6/2021</b>	<b>16</b>	<b>220</b>	<b>236</b>
<b>1-6/2020</b>	<b>10</b>	<b>-</b>	<b>10</b>

<b>Q2/2021</b>	<b>12</b>	<b>223</b>	<b>235</b>
<b>Q2/2020</b>	<b>5</b>	<b>-</b>	<b>5</b>
<b>Difference</b>	<b>7</b>	<b>223</b>	<b>230</b>

### Increase profits driven by investments

- Total profit increase in H1/20 to 124 NISm
- Due primarily to investment income and capital markets
- Increase in financial expenses as a result of CPI increase

Operating Profit (NISm)



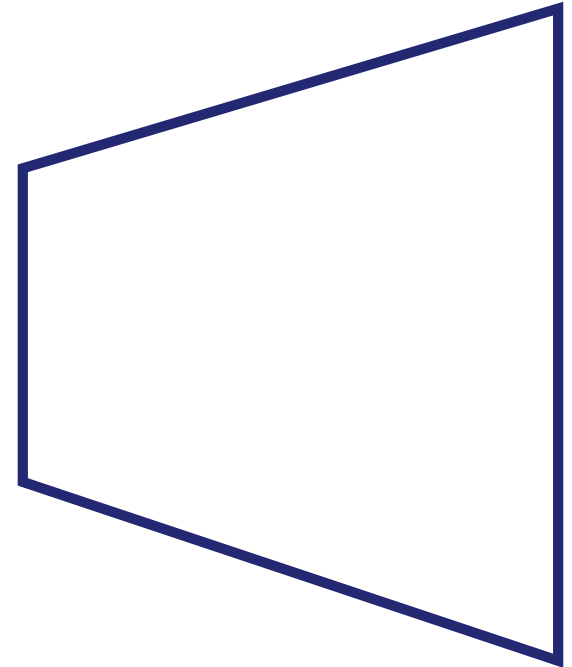
<b>1-6/2021</b>	<b>(2)</b>	<b>30</b>	<b>(53)</b>	<b>149</b>	<b>124</b>
<b>1-6/2020</b>	<b>-</b>	<b>40</b>	<b>(24)</b>	<b>(174)</b>	<b>(158)</b>
<b>Q2/2021</b>	<b>(1)</b>	<b>16</b>	<b>(47)</b>	<b>183</b>	<b>151</b>
<b>Q2/2020</b>	<b>-</b>	<b>19</b>	<b>(13)</b>	<b>373</b>	<b>379</b>
<b>Difference</b>	<b>(1)</b>	<b>(3)</b>	<b>(34)</b>	<b>(190)</b>	<b>(228)</b>

(\*) Phoeniclass and other subsidiaries held by Phoenix Investments  
 (\*\*) Investment fees above 3%.



# Agenda

- > Highlights
- > Financial Results
- > Segment Breakdown
- > **Investments**
- > Appendix
- > Glossary

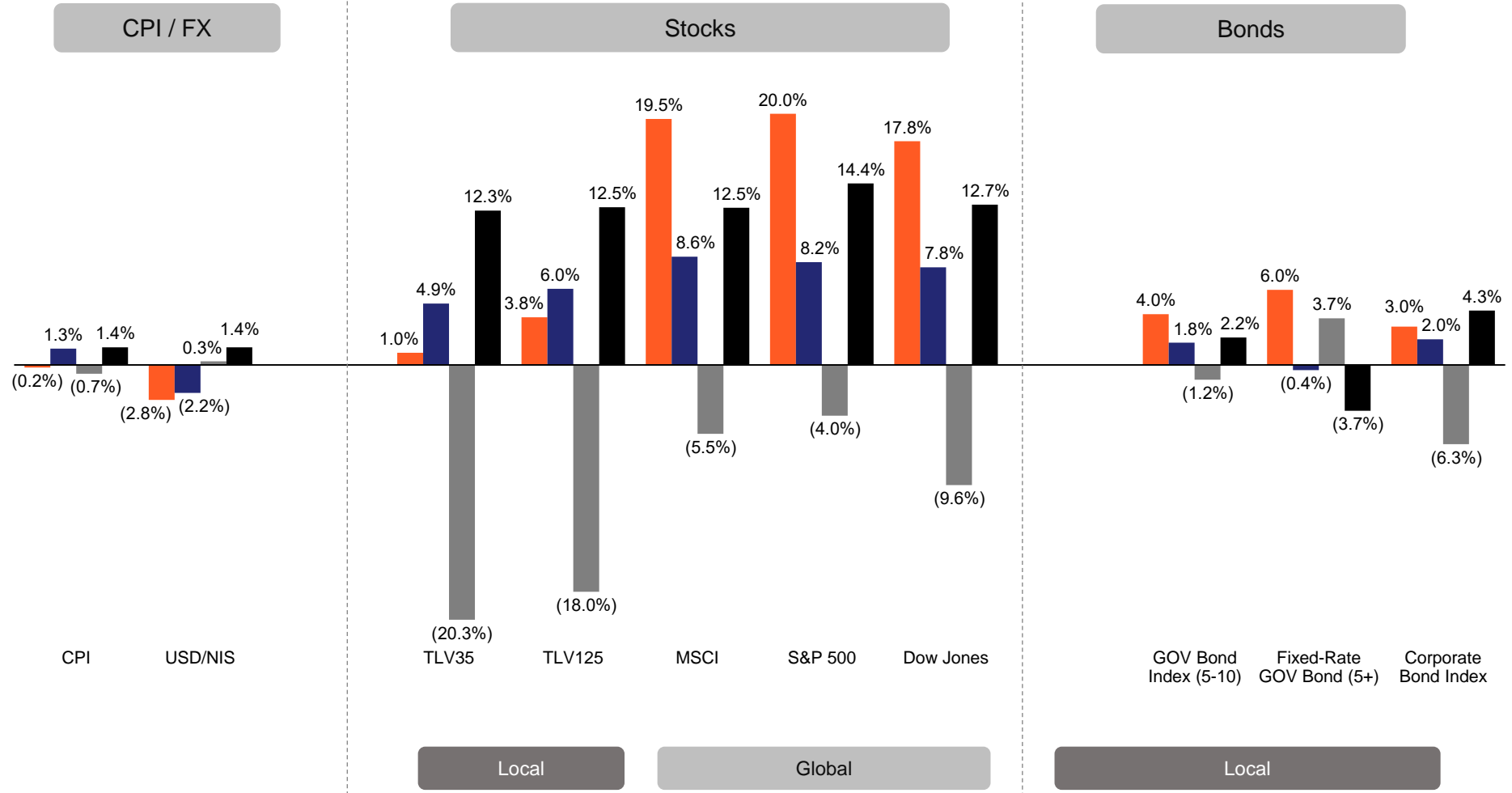




# Market Indices – Highlights

## Continued market volatility

- Improved H1 markets performance compared to COVID-19 impact in 2020
- Both in Israeli and international markets



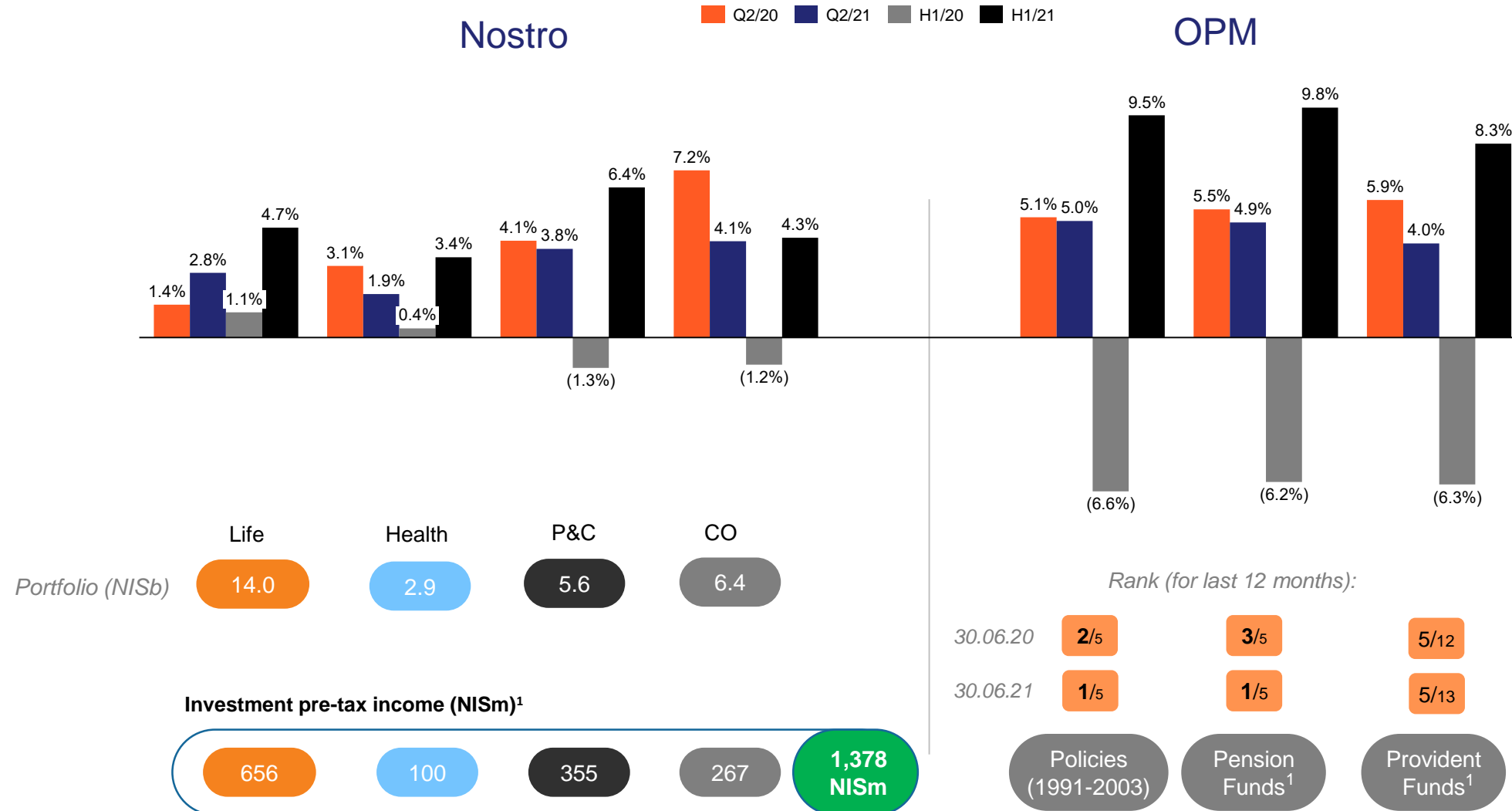
■ Q2/20 
 ■ Q2/21 
 ■ H1/20 
 ■ H1/21



# Phoenix Investment Yields – Highlights

**H1/21 financial market recovery and low global interest rates generated improved returns**

- Nostro acceleration in income from investments
- OPM profitability increase in policies, pension funds and provident funds



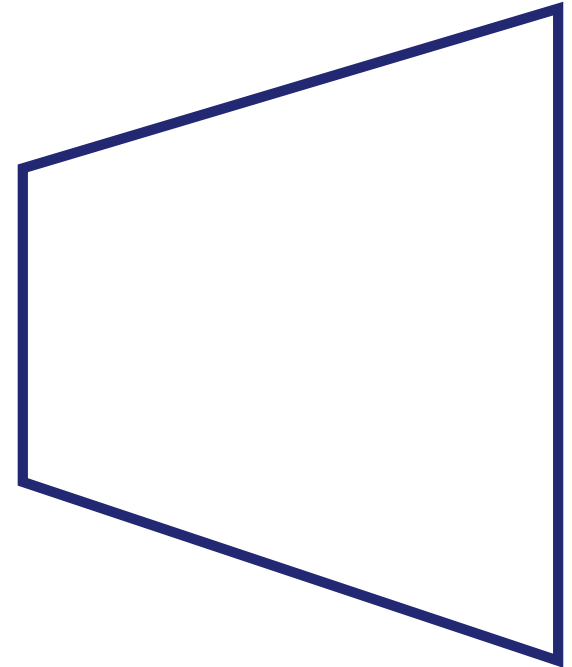
<sup>1</sup> Refers to yields in the general plan

<sup>2</sup> The Company reported in Halman-Aldubi a one-time profit of \$2.2 M, some of which was recognized during the reporting period as a result of Riskified company holding

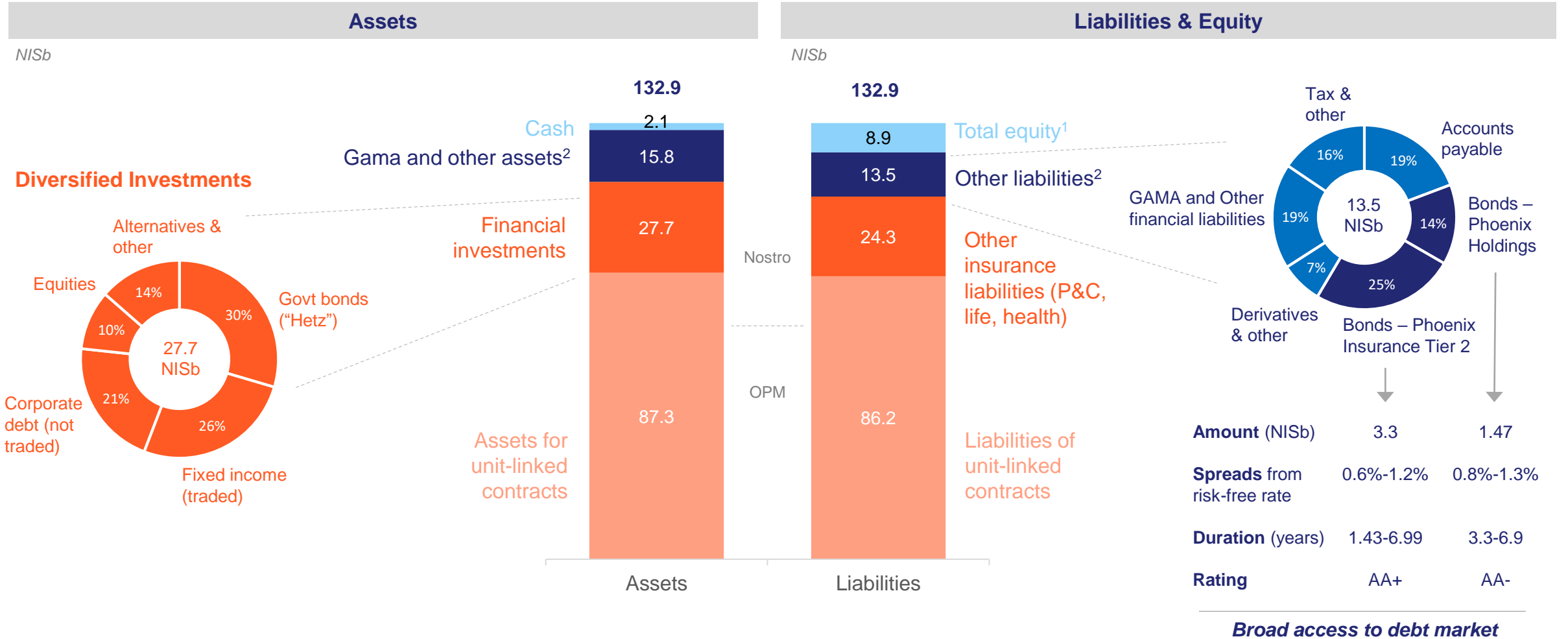


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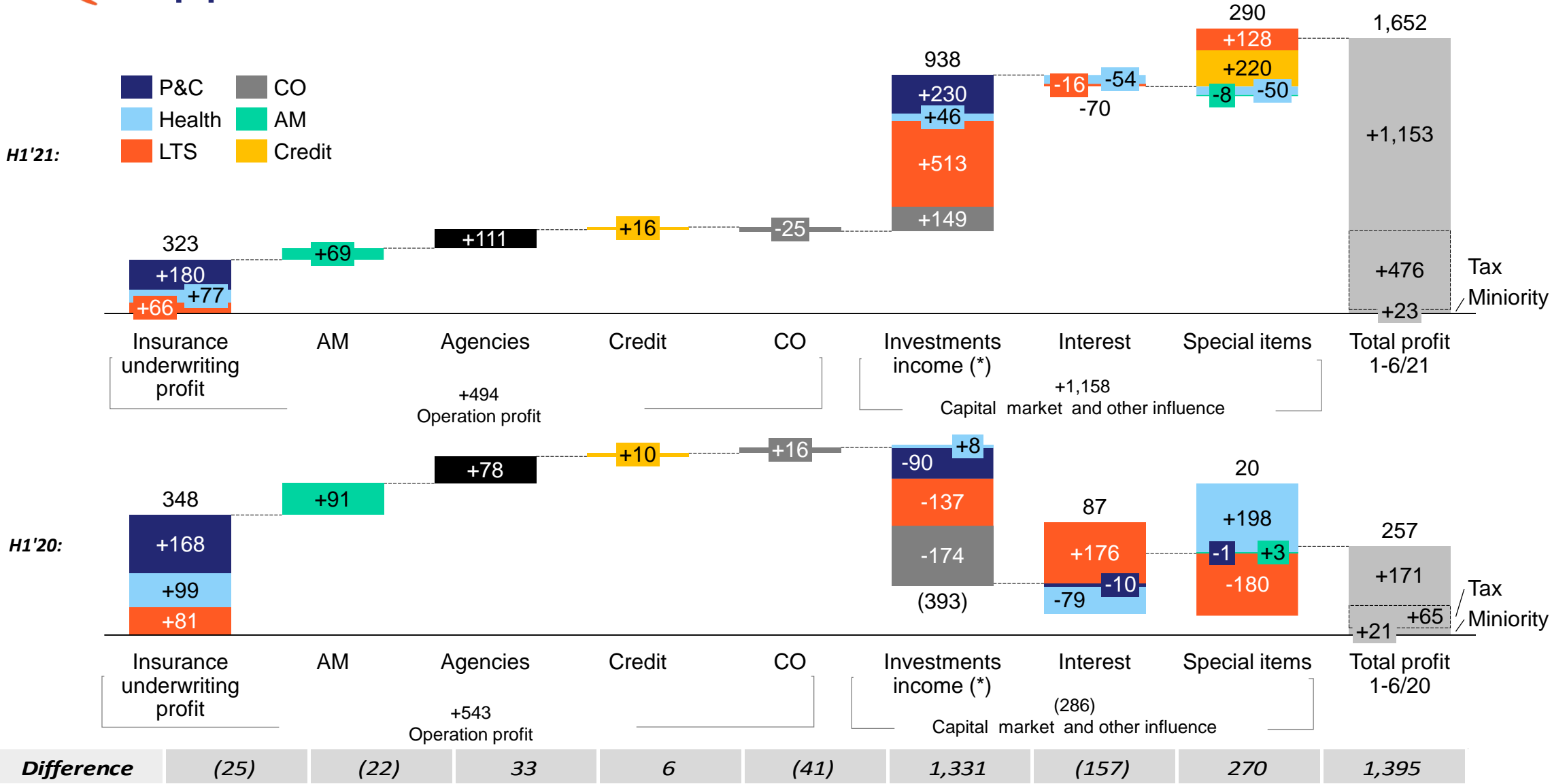
# Appendix A - H1/2021 Balance Sheet Highlights



(1) Includes Non-controlling interests.  
 (2) Consolidation of Gama following the IPO and purchase of control, including credit assets of 2.3 NISb and financial liabilities of 2.1 NISb

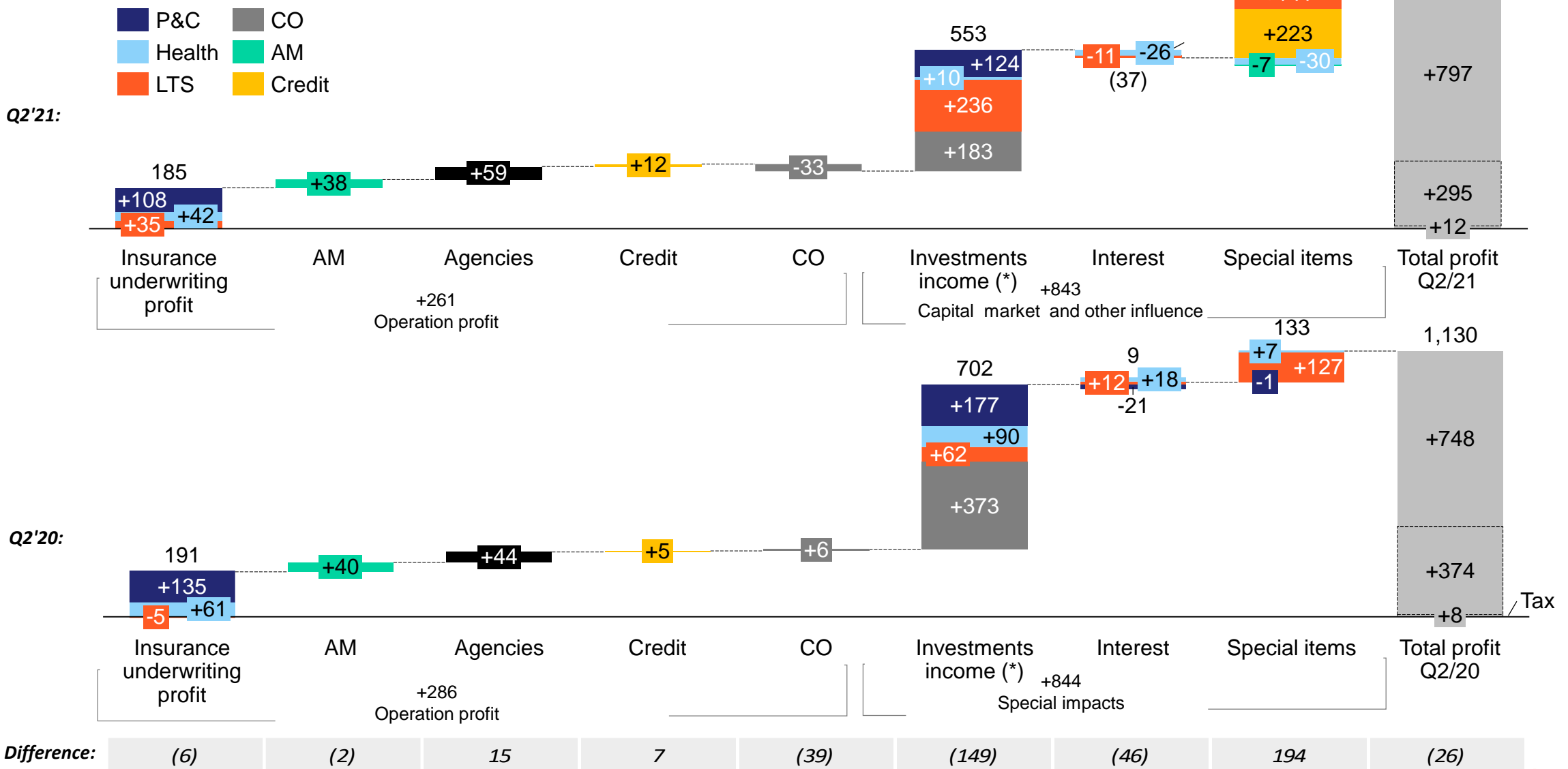


# Appendix B – Profit 2020H1 vs 2021H2



(\*) The company classified in relation to previous periods its variable management fees under 3% annual return to operation profit, Investment income and variable Mang. fees above 3% annual return and after offsetting the guaranteed yield to policyholders and interest expenses to capital market investments and actuarial research to special items.

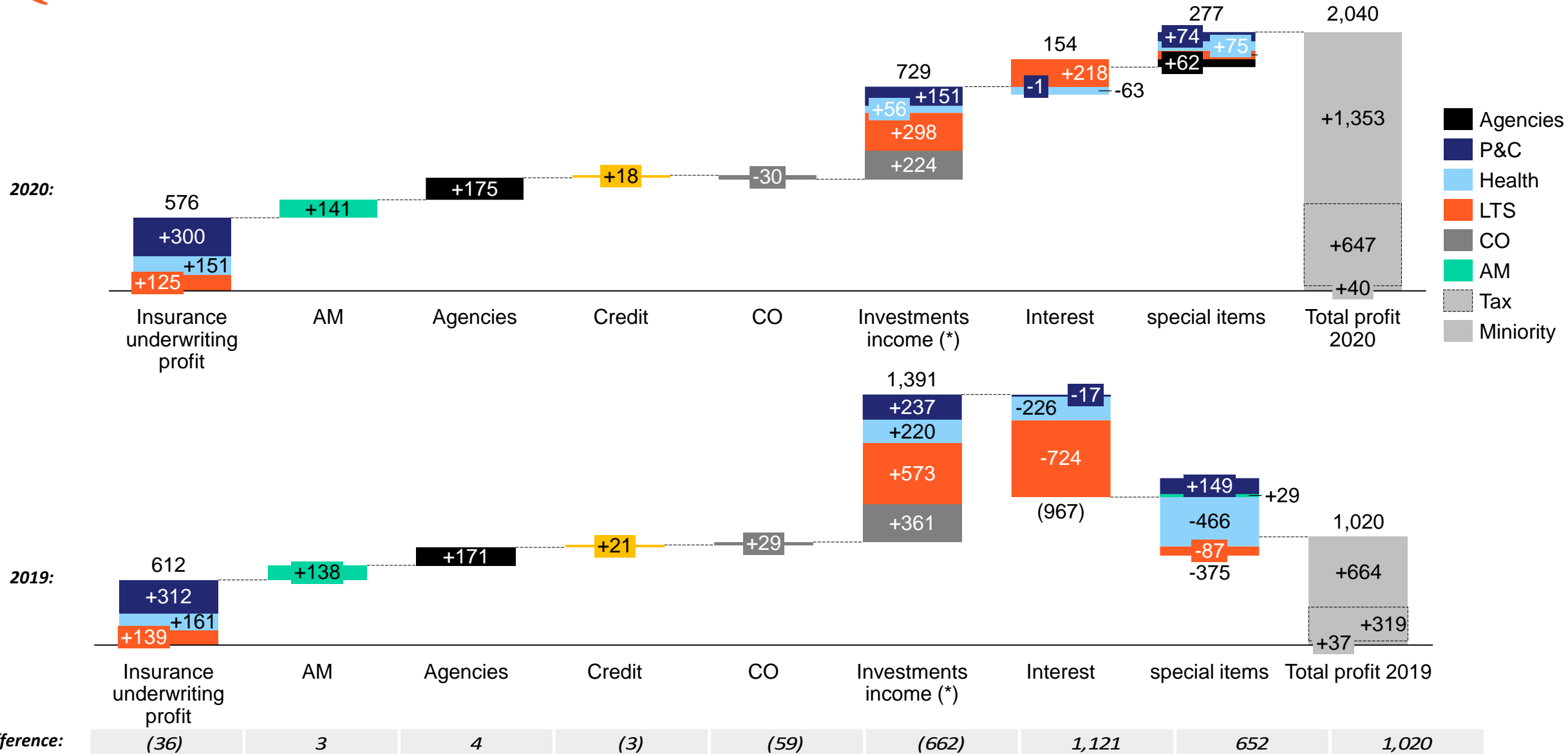
# Appendix C – Profit Breakdown 2020Q2 vs 2021Q2



(\*) The company classified in relation to previous periods its variable management fees under 3% annual return to operation profit, Investment income and variable Mang. fees above 3% annual return and after offsetting the guaranteed yield to policyholders and interest expenses to capital market investments and actuarial research to special items.



# Appendix D – Profit Breakdown 2020 vs 2019

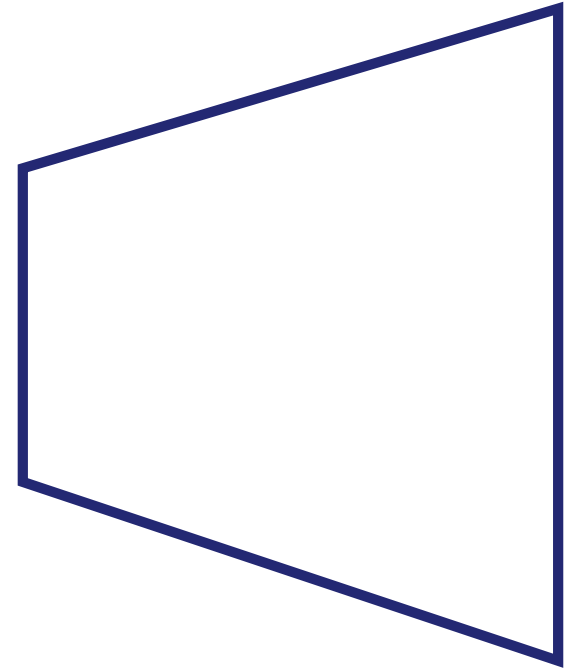


(\*) The company classified in relation to previous periods its variable management fees under 3% annual return to operation profit, investment income and variable management fees above 3% annual return and after offsetting the guaranteed yield to policyholders and interest expenses to capital market investments and actuarial research to special items



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# Glossary

AM	Asset Management; i.e. Excellence Nessuah
AUM	Assets Under Management; the total market value of all the investments that are managed by the Group
Bps	Basis Points; 1 basis points is .01%
CGU	Cost Generating Unit
CI	Comprehensive Income
CLR	Combined Loss Ratio
CO	Corporate, Other and Consolidation
CPI	Consumer Price Index; measures the average change of prices in an agreed upon basket of consumer goods and services over time
CSM	Contractual Service Margin
D&O	Directors and Officers Liability Insurance
DAC	Deferred Acquisition Cost
ESOP	Employee Stock Ownership Plan; workplace benefit program, that provides the employees with ownership interest in the company.
ETF	Exchange Traded Fund; an open end, tradable basket of securities that tracks an underlying index, sector, or security type
Fixed-Rate Gov Bonds	A government issued bond for which the interest income payment is agreed upon and does not change
FX	Foreign Exchange Currency
Gama	Financial services and credit company owned by the Phoenix Group
Halman corporate funds	Israeli Electric Company (IEC)
Illiquidity Premium	Or Liquidity Premium; premium demanded by investors when any given security cannot be easily converted into cash for its fair market value.
IMF	International Monetary Fund
Index Linked Gov Bonds	A government issued bond for which the interest income payment is related (or linked) to the CPI
LAT	Liability Adequacy Test
Liquidity Premium	See Illiquidity Premium
LOB	Line of Business
LTC	Long Term Care insurance; typically helps pay for costs associated with long term care
LTS	Long Term Services; including but not limited to Life, Provident and Pension funds
Marketable Securities	Liquid financial assets that can be quickly converted into cash; most are trading assets





# Glossary

MF	Management Fees; wages charged by a financial manager
Moody's	A credit risk rating agency
MSCI	Morgan Stanley Capital International Emerging Markets Index; measures the performance in equity markets, specifically in global emerging markets
Mutual Fund	Open end, non-tradable basket of securities that tracks the performance of an undelaying index, sector, or security type
Net Inflows	The net amount of new cash, excluding the impact of investment market value; calculated by subtracting withdrawals from new deposits
NIS	New Israeli Shekel
Non-Marketable Securities	Asset group that is considered to be difficult to buy or sell due to the fact they are not traded on any major exchange; could include government issued debt securities, limited partnerships, real estate investments and more
Nostro	The account in which a financial institution manages its own funds
OPEX	Operational Expenses
P&C	Property and Casualty insurance
PH	Phoenix holdings
PHI	Permanent Health Insurance
PI	Phoenix insurance
PLI	Professional Liability insurance
Reinsurance	A balancing risk strategy; one or more insurers that share the liability
Revenue	All encompassing streams of income; including, but not limited to: premium, management fees, benefit contributions
RFR	Risk Free Rates
ROE	Return On Equity; calculated by dividing net income over total equity
SME60	"The Rest Index"; tracks the performance of the 60 largest market value companies that are excluded from the Tel Aviv Stock Exchange
Special Items	Changes in profit or loss that are not part of the usual business of the Company, including changes in actuarial research, actuarial model changes, other structural changes and strategic acquisition costs in AM segment
Tel Bond 20	Index that tracks the performance of the 20 largest Index Linked Corporate Bonds in terms of market value
Tel Bond 40	Index that tracks the performance of the 40 largest Index Linked Corporate Bonds in terms of market value
Tel Bond 60	Index that tracks the performance of the 60 largest Index linked Corporate Bonds in terms of market value
TLV 125	An index that tracks the performance of the 125 largest market value companies in the Tel-Aviv Stock Exchange
TLV 35	An index that tracks the performance of the 35 largest market value companies in the TLV Stock Exchange
TLV 90	An index that tracks the performance of the 90 largest market value companies in the TLV stock Exchange
TMTP	Transitional Measures on Technical Provisions
Workers' Compensation Insurance	Insurance coverage for employees' injuries or sickness
Yield Curve	A line that plots interest rates of bonds with equal credit risk with different maturity dates in the future



# 2021 Q2

## Phoenix Holdings

### Financial Review



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