

Harel Group loses 61 million shekels in third quarter

As expected, the falling capital market had a negative impact on insurance company results: the **Harel** insurance group, which is controlled by the **Hamburger** family, ended the third quarter with a loss of 61 million shekels, compared with net earnings totaling 168 million shekels in the same period last year. The comprehensive loss, which also takes into account the fall in value of the securities held by the company, totaled 162 million shekels in the third quarter, compared with comprehensive income totaling 221 million shekels in the third quarter of 2010.

Harel Joint-CEO, **Michel Siboni**, commenting on the statement, said that "In the first 9 months of 2011, despite the crisis, the Harel group is continuing presenting premiums growth".

Harel showed a 7% increase in insurance premiums, to 6.3 billion shekels, in the first three quarters of the year. Premiums in the third quarter of 2011 totaled 2.1 billion shekels, which was in line with the figure for the same quarter last year. The comprehensive life insurance loss totaled 165 million shekels in the third quarter of 2011, compared with comprehensive income totaling 183 million shekels in the same period last year. The explanation for part of the loss is that variable management fees of life insurance were collected in the same period last year totaling 65 million shekels, but because of the negative yields recorded in the third quarter of this year, Harel Insurance did not collect variable management fees. In addition, a "hole" totaling 173 million shekels was created for Harel, which it will need cover before starting to collect variable management fees once again.

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