

## PROFIT OF 166 MILLION SHEQELS FOR HAREL IN THE QUARTER; 'WE ARE THE LEADING INSURANCE GROUP'

**In the first three quarter, it recorded an increase of approximately 8% in premiums, to approximately NIS 6.8 billion • Harel Finances Investment House presented a decrease of approximately 16% in income / Ron Stein**

**S**trong financial statements for the Harel Insurance and Finance Group, controlled by the Hamburger family. In the third quarter, the company presented a net profit of approximately NIS 166 million, as compared with a loss of approximately NIS 61 million in the corresponding quarter, and in the months January-September it recorded a jump of approximately 135% in net profit to approximately NIS 336 million.

In the overall investment profits credited to capital, Harel presents a total quarterly profit of NIS 262 million. The total profit in the first three quarters of the year reached approximately NIS 492 million, as compared with a total loss of approximately NIS 70 million in the corresponding period. The improvement in the Group's results, under the management of Michel Siboni and Shimon

SHARE RESPONSE
4.1%

Alkabetz, derived mainly from the positive returns in the capital markets, where the company also presented an improvement in the underwriting results.

Harel's total profit since the beginning of the year is approximately NIS 230-320 million higher than the total profit presented by two of its large competitors – Migdal and Clal Insurance – since the beginning of the year. Against this background, joint CEO Siboni said today that 'the Group's dominance in the three main insurance fields – health, general and financial insurance – constitutes a significant advantage for Harel's strength and positioning as the leading insurance and finance group.'

In the first three quarters of the year Harel presented growth of approximately 8% in premiums, which amounted to approximately NIS 6.8 billion, and after a one-time

Harel Investments – Third quarter of 2012			
In NIS millions			
	1-9/2012	1-9/2011	Change
Income from premiums	6,793	6,284	8%
Net profit	336	143	135%
Total profit	492	-70	
	7-9/2012	7-9/2011	Change
Net profit	166	-61	
Total profit	262	-162	

neutralization of premiums the growth amounted to approximately 7%, to a sum of approximately NIS 6.7 billion.

In the third quarter alone, Harel recorded an increase of 9% in premiums to approximately NIS 2.3 billion.

### PROFITS IN LONG-TERM SAVINGS

The sharpest growth in premiums was recorded in the field of health insurance, where since the beginning of the year premiums have been recorded on a scale of approximately NIS 2.1 billion (an increase of approximately 16% in comparison to the corresponding period last year). In general insurance, there was a relatively modest growth of approximately 3% in premiums, to approximately NIS 2.15 billion, and in life insurance there was a growth of

approximately 6% to premiums of approximately NIS 2.4 billion.

All the three fields of activity in the long-term savings sector – life insurance, pension and provident funds – were profitable, and the sector gave Harel a total pre-tax profit of approximately NIS 207 million, as compared with a loss in the corresponding period. Apropos life insurance business, following a loss that was recorded in the first half of the year, Harel was also affected in the third quarter by a change in life expectancy estimates made by the Ministry of Finance several months ago, when it recorded a loss of approximately NIS 9 million after tax. At the end of October, Harel once again collected variable management fees in the profit-sharing policies.

In the field of health, in the first three quarter of the year

Harel presented a total profit of approximately 194 million, as compared with NIS 105 million in the corresponding period, with the general insurance sector providing a total profit of approximately NIS 217 million as compared with a loss of approximately NIS 18 million in the corresponding period.

The Harel Finances Investment House presented a decrease of approximately 16% in income, which since the beginning of the year amounted to approximately NIS 148 million. The reduction in income derives mainly from a decrease in the average management fees in the mutual

funds, and from a decrease in income from brokerage services, as a result of a decrease in the trading volumes and the activity of independent customers of Harel Finances Trade, the sale of which is expected to be completed soon. The financial services activity produced for Harel a quarterly pre-tax profit of approximately NIS 3 million – approximately half the profit in the corresponding quarter. Since the beginning of the year, the pre-tax profit amounted to approximately NIS 13 million – a decrease of approximately 46%.



**The joint CEO, Michel Siboni, 'Dominance for the Group'**  
(Photograph: Roni Shitzer)