

## HAREL: ANNUAL EARNINGS DOUBLED TO 846 MILLION SHEKELS, COMPARED WITH 423 MILLION IN 2016

■ 16% increase in premiums, from 20.4 billion shekels to 23.57 billion shekels ■ Company declares 101 million shekel dividend distribution

**Harel** doubled its earnings in 2017, according to its 2017 financial statements. The company posted earnings of 846 million shekels, compared with 423 million shekels last year. Premiums increased by 16% to 23.57 billion shekels, compared with 20.4 billion shekels last year.



Harel CEO Michel Siboni

Q4 2017 earnings totaled 245 million shekels, compared with 218 million shekels in the corresponding period last year. Premiums in the fourth quarter totaled 6.3 billion shekels, up 14% on the 5.5 billion shekels posted last year in the same period.

Profits from long term savings increased by 368%, from 127 million shekels in 2016 to 594 million shekels in 2017. Harel says that the increase was due mainly to a decrease in insurance liabilities as a result of an adjustment in assumptions, an increase in management fees and capital market yields which were higher than in 2016.

Comprehensive income in the life insurance and long term savings sector totaled 202 million shekels in the fourth quarter of 2017, compared with 147 million shekels in the last quarter of 2016, an increase of 37%. Premiums and benefits contributions in 2017 totaled 15.6 billion shekels, compared with 13 billion shekels in 2016, up 20%. Fourth quarter

premiums and benefits contributions totaled 4.3 billion shekels, compared with 3.6 billion shekels in the same period last year, an increase of 19%.

Earnings in the health insurance sector decreased from 158 million shekels in 2016 to 110 million shekels in 2017. The drop in earnings is ascribed by

the company to an increase pending claims in collective long term care which expired at the end of 2017. Premiums in the sector increased by 7%, from 4.1 billion shekels to 4.4 billion shekels.

Earnings in the health insurance sector in the fourth quarter totaled 5 million shekels, compared with 30 million shekels in the same period last year. Premiums in the fourth quarter totaled 1.1 billion shekels, compared with one billion shekels in the fourth quarter of 2016.

General insurance profits were up 177%, at 205 million shekels, compared with 74 million shekels in 2016. Premiums increased by 7%, from 2.9 billion shekels in 2016 to 3.1 billion shekels in 2017. Fourth quarter profits totaled 76 million shekels, compared with 39 million shekels in Q4 2016, an increase of 95%. Gross premiums in the general insurance sector totaled 822 million shekels, compared with 756 million shekels in the same period last year. – a 9% increase.

Harel Finance: Assets managed in the capital market and financial services sector increased, totaling 42.3 billion shekels at December 31 2017, compared with 39.4 billion shekels at December 31 2016. Pre-tax comprehensive income in the sector totaled 34 million shekels, compared with a 3 million shekel loss in 2016. Revenues in the capital market and financial services sector totaled 202 million shekels in 2017, compared with 253 million shekels in 2016.

During 2017, Harel distributed dividends totaling 461 million shekels, the dividend yield standing at 10.2%. The company announced, on the publication of the 2017 statements, the distribution of a 107 million shekel dividend, in April 2018.

Harel Insurance and Finance Group CEO **Michel Siboni**: “We are satisfied with Harel’s financial results for 2017 and the continuing trend of placing Harel as the leader in the sector, thanks amongst other things to our new strategy combining digital, big data and personal contact between the agent and the customer. The success of the significant changes that we have been advancing in the last two years is the result of many investments in technology alongside maintaining the special human capital that characterizes Harel. In this way, Harel will continue growing in the years to come, whilst coping with the challenges in the market and the technological revolutions unfolding before our eyes”.