



**Yair Hamburger**  
Chairman



**Shimon Elkabetz**  
CO-CEO



**Michel Siboni**  
CO-CEO

## Lines of Business

Insurance and financial services – health (health insurance, long term care, dental care and foreign travel insurance), non-life insurance (motor insurance, residential insurance, liability insurance, mortgage insurance, credit insurance), life insurance, pension funds, provident funds, study funds, mutual funds, investment portfolio management, exchange-traded notes, as well as other financial services

## Established 1982

**Shareholders**  
**Hamburger Family**  
49.61%

**The Public**  
50.39%



**HAREL**  
Insurance & Finance

For your peace of mind

**Harel Insurance Investments & Financial Services Ltd. is one of Israel's largest insurance and financial groups offering comprehensive insurance and financial solutions, including Insurance and financial services – health (health insurance, long term care, dental care and foreign travel insurance), non-life insurance (motor insurance, residential insurance, liability insurance, mortgage insurance, credit insurance), life insurance, pension funds, provident funds, study funds, mutual funds, investment portfolio management, exchange-traded notes, as well as other financial services. With premium and management fees revenue of NIS 12.4 billion for 2011 (compared with NIS 11.1 billion for 2010), and a balance sheet of NIS 54.9 billion for 2011 (compared with NIS 52.3 billion for 2010), Harel is Israel's third largest insurance group, with a market share of 19%. The Group is Israel's largest in the field of health insurance with a market share of 40%, the second largest in non-life insurance, and the fourth largest (in terms of premiums) in life insurance. Group assets under management, in insurance, pension funds, provident funds, mutual funds, and financial funds, as of December 31 2011, totaled over NIS 101.4 billion.**

**Over 70 Years of Insurance Activity** – In 1935, the late Ernst and Margot Hamburger founded the Hamishmar Insurance Agency, which was the start of their insurance activity in Israel. In 1975, the Family established Harel Insurance Company, and seven years later, both the Harel Insurance Company and Hamishmar Insurance Agency became subsidiaries of Harel Hamishmar Investments Ltd. whose shares began trading on the Tel Aviv Stock Exchange (TASE) in 1982. In 2007, the company's name was changed to Harel Insurance Investments & Financial Services Ltd. Harel Investments shares are currently traded on the TASE's Tel Aviv 100 and Tel Aviv 75 Indices. Harel is controlled by the Hamburger Family, which holds 49.61% of the company's shares. Although Harel is one of Israel's largest insurance groups, it still retains its traditional family values with an emphasis on integrity, fairness, reliability and personalized service. Harel is the insurance industry's service leader. For the eight consecutive time, Harel has placed first in a comprehensive survey of service, conducted by the Association of Insurance Agents and Brokers in Israel. The survey found Harel to offer the best possible service in the fields of life, pension, health and long-term care insurance. As a leading group in the Israeli economy, Harel attaches the utmost concern for corporate responsibility. Contributions by the Group during 2011 totaled NIS 3.7 million, compared with NIS 2.8 million during 2010.

**Insurance – Harel Insurance Company Ltd. (100%)** – active in all lines of insurance – health insurance, long term care, dental care, foreign travel insurance, life insurance, non-life insurance, motor insurance, residential insurance, liability insurance, mortgage insurance. In health insurance, Harel is Israel's leader, and benefits from more than 75 years of experience and expertise in the field, with strong and consistent profitability over the years, and close ties with medical institutions in Israel and abroad. More than 3 million insured parties benefit from this professional and advanced service platform. Harel insures the Israeli branches of numerous multinational corporations operating in Israel and is a "Global Partner" of large insurance conglomerates such as Ace, Royal & Sun Alliance, AXA, Allianz, Zurich and Chubb. At the end of 2008, the Group signed a unique cooperation agreement with National Indemnity Company – a leading company in the insurance arm of Berkshire Hathaway. According to the agreement, BH insures 20% of Harel's retention from all non-life insurance lines. At the beginning of 2011, Harel signed a cooperation agreement with XL Capital and an exclusive cooperation agreement with HDI Gerling, a German insurance firm. HDI Gerling specializes in providing industrial, property and liability insurance and belongs to the TALANX Group, which is Germany's third

largest insurance group. At the end of 2011, Harel signed a cooperation agreement with QBE an Australian Insurance Group.

**Dikla Insurance Company Ltd. (100%)** – specializes in health insurance and long-term care insurance. Dikla has long-standing relationships with hospitals and medical service centers, worldwide.

**Israel Credit Insurance Company Ltd. (ICIC) (33.3%)** – offers credit insurance (expert and for the domestic market), in Israel. ICIC is jointly controlled with Bituah Hahk'lai and Euler Hermes, the world's largest credit insurer.

**EMI (100%)** – Ezer Mortgage Insurance Company Ltd, operates in Israel as an insurer in the residential credits insurance field (mono line insurer). EMI insures all mortgage banks in Israel, enabling them to offer 90% financing without guarantors.

**Hamishmar Insurance Agency Ltd. (100%)** – Hamishmar is a licensed Lloyd's agent and the exclusive Israeli representative of Zurich Insurance, an international insurance conglomerate.

**Interasco S.A.G.I - Societe Anonyme General Insurance Company (96.5%)** – is an insurance company established in Greece by the Harel Group in 2006. Interasco is involved in non-life insurance and health insurance.

**Turk Nippon Sigorta A.S. (99.98%)** – In November 2008 the Group acquired control of this Turkish insurance company, and during 2009, Turk Nippon started operations in all non-life fields in Turkey.

**Long Term Savings** – Total assets managed as of December 31, 2011 totaled about NIS 57.1 billion. Total premiums earned and benefit fees in the long-term savings sector (life insurance, pension funds, provident funds and continued education funds) for 2011 totaled about NIS 6.98 billion.

**Life Insurance** – Total assets managed as of December 31, 2011 totaled about NIS 21.1 billion. Total premiums earned in life insurance for 2011 totaled about NIS 3.18 billion.

**Provident funds** – Total assets managed as of December 31, 2011 totaled about NIS 22.2 billion. Total benefit fees collected by Provident funds for 2011 totaled about NIS 1.3 billion.

**Pension funds** – Total assets managed as of December 31, 2011 totaled about NIS 13.8 billion. Total benefit fees collected by Pension funds for 2011 totaled about NIS 2.5 billion. Harel's pension funds hold a 13% market share, and lead in pension fund industry yields, in almost every sub-segment.

**Investments** – over the last decade the Group has increased its investments in Israel and international markets, and continues to strengthen its position in bonds, credit, and real estate in Israel and abroad. The Group strives to earn superior returns while taking calculated risks, with the intent to improve its yield profile and to diversify its operations into a number of investment fields, while using its economies of scale in non-marketable investments.

**Real Estate** – Harel Group invests in revenue producing real estate properties in Israel and abroad. Among its properties are shopping malls, commercial centers, office buildings, and light industry buildings. The Group holds properties in Europe and during 2010 and 2011 Harel added to its real estate holdings in the US, by buying buildings in Houston, Texas, Manhattan, New Jersey and Connecticut.

**Capital Market Operations (financial services)** – The Group is actively involved in mutual funds management, investment portfolio management, securities trading, financial products through Harel Finance Ltd. (100%), the Group's financial arm, which manages NIS 24.2 billion of assets, as of December 31, 2011, and focuses on providing solutions for all financial needs in a wide range of products and financial services to both private individuals and institutions through its subsidiaries - Harel Pia Mutual Funds (100%), Harel Sal (100%), Harel Finance Investment Management Ltd. (100%), and Harel Finance Trade and Securities (100%).