

Purchase of Leumi Card completed by Warburg Pincus

The fund has chosen leading strategic partners for the deal:

Menorah Mivtachim, Clal Insurance & Finance and Allied Group

Coming soon: A new financial player in Israel - Leumi Card will become “max”

Tel Aviv: 25th February 2019: Warburg Pincus, a leading global private equity firm focused on growth investing, announced today that it has completed the purchase of the credit card company Leumi Card from Bank Leumi and the Azrieli Group (80% and 20% owned respectively). This announcement completes the permit to control the company given by the Bank of Israel last week, and thus ownership of the company has in effect been transferred.

As part of the deal, Warburg Pincus has collaborated with three strategic partners - **Menorah Mivtachim, Clal Insurance & Finance and Allied Group**. Each of the partners will hold 5% of the company's shares, while Menorah and Clal will increase their holdings further to 10% each, once the relevant regulatory approvals have been received. The fund sees great importance in the inclusion of key Israeli partners in the investment, and therefore chose some of the leading financial entities in the Israeli market.

With the transfer of ownership, and as part of a strategic review process, Leumi Card is expected to rebrand and change its name to – **max**.

Daniel Zilberman, Head of Europe and Member of the Executive Management Group at Warburg Pincus, who led the transaction said: “Our investment in Leumi Card reflects the tremendous trust and respect that we have for the Israeli economy, its people and the considerable developing opportunity in the country's financial service sector. Leumi Card is an excellent business that we hope to bring our global expertise to, and help build a true leader and innovator in the Israeli payments, and consumer and SME lending sectors. We strongly believe in the full implementation of the Strum reform and admire the decision to open up competition and stimulate investment from outside the country. I am confident that our investment in Leumi Card will be of great benefit to the Company's customers and the State of Israel as a whole. Together, with the talented and very high-quality staff of the company, we will be able to create material benefit for the public in the areas of payments, credit and financing”.

Leumi Card Chairman and the fund's representative in Israel, **Yaron Bloch**, said: "Leumi Card is embarking on an independent and challenging path. We led a very complicated process in selling the company, negotiating a wide spectrum of leading investors from Israel and abroad, and while maintaining a dialogue with the financial regulators. Warburg Pincus, one of the leading investment funds in the world, brings with it vast knowledge and experience from the world including a strong affinity for the world of financial services, payment and fintech. The joining of some of the leading financial entities in Israel to the deal, both as funders and as equity partners reflect the significant trust in the new owners, the company and its abilities. We would not have been able to complete the transaction without the deep involvement of Bank Leumi CEO Rakefet Russak-Aminoach and the Head of the Regulation and Strategy Division at Leumi, Hanan Friedman, and I would like to thank them for their contribution and long-standing partnership. I would also like to thank the various regulators, and especially to the Supervisor of Banks, Dr. Hedva Ber and her team, and to the Ministry of Finance, for the professional and fruitful dialogue towards increasing competition in the financial field. I hope that these processes will continue even more in the coming years, for the benefit of the consumers."

Leumi Card CEO **Ron Fainaro** added: "We are the first credit card company in Israel to embark on a new and independent journey. We are prepared and ready to implement our strategic plans, and intend to expand our lending business for individuals and businesses and to invest in new growth areas. Over the past year, we have laid the foundation for our separation from Bank Leumi, signed new operating with additional banks and new funding agreements, and this year we proved our capital raising capabilities in the Israeli market and earned extensive trust in the institutional market. We face a great and complicated administrative and marketing challenge, but also a great opportunity for the business to expand in directions that the Company has been prevented from doing until now. We are no longer just a credit card company. **max** will be a leading financial services company based on our advanced payment capabilities. I would like to thank our colleagues at Bank Leumi, which has been our home for almost two decades, for successfully concluding the process in a professional and friendly way. "

About Warburg Pincus:

Warburg Pincus LLC is a leading global private equity firm focused on growth investing. The firm has more than \$43 billion in private equity assets under management. The firm's active portfolio of more than 180 companies is highly diversified by stage, sector and geography. Warburg Pincus is an experienced partner to management teams seeking to build durable companies with sustainable value. Founded in 1966, Warburg Pincus has raised 17 private equity funds, which have invested more than \$73 billion in over 855 companies in more than 40 countries. The firm is headquartered in New York with offices in Amsterdam, Beijing, Hong Kong, Houston, London, Luxembourg, Mumbai, Mauritius, San Francisco, São Paulo, Shanghai and Singapore.

For more information, please visit: www.warburgpincus.com.