

**BANK OF ISRAEL**

Office of the Spokesperson and Economic Information

February 23, 2022

Press Release:

**The Bank of Israel approved Clal Insurance Enterprises Holdings Ltd.’s control of Max IT Finance Ltd.**

The Governor of the Bank of Israel and the Supervisor of Banks today gave Clal Insurance Enterprises Holdings Ltd. a permit for control of Max IT Finance Ltd., after the Banking Supervision Department completed its examination process, and after the transaction was recently approved by the Competition Authority as well.

Governor of the Bank of Israel Prof. Amir Yaron and Supervisor of Banks Yair Avidan notified Clal Insurance Enterprises Holdings Ltd. (hereinafter, “Clal Holdings”), a public company without a controlling shareholder that the Banking Supervision Department has completed its process of examining its application to receive a control permit in an acquirer, Max IT Finance Ltd. (hereinafter, “Max”), and in a holding corporation in an acquirer (Warburg Pincus Financial Holdings (Israel) Ltd.). The Governor granted the company the control permit, after consultation with the Licenses Committee. The control permit was given to Clal Holdings after it reached an agreement on August 12, 2022, with private equity fund Warburg Pincus, which has controlled Max since 2019, when it purchased it from Bank Leumi Ltd. The transaction was recently approved by the Competition Authority as well.

The Bank of Israel informed Clal Holdings that it would neither initiate nor recommend enforcement measures vis-à-vis a shareholder in Clal Holdings that will hold means of control in it at a share that requires a permit from the Governor of the Bank of Israel. This is subject to, among other things, receiving notice from the shareholder regarding his holding, in which he indicates whether it is his intention to submit an application to receive a permit for holding means of control in the corporation holding in an acquirer or if he intends to decrease his holding, all this within 30 days from that date, to a share not to exceed 5 percent of the means of control in Clal Holdings. Such shareholders in Clal Holdings are requested to contact the Head of the Licensing and New Banks Unit in the Banking Supervision Department, in order to submit their notification and to receive instructions.

Max will continue to be supervised by the Banking Supervision Department at the Bank of Israel in order to ensure its stability and to maintain fair relations with its clients, similar to supervision on the other banks and acquirers in Israel.