

Bank Leumi USA announced the closing of a strategic investment led by Endicott Management Company and includes MSD Capital, L.P.

Deal Value: Approximately \$141 Million, Representing 15% Ownership in Bank Leumi le-Israel Corporation ("BLC"; New York, NY), the US holding company for Bank Leumi USA, acquired from Bank Leumi le-Israel B.M. ("Bank Leumi"; TASE: LUMI; Tel Aviv, Israel)

Sandler O'Neill served as exclusive financial advisor to BLC in this transaction.

The strategic investors, led by Endicott, a leading U.S. investor in financial institutions with a successful track-record over more than 20 years, bring extensive expertise that will assist in the continued execution of BLC's strategic plan and lead to value creation for shareholders. Bank Leumi retains 85% ownership of BLC.

Bank Leumi USA ("BLUSA" or the "Bank") reported the closing of the strategic investment in BLC, the US bank holding company of BLUSA. The strategic investment, which was originally announced on January 22, 2018, is being led by Endicott Management Company ("Endicott") and includes MSD Capital, L.P. ("MSD Capital"), represents an aggregate of 15% of the shares of BLC and values BLUSA at just under \$1 billion.

Bank Leumi USA, which has been operating in the United States for over 60 years, is a relationship-driven, boutique bank servicing both high net worth and middle market commercial banking clients in a variety of sectors and geographic markets.

Founded in 1996, Endicott is a leading US investment firm, with their main field of expertise being investment in financial institutions, particularly banks. Wayne Goldstein, one of two founding partners of Endicott, will be appointed as a Board Member of both BLUSA and BLC. MSD Capital is a private investment firm, established in 1998, to manage the assets of Michael Dell, founder of Dell Technologies, and his family.

This investment brings significant strategic value to the Bank and is the next step in the successful implementation of its new business and operational plan undertaken during the last 4 years under the leadership of BLUSA President & CEO, Avner Mendelson. This transaction enables the Bank to take further steps in its continued growth. "I am glad that this strategic investment has received the regulatory approvals needed to close. Our focus now turns to the next phase of our growth plans. With the strategic value from our new investors, coupled with the continued support from Bank Leumi in Israel and our incredible Board of Directors, I have no doubt about our ability to realize our vision and business objectives. Wayne Goldstein and Rob Usdan from Endicott, along with the team from MSD Capital, are excellent partners and add the requisite value to our business strategy and our clients through their considerable experience," stated Avner Mendelson.

May 22, 2018



\$141 Million

Common Stock Private Placement

SANDLER O'NEILL + PARTNERS

*Acted as Financial Advisor to
Bank Leumi Le-Israel Corporation*

BLC Financial Highlights (\$M)¹

Total Assets	\$7,010
Net Loans	4,935
Deposits	5,333
Equity	773
MRQ ROAA	0.99%
MRQ ROAE	8.97%

(1) Financial data as of March 31, 2018
Source: S&P Global Market Intelligence

Sandler O'Neill Contacts:

Brian R. Sterling
Principal and Co-Head,
Investment Banking
(212) 466-7770

Andy Cott
Principal
(212) 466-7849

Justin Kessler
Vice President
(212) 466-8051

Greg Giordano
Associate
(212) 466-7989

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