



Sirius International Insurance Group signs definitive agreement with Delek Group to purchase 4.9% of The Phoenix Holdings Ltd. for NIS 208 million

- *Sirius will have the option to purchase the balance of Delek Group's holdings (47.4%) in The Phoenix during a 60 day exclusivity period to conduct due diligence*
- *Upon exercise of the option to purchase Delek Group's remaining holdings in The Phoenix, Sirius would pay Delek Group an additional NIS 2.3 billion, subject to certain adjustments, upon closing of the subsequent transaction*
- *The ownership of Sirius was approved by all of Sirius's global insurance regulators in 2016*

Hamilton, Bermuda / Tel Aviv, Israel, September 14, 2017 – Global insurance company Sirius International Insurance Group, Ltd. (“Sirius”) announced today that it had entered into a definitive agreement to purchase 4.9% of The Phoenix Holdings Ltd. (“The Phoenix”) from Delek Group Ltd. (“Delek Group”) for NIS 208 million in cash. As part of the agreement, within 45 days of its signing, Sirius will submit an application to the Israeli Commissioner of Capital Markets, Insurance and Savings (the “Israeli Commissioner of Insurance”) to receive a permit to control the insurance company, and has an exclusivity period of 60 days to conduct due diligence, during which time Sirius has the option to purchase all of Delek Group’s remaining shares in The Phoenix (approximately 47.35%) for an additional sum of NIS 2.3 billion in cash, subject to certain adjustments for interest and earnings.

Allan Waters, Chairman and CEO of Sirius International Insurance Group, Ltd. referred to the deal today and said, “We are excited and look forward to working with The Phoenix in the Israeli market. The Phoenix has been a Sirius business partner for decades, and it is one of Israel's leading insurance and financial services companies. Through The Phoenix, Sirius plans to offer new products to the Israeli market, and views this as an opportunity to develop new technology solutions, while protecting the interests of the Israeli public insured by the company.”

Allan Waters further added that Sirius is confident that the Israeli Commissioner of Insurance will approve Sirius as a controller of The Phoenix, given Sirius’s long-standing insurance expertise and strong regulatory oversight in New York, the UK, Sweden, Bermuda, Singapore and more.

Sirius is represented in Israel by Dr. Ornit Kravitz and attorneys Doni Toledano, Roy Caner and Lior Oren of Erdinast, Ben Nathan, Toledano & Co.

About Sirius International Insurance Group:

Sirius is a 72-year-old global (re)insurance company founded in Stockholm, Sweden in 1945 with its corporate headquarters in Hamilton, Bermuda. Sirius has \$2.8 billion of GAAP capital and wrote \$1.3 billion of premiums in 2016, \$435 million of which related to Accident & Health. Its largest offices are in Stockholm, New York City and London.

The company's operations are carried out from 12 global offices run by local managers with deep experience in the insurance industry. Sirius is globally licensed and overseen by the following regulatory bodies:

- Bermuda Monetary Authority
- New York Department of Financial Services
- Insurance Department of Tennessee
- Swedish Financial Services Authority
- United Kingdom Prudential Regulatory Authority
- Hong Kong Commissioner of Insurance
- Monetary Authority of Singapore
- Australia Prudential Regulatory Authority

Sirius, a subsidiary of Singapore-domiciled CM International Holding Pte. Ltd., has significant insurance experience with a track record of strong regulatory oversight. The company has a strong corporate governance structure - Board and governance structures are consistent with that of a public company and take place at the Sirius International Insurance Group, Ltd. entity level. The company has over 7,000 treaties and accounts with over 2,000 clients in 140+ countries. It has a unique global reinsurance and specialty platform, with a strong presence in the U.S. (49% of net premiums) and Europe (28%).

Sirius recently expanded its direct specialty focus (particularly A&H) with two strategic acquisitions in 2017 (ArmadaGlobal and IMG).

The company's global credibility with rating agencies - is reflected in its financial strength ratings:

- | | |
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| • Standard & Poor's | A-, stable outlook |
| • A.M. Best | A, negative outlook |
| • Fitch | A-, stable outlook |

The Phoenix writes life, property and casualty insurance, and also owns a credit card clearing house and Excellence, an asset management business. The Phoenix had \$3.5 billion (NIS 12.5 billion) in revenues in 2016 and \$30 billion (NIS 160 billion) of assets as of June 30, 2017.

Additional information regarding the transaction and Delek Group is available at <http://ir.delek-group.com/phoenix.zhtml?c=160695&p=irol-newsArticle&ID=2300619>.

For additional information regarding this announcement, please contact Ruthi Romshtein, Deputy Director General and Sirius Account Manager, Rahav Communications, #011-972-03-7188555