

Central Management

Bank House, 42 Rothschild Street, Tel-Aviv, tel. 03-5196223, fax. 03-5100316

The Stock Exchange
Via MAGNA

The Securities Authority
Via MAGNA

February 3, 2019

Re: Preliminary Collective Agreement with Mataf

Further to the immediate reports of the First International of Israel Ltd. (**‘the bank’**) of September 20, 2018 (reference no. 2018-01-089148), and of October 7, 2018 (reference no. 2018-01-092694), and of November 5, 2018 (reference no. 2018-01-104529), and of December 27, 2018 (reference no. 2018-01-127935), the bank is hereby pleased to report that on February 3, 2019, a preliminary collective agreement was signed between Mataf Financial IT and Operations Ltd. (**‘Mataf’**), the bank’s computing company, the New General Federation of Workers and the union of workers of Mataf Financial IT and Operations.

The duration of the agreement is until December 31, 2020, and it will be automatically extended for an additional year at a time, as long as neither of the parties gives notice of its desire to cancel the agreement. Each party will be entitled to request changes 90 days before the end of each period and the parties will hold negotiations with regard to the changes.

The collective agreement regulates the terms of employment of Mataf’s employees and includes consents on various matters, including with respect to a salary increase in the years 2017-2020, administrative flexibility, a bonus, a voluntary retirement program (in which approximately 40-60 employees are expected to retire) and additional matters relating to social benefits, seniority, provident funds and welfare matters.

Sincerely yours,
The First International Bank of Israel Ltd.

**Yossi Levy, Executive VP
Head of Resources Division**

**Nachman Nitzan, Executive VP
Chief Accountant**