

## Central Management

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

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The Stock Exchange  
Via MAGNA

The Securities Authority  
Via MAGNA

June 25, 2019

Dear Sir or Madam:

### **Re: Update Regarding the Bank Leumi Collective Agreement**

The First International Bank of Israel Ltd. (hereafter: "**FIBI**") is pleased to report as follows:

Pursuant to the immediate report published today by Bank Leumi le-Israel (hereafter: "**Bank Leumi**"), Bank Leumi and the Bank Leumi employees' union have reached points of agreement regarding a special collective agreement (hereafter: "the **Bank Leumi Collective Agreement**") for the years 2019-2022. The entry into force of the Bank Leumi Collective Agreement is conditioned on the signature of a detailed agreement.

FIBI has collective agreements that create linkage between certain terms of employment for officials and managers, and the agreements signed by the Bank Leumi management and the Bank Leumi employees' union.

At this stage, FIBI does not have all the relevant data regarding the terms of the Bank Leumi Collective Agreement so as to enable it to determine the consequences for the collective agreements at FIBI. For this reason and because of the complexity of the agreement and the calculations, both from an accounting perspective and from the perspective of the relevant actuarial calculations, no assessment can be made at this stage with regard to the impact on FIBI's financial results or on other balance sheet items.

Sincerely yours,  
The First International Bank of Israel Ltd.

Nachman Nitzan, Executive VP  
Chief Accountant

Aviad Biller, Adv.  
Secretary of the Bank