

Main Headquarters - Beit HaBank, 42 Rothschild, Tel Aviv, Tel: 03-5196223, Fax: 03-5100316

Re: Exercise of Tag-Along Right in Agreement for Sale of Holdings in Israel Credit Card Company Ltd.

To:
Israel Securities Authority
www.isa.gov.il

To:
Tel-Aviv Stock Exchange Ltd.
www.tase.co.il

November 19, 2025

Exercise of Tag-Along Right in Agreement for Sale of Holdings in Israel Credit Card Company Ltd.

Further to the immediate reports of First International Bank of Israel Ltd. (hereinafter: the Bank) dated September 21, 2025 (Reference No.: 2025-01-071183) and September 25, 2025 (Reference No.: 2025-01-071700) and as stated on pages 40 – 41 of the Bank's financial statements as of September 30, 2025, as published on November 17, 2025 (Reference No.: 2025-01-087868), the Bank hereby reports that on November 19, 2025, it notified Discount Bank Ltd. of the exercise of its tag-along right to the agreement dated September 19, 2025 (hereinafter: the Purchase Agreement) for the sale of all of Discount's holdings in Israel Credit Card Company Ltd. (hereinafter: ICC), which was signed between Discount, Union Investments & Development Ltd. (hereinafter: Union), and Harel Insurance Investments and Financial Services Ltd. (hereinafter: Harel) (hereinafter: the Transaction, and the Tag-Along Right, respectively).

Subject to the completion of the Transaction, all of the Bank's holdings in ICC are expected to be acquired solely by Union for an immediate consideration of approximately NIS 1,056 million, to be paid in full in cash on the completion date, and a contingent consideration (as defined in the immediate report dated September 21, 2025) that may reach up to approximately NIS 70 million. The Purchase Agreement includes provisions concerning adjustments to the consideration with respect to certain events in ICC, if they occur (including after the completion date), and for certain expenses of ICC if incurred up to the completion date. For further details regarding the Purchase Agreement, including with respect to the consideration and suspensive conditions, see the Bank's immediate report dated September 21, 2025, mentioned above.

If the Transaction is completed, the Bank is expected to record a net profit, after tax effect, of up to approximately NIS 143 million as of September 30, 2025 (i.e., before the deduction of the Bank's share in ICC's profits, which will be recorded on an ongoing basis, from the fourth quarter until the quarter closest to the completion of the Transaction), as well as an additional future net profit, after tax, of up to approximately NIS 52 million, subject to the fulfillment of the conditions for receiving the contingent consideration.

Given the suspensive conditions stipulated in the Purchase Agreement, there is no certainty regarding the completion of the Transaction or its timing, nor is there any certainty regarding the final consideration amount, if completed, which will be affected, among other things, by the consideration adjustment mechanism set in the Purchase Agreement, the indemnity arrangements in the Transaction, and the contingent consideration mechanism, which depends on ICC's business results in 2027 and 2028.

The information stated above in this report regarding the impact of completion of the Transaction on the Bank's results and the estimated profit constitutes forward-looking information, as defined in the Securities Law, 1968, and is based on information and assessments available to the Bank as of the date of this report. The profit to be ultimately recorded may differ materially due to developments in certain issues established in the agreement and in matters related to the tax liability on the Transaction.

First International Bank of Israel Ltd.

Respectfully,

First International Bank of Israel Ltd.
Dr. Moria Hophtman-Doron, Adv. Executive Vice President, Chief Legal Advisor
Nachman Nitzan, Executive Vice President, CFO, Head of Chief Accounting Division