

To
Israel Securities Authority
www.isa.gov.il

To
Tel Aviv Stock Exchange, Ltd.
www.tase.co.il

16 April 2018

Dear Sir or Madam:

Re: **Offer for Sale of TASE shares**

Pursuant to the Immediate Report published by the the First International Bank of Israel Ltd. (hereafter: the "**Bank**") on 18 January 2018 (Reference No. 2018-01-007300), and the contents of Note 12.f of the Bank's 2017 Financial Statements, concerning the response to the purchase offer made by the Tel Aviv Stock Exchange (hereafter: "**TASE**") for the purchase of the stock exchange members' shares in the Stock Exchange (hereafter: the "**Purchase Offer**"), with respect to 15.4% of the TASE share capital held by the Bank's group (hereafter: "the **Holdings for Sale**"), the Bank is hereby pleased to announce that on 16 April 2018, the TASE notified the Bank that it had accepted the Bank's notice of response with respect to all the Holdings for Sale (hereafter: "the **Acceptance Notice**").

In the Acceptance Notice, the TASE indicated that the consideration for the Holdings for Sale will be higher than the price proposed in the Purchase Offer. However, according to the TASE, the difference between the consideration that will actually be received and the consideration that would be derived from the price offered in the Purchase Offer with respect to the Holdings for Sale would be given to the TASE (according to what is stated in the Acceptance Notice) as required by the provisions of the Securities Law (Amendment No. 63), 5777-2017. The Acceptance Notice is conditioned on receipt of regulatory approvals and the closing of the transaction.

It is clarified that there is no certainty that the regulatory approvals required for the purchase of the Holdings for Sale will be received and/or that the purchase transaction will close.

According to the TASE notice, the closing of the purchase transaction must take place, if it does take place, no later than 19 June 2018, unless this date is postponed with the consent of all parties. If the necessary approvals are not obtained or if the transaction is not closed, for any reason – including the non-receipt of the above-mentioned approvals – by the said date (unless it is extended), the transaction will be cancelled.

The Bank is studying the significance of the Acceptance Notice.

Very respectfully,

First International Bank of Israel

Nachman Nitzan, Executive Vice President
Head of Chief Accountant Division

Aviad Biller, Attorney
Corporate Secretary