



Central Management

Bank House, 42 Rothschild, Tel-Aviv, Tel: 03-5196223, Fax: 03-5100316

To
Israel Securities Authority
Via MAGNA

To
Tel Aviv Stock Exchange, Ltd.
Via MAGNA

20 September 2018

Dear Sir or Madam:

Re: **Sanctions against Subsidiary Company, Mataf Computerization and Financial Operations Ltd.**

The First International Bank of Israel Ltd. (hereafter: the "**Bank**") hereby announces that because of the sanctions imposed by the Employees' Committee of Mataf Computerization and Financial Operations Ltd. (hereafter: "Mataf"), the Company's computerization company, Mataf has on 20 September 2018, filed a motion with the Tel Aviv District Labour Court requesting a temporary and permanent restraining order; the main point of the motion is to prevent disruptions and/or work interruptions concerning the Bank's preparation to provide operational services to the index funds, in the framework of the reform that is the basis of Amendment 28 to the Joint Investment in Trust Law (5754-1994), which is to enter into force (in stages) on 3 October 2018 (hereafter: "the Reform"), taking into account the fact that the Bank is expected to be a significant force in the provision of operational services to the index funds.

At this stage, the Bank cannot assess the significance of the continued disruptions as a result of the sanctions, and it cannot assess the results of the legal proceeding it has brought.

Very respectfully,

The First International Bank of Israel LTD

Yossi Levy, Executive Vice President
Head of Resources Division

Aviad Biller, Attorney
Corporate Secretary