

ISRAEL DISCOUNT BANK LTD.

Registration no.: 520007030

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

FAO: The Tel Aviv Stock Exchange Ltd.
www.tase.co.il

T121 (Public)

Magna transmission date: February 7, 2023
Reference No.: 2023-01-0114925

IMMEDIATE REPORT FOR MATERIAL GENERAL INFORMATION

Explanation: This form is not to be used if a form exists that is suitable for the reported event

Nature of the event: *Financial Sanction in Respect of Non-Compliance with Proper Conduct of Banking Business Directive No. 450*

Reference numbers of previous reports relating to this topic: _____, _____, _____

Further to that stated in the report for the third quarter of 2022 (p. 206; p. 238 of the English translation), Israel Discount Bank Ltd. ("the Bank") hereby reports as follows:

On February 6, 2023, the Supervisor of Banks took the decision to impose two financial sanctions on the Bank in a total amount of NIS 1.2 million, this being pursuant to Section 14H(a)(1) of the Banking Ordinance, 1941 and pursuant to the Banking Rules (Maximum Rates for Reduction of Financial Sanction Amounts), 2011.

The financial sanctions were imposed on the Bank in relation to violation of sections 25 and 26 of Proper Conduct of Banking Business Directive No. 450 on "Debt Collection Proceedings" and regarding reporting to the Execution Office of receipts that were received other than via the Execution Office and of debt restructuring arrangements reached with customers.

It should be noted that the Bank operates an extensive array of controls over law offices that perform the collection proceedings on its behalf and that deficiencies were found in a negligible percentage of the total number of collection proceedings that the Bank conducts. The Bank has explained to the Banking Supervision Department that no financial harm was caused to the Bank's customers as a result of the deficiencies and that the Bank had discovered some of the deficiencies on its own, had taken action to prevent the recurrence of these deficiencies – even before the Banking Supervision Department's involvement, and is continuing to take action to rectify them and prevent their recurrence even after the aforementioned intervention by the Banking Supervision Department.

Appendix attached _____

The Company *is not* a shell company as defined in the TASE Code

The date when the Corporation first learned of the event: *February 6, 2023 at 10:00*

Details of signatories authorized to sign in the name of the Corporation:

	Name of Signatory	Position
1	<i>Avraham Levi</i>	<i>Other Executive Vice President, Head of Banking Division</i>
2	<i>Adv. Nitzan Sandor</i>	<i>Other Executive Vice President, Chief Legal Counsel and Head of Legal Counsel Division</i>

Reference numbers of previous documents relating to this topic (their mention does not constitute their inclusion by way of reference):

The securities of the Corporation are listed for trade on the Tel Aviv Stock Exchange Date of updating structure of form: 29/12/2022
Abbreviated name: Discount
Address: 23 Yehuda Halevi St., Tel Aviv 6513601, Israel Tel: +972-3-9439111; Fax: +972-3-5171674
Email: michal.sd@dbank.co.il

Prior names of the reporting entity:

Name of person making electronic report: Tenne, Ayelet Position: General Secretary Name of Employing Company:
Address: 23 Yehuda Halevi St., Tel Aviv 6513601, Israel Tel: +972-76-8058862; Fax: +972-3-5171674 Email: ayelet.tenne@dbank.co.il

Israel Discount Bank's Immediate Reports are published in Hebrew on the website of the Israel Securities Authority and the Tel Aviv Stock Exchange.

The English translation is prepared for convenience purposes only.

In the case of any discrepancy between the English and Hebrew versions, the Hebrew will prevail.