

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: January 20, 2023
Reference No.: 2023-01-009918

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: *Completion of Pricing Process for an International Private Offering of Notes*

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

See attachment below

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

The date when the Corporation first learned of the event: *January 19, 2023 at 21:30*

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

	Name of Signatory	Position
1	<i>Assaf Pasternak</i>	<i>Other Executive Vice President, Head of Financial Markets Division</i>
2	<i>Barak Nardi</i>	<i>Other Executive Vice President, Head of Strategy, Finance and Holdings 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.

ATTACHMENT

Date: January 19, 2023

For the attention of
Israel Securities Authority
www.isa.gov.il

For the attention of
The Tel Aviv Stock Exchange Ltd.
www.tase.co.il

Dear Sirs,

Re. Completion of Pricing Process for an International Private Offering of Notes

Further to the Immediate Report from January 17, 2023 (reference nos.: 2023-01-008100, 2023-01-008241 and 2023-01-008259), Israel Discount Bank Ltd. (“the **Bank**”) hereby announces the following:

1. On January 19, 2023, the Bank completed the pricing process for an international private offering of notes with a principal amount of USD 800 million (“the **Notes**”), which will be offered to institutional investors, as these are defined in the code of the Tel Aviv Stock Exchange Ltd. (“**TASE**” and “the **Offering**”, respectively).
2. The Notes are to be repaid for in one payment, on January 26, 2028, with the Bank having the option to make early redemption of the Notes in full, subject to complying with certain terms¹ (“**Early Redemption**”).
3. The Notes bear annual interest at a fixed rate of 5.375%, which is to be paid in half yearly installments.
4. The Notes are to be offered at 99.935% of their par value. The gross offering consideration will amount to USD 799.48 million. The pricing grosses up a margin of 190 basis points over U.S. government bonds with an identical average duration.
5. The Notes are expected to be listed on TASE’s “TASE UP” system, subject to obtaining TASE’s approval. The closing of the Offering is expected to be on January 26, 2023.
6. This report does not constitute an offer to the public and/or an invitation to purchase or sell securities of the Bank.

The Bank’s assessment regarding the expected completion date of the offering is forward-looking information, as defined in the Securities Law, 1968. This information is based on the Bank’s current expectations, is not certain, and is dependent on, among other things, factors that are not under the control of the Bank, including changes in market conditions and possible time overruns.

Disclaimers by Virtue of Securities Laws Outside of Israel (Intended for Overseas Investors)

THIS ANNOUNCEMENT IS NOT BEING MADE IN, AND COPIES OF IT MAY NOT BE DISTRIBUTED IN, THE UNITED STATES, THE EUROPEAN UNION, UNITED KINGDOM, CANADA, AUSTRALIA, JAPAN OR ANY OTHER JURISDICTION WHERE SUCH DISTRIBUTION WOULD BE UNLAWFUL. IN ADDITION, THIS ANNOUNCEMENT IS NOT FOR DISTRIBUTION TO ANY U.S. PERSON (WITHIN THE MEANING BELOW).

¹ In addition, the terms of the Notes also include an option for Early Redemption of the Notes to be performed in the event of certain changes in the tax regime, upon fulfillment of certain specified circumstances and conditions, and – in order to remove any doubt – without any commitment on the part of the Bank to perform an Early Redemption in the aforesaid circumstances.

*It should be clarified that the Notes may not be offered or sold in the United States (including its territories and possessions, any state of the United States and the District of Columbia) or to any U.S. Person (as defined in Regulation S under the United States Securities Act of 1933 (“**Securities Act**” and “**Regulation S**”, respectively) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws.*

United States and Certain Other Jurisdictions

This announcement does not constitute an offer of, or the solicitation of an offer to buy or subscribe for, securities to any person in the United States (including its territories and possessions, any state of the United States and the District of Columbia), Canada, Australia, Japan or any other jurisdiction. The Bank has not registered, and does not intend to register, the Notes in Israel (other than with the TACT) or any of these jurisdictions, in general, or, in particular, to conduct a public offering of the Notes in any of these jurisdictions. In particular, the securities of the Bank referred to in this announcement have not been, and will not be, registered under the Securities Act or under the securities laws of any state of the United States, and may not be offered, sold, resold or delivered, directly or indirectly, in or into the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S) except pursuant to a exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. In the United States, any offer of Notes will be made only to “qualified institutional buyers” as defined in and in reliance on rule 144A under the Securities Act or another available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Outside the United States, any offer will be made to persons other than “U.S. Persons” in accordance with Regulation S. There will be no public offer of securities in the United States.

United Kingdom

*This announcement does not constitute an offer of securities to the public in the United Kingdom (“**UK**”). No prospectus has been or will be approved in the UK in respect of the securities referred to herein. This announcement is being distributed to, and is directed only at (i) persons who are outside the UK, (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”), (iii) high net worth entities falling within Article 49(2) of the Order, and (iv) other persons to whom it may lawfully be communicated (all such persons together being referred to as “relevant persons”). In addition, this announcement is in any event only directed at persons who are “qualified investors” pursuant to the Regulation (EU) 2017/1129 as it forms part of domestic law in the UK by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”). Any investment or investment activity to which this announcement relates is available only to relevant persons and will be engaged in only with relevant persons any person who is not a relevant person should not act or rely on this announcement or any of its contents.*

*The securities referred to herein are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a “retail investor” means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law in the UK by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law in the UK by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law in the UK by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.*

European Economic Area

*The securities referred to herein are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a “retail investor” means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MFID II**”); or (ii) the customer within the meaning of Directive 2016/97 (the “**Insurance Distribution Directive**”) where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**” for offering or selling the securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.*

*MIFID II and UK MIFIR - PROFESSIONALS/ECPS-ONLY / NOPRIIPS OR UK PRIIPS KID – Manufacturer target market (MIFID II and UK MIFIR product governance) is eligible counterparties and professional clients only (or distribution channels). No PRIIPs or UK PRIIPs key information document (“**KID**”) has been prepared as not available to retail in EEA or UK. No sales to retail clients (as defined in COBS 3.4) in the UK, FCA / ICMA stabilisation applies.*

Yours sincerely,

Israel Discount Bank Ltd.

By means of:

Assaf Pasternak, Executive Vice President and Head of Financial Markets Division

Barak Nardi, Executive Vice President and Head of Strategy, Finance and Holdings Division