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Public

ISRAEL DISCOUNT BANK LTD.

Registration no. 520007030

The securities of the corporation are listed for trading on the Tel Aviv Stock Exchange

Abbreviated name: Discount

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Israel Securities Authority
www.isa.gov.il

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

Immediate Report Regarding Status of Holdings of Interested Parties and Senior Officers

Regulation 33(c) of the Securities Regulations (Periodic and Immediate Reports), 5730-1970

Presented below is the status report as of *June 30, 2014*:

A. Interested parties in the corporation (including the CEO and directors, and including any other employee holding five percent or more of the issued share capital of the corporation or of its voting rights):

No. of Holder	Name of Holder	Name, Class and Series of Security	Current Number of Securities	Holdings		Holdings (Fully Diluted)	
				% of Equity	% of Voting	% of Equity	% of Voting
1	Treetops Acquisition Group Ltd.	Discount A	114,836,393	10.90	10.90	10.90	10.90
2	Treetops Acquisition Group II Ltd.	Discount A	38,278,799	3.63	3.63	3.63	3.63
3	Dr. Joseph Bachar	Discount A	29,640	0.00	0.00	0.00	0.00
4	Dr. Joseph Bachar	Subordinated debentures (Series K)	23,527	0.00	0.00	0.00	0.00
5	Edith Lusky	Hybrid capital notes (Series A)	86,700	0.00	0.00	0.00	0.00
6	Edith Lusky	Subordinated debentures (Series K)	23,000	0.00	0.00	0.00	0.00

Total Holdings		Total Holdings (Fully Diluted)	
% of Equity	% of Voting	% of Equity	% of Voting
14.53	14.53	14.53	14.53

B. Senior Officers of the corporation (not including the CEO and directors, and not including any other employee holding five percent or more of the issued share capital of the corporation or of its voting rights):

☐ Do not hold securities of the corporation.

☒ Presented below is the schedule of holdings of senior officers in the corporation:

No. of Holder	Name of Holder	Name, Class and Series of Security	Current Number of Securities	Holdings		Holdings (Fully Diluted)	
				% of Equity	% of Voting	% of Equity	% of Voting
7	Joseph Beressi	Hybrid capital notes (Series A)	45,100	0.00	0.00	0.00	0.00
8	Joseph Beressi	Subordinated debentures (Series K)	47,000	0.00	0.00	0.00	0.00
9	Levy Halevy	Discount A	2,870	0.00	0.00	0.00	0.00

Total Holdings		Total Holdings (Fully Diluted)	
% of Equity	% of Voting	% of Equity	% of Voting
0.00	0.00	0.00	0.00

<p>Name of Holder: <i>Treetops Acquisition Group Ltd.</i></p> <p>No. of Holder: <i>1</i></p> <p>Category of Holder: <i>Interested Party</i></p> <p>Type of Identity Number: <i>Registration number in the overseas country of incorporation</i></p> <p>Identity Number: <i>HL 137878</i></p> <p>Citizenship/Country of Incorporation or Registration: <i>Incorporated outside Israel</i></p> <p>Country of Citizenship/Incorporation or Registration: <i>Cayman Islands</i></p> <p>Does the Holder Serve as a Representative for Reporting Purposes of a Number of Shareholders who Hold Securities of the Corporation Together with Him: <i>No</i></p> <p>Are the Shares Held Dormant Shares: <i>No</i></p> <p>Stock Exchange Security Registration Number: <i>691212</i></p> <p>Balance in Previous Report (Number of Securities): <i>114,836,393</i></p> <p>Change in Number of Securities: <i>0</i></p> <p>Holder's Maximum Percentage Holding of the Security During the Reporting Period : _____%</p> <p>Holder's Minimum Percentage Holding of the Security During the Reporting Period : _____%</p> <p>Remarks:</p> <p><i>(A) Through December 3, 2013, Treetops Acquisition Group LP ("Treetops") and Treetops Acquisition Group II LP ("Treetops II") were the Controlling Shareholders of the Bank and held 265,164,181 ordinary "A" shares of the Bank, having a par value of NIS 0.1 each ("Ordinary shares"), which constituted 25.16% of the Bank's issued share capital and of its voting rights.</i></p> <p><i>Treetops held 15.1% of the issued share capital and voting rights and Treetops II held 10.06% of the issued share capital and voting rights.</i></p> <p><i>The ultimate Controlling Shareholders of the Bank were Messrs. Edgar M. Bronfman Dec'd., Matthew Bronfman, Adam R. Bronfman, Michael Rubinoff, Philip Milstein and Rubin Schron and Ms. Holly B. Lev.</i></p> <p><i>(B) On December 3, 2013, 44,262,511 and 29,508,340 Ordinary Shares were sold at a price of NIS 6.679 per share by Treetops and Treetops II, respectively, in an off-exchange transaction, as detailed in the Immediate Report from December 3, 2013 (Reference No. 2013-01-213078). On closing the transaction, the Permit for the Holding of a Bank's Means of Control, issued by the Governor of the Bank of Israel on December 1, 2013, took effect ("the Holding Permit"). The aim of the permit is to enable the gradual decentralization of the Bank's core controlling interest, as detailed in the Immediate Report from December 12, 2013 (Reference No. 2013-01-095539). On the date that the Holding Permit took effect, the Permit for the Control and Holding of a Bank's Means of Control granted to Treetops</i></p>
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and Treetops II on January 29, 2006 was cancelled; as a consequence thereof, Treetops and Treetops II ceased to be the Controlling Shareholders of the Bank and the Bank became a “bank not having a core controlling interest”. For details regarding the sale of 38,278,798 Ordinary Shares by Treetops II on April 8, 2014, refer to the “remarks” for Holder 2 below.

On February 9, 2014, the Governor of the Bank of Israel signed an amendment to the Holding Permit, which was drawn up following the death of the late Mr. Edgar M. Bronfman on December 21, 2013, as detailed in the Immediate Report from February 10, 2014 (Reference No. 2014-01-036505) (“the Amended Holding Permit”).

(C) Presented below are details of the interested party and the holders that were provided by the interested party: Treetops is a limited partnership that was established in the Cayman Islands. The limited partners in Treetops are the Bronfman Group members, as set forth below:

The Edgar Miles Bronfman IDB Trusts A through G (seven trusts) hold approx. 64.273% of Treetops. The beneficiaries of the aforementioned seven trusts, following the death of the late Mr. Edgar M. Bronfman, are the children of the late Mr. Edgar M. Bronfman (Samuel Bronfman II, Edgar Bronfman Junior, Holly B. Lev, Matthew Bronfman, Adam R. Bronfman, Sara Igtet and Clare W. Bronfman and their descendants (as set forth in Appendix 3 of the amended Holding Permit)

Matthew Bronfman directly holds approx. 6.424% of Treetops.

The Matthew Bronfman IDB Trust, whose beneficiary is Matthew Bronfman, holds approx. 6.424% of Treetops.

The Holly B. Lev IDB Trust, whose beneficiary is Holly B. Lev, holds approx. 6.424% of Treetops.

The Adam R. Bronfman IDB Trust, whose beneficiary is Adam R. Bronfman, holds approx. 6.424% of Treetops.

All the trusts specified above will be hereinafter jointly referred to as “the Bronfman Trusts”. The trustees of each of the Bronfman Trusts have granted power of attorney to the beneficiary of each of the trusts (and, with regard to the seven A through G Bronfman Trusts, the trustees have granted power of attorney to Mr. Matthew Bronfman and to Mr. Adam R. Bronfman. Under the power of attorney, the power of attorney is to be used with their joint consent, although the signature of either one of the holders of the power of attorney will suffice to attest to the use of the power of attorney) to make all the decisions with regard to the investment in the Bank, except in instances of replacement of the power of attorney (subject to the Bank of Israel’s prior approval), making additional investments in Treetops and/or the Bank, and also selling, entering into a merger agreement or making any transfer of the interests of the trust, in Treetops and/or the Bank.

Under the power of attorney, the power of attorney is to be used with the joint consent of the holders, although the signature of any one of the holders of the power of attorney will suffice to attest to the use of the power of attorney. The aforesaid powers of attorney have been granted in place of the powers of attorney previously granted to the late Mr. Edgar M. Bronfman and to Mr. Matthew Bronfman, which have been cancelled by the trustees.

PLM/IDB Investment LLC, a company wholly owned by Philip Milstein, holds approx. 6.424% of Treetops.

Rubinoff IDB Holdings LP, a limited partnership wholly owned by Michael Rubinoff, holds approx. 3.207% of Treetops.

In addition to the Bronfman Group members, the limited partnership, Treetops Special Limited Partner LP, incorporated in the Cayman Islands (“SLP”), holds approx. 0.2% of Treetops, as a limited partner (the limited partners in SLP are Matthew Bronfman (approx. 65%) and Michael Rubinoff, through Rubinoff IDB Holdings LP (approx. 35%). SLP’s general partner, Treetops SLP Ltd. (a company wholly owned by Matthew Bronfman and incorporated in the Cayman Islands) holds approx. 0.2% of SLP).

Treetops’ general partner, with an approx. 0.2% holding in Treetops, is Treetops Acquisition Group Ltd. (“Treetops Ltd.”), a company incorporated in the Cayman Islands. The means of control in Treetops Ltd. are held by the Bronfman Group members, pro rata to their holdings in Treetops.

According to information provided to the Bank, the trustees of the trusts have undertaken that the trusts will continue to hold their interests in Treetops for as long as Treetops continues to be the owner of at least 5% of the interests in the Bank.

References to the immediate reports in this section constitute the inclusion therein of the information contained in the said reports.

Name of Holder: Treetops Acquisition Group II Ltd.

No. of Holder: 2

Category of Holder: Interested Party

Type of Identity Number: Registration number in the overseas country of incorporation

Identity Number: *HL 143415*

Citizenship/Country of Incorporation or Registration: *Incorporated outside Israel*

Country of Citizenship/Incorporation or Registration: *Cayman Islands*

Does the Holder Serve as a Representative for Reporting Purposes of a Number of Shareholders who Hold Securities of the Corporation Together with Him: *No*

Are the Shares Held Dormant Shares: *No*

Stock Exchange Security Registration Number: *691212*

Balance in Previous Report (Number of Securities): *38,278,799*

Change in Number of Securities: *0*

Holder's Maximum Percentage Holding of the Security During the Reporting Period : _____%

Holder's Minimum Percentage Holding of the Security During the Reporting Period : _____%

Remarks:

(A) Through December 3, 2013, Treetops Acquisition Group LP ("Treetops") and Treetops Acquisition Group II LP ("Treetops II") were the Controlling Shareholders of the Bank and held 265,164,181 ordinary "A" shares of the Bank, having a par value of NIS 0.1 each ("Ordinary shares"), which constituted 25.16% of the Bank's issued share capital and of its voting rights.

Treetops held 15.1% of the issued share capital and voting rights and Treetops II held 10.06% of the issued share capital and voting rights.

The ultimate Controlling Shareholders of the Bank were Messrs. Edgar M. Bronfman Dec'd., Matthew Bronfman, Adam R. Bronfman, Michael Rubinoff, Philip Milstein and Rubin Schron and Ms. Holly B. Lev.

(B) On December 3, 2013, 44,262,511 and 29,508,340 Ordinary Shares were sold at a price of NIS 6.679 per share by Treetops and Treetops II, respectively, in an off-exchange transaction, as detailed in an Immediate Report from December 3, 2013 (Reference No. 2013-01-213078). On closing the transaction, the Permit for the Holding of a Bank's Means of Control, issued by the Governor of the Bank of Israel on December 1, 2013, took effect ("the Holding Permit"). The aim of the permit is to enable the gradual decentralization of the Bank's core controlling interest, as detailed in the Immediate Report from December 12, 2013 (Reference No. 2013-01-095539). On the date that the Holding Permit took effect, the Permit for the Control and Holding of a Bank's Means of Control granted to Treetops and Treetops II on January 29, 2006 was cancelled; as a consequence thereof, Treetops and Treetops II ceased to be the Controlling Shareholders of the Bank and the Bank became a "bank not having a core controlling interest".

(C) On April 7, 2014, Treetops II signed an agreement for the sale of 38,278,798 ordinary "A" shares of the Bank's capital, having a par value of NIS 0.1 each ("the Shares") to Citigroup Global Markets Limited, in an off-exchange transaction. On April 8, 2014, the Bank received a notice according to which it was informed that the Shares had been sold. For details, see the Immediate Report dated April 8, 2014 (Reference No. 2014-01-041775).

(D) Presented below are details of the interested party and the holders that were provided by the interested party: Treetops II is a limited partnership that was incorporated in the Cayman Islands. The limited partner in Treetops II is Cam Discount Ltd. ("Cam Discount"), which holds approx. 99.8% of Treetops II.

Cam Discount is a company incorporated in the Cayman Islands and all the means of control in said company are held by Rubin Schron.

Treetop II's general partner, which holds approx. 0.2% of Treetops II, is Treetops Acquisition Group II Ltd., a company incorporated in the Cayman Islands. All the means of control in said company are held by Cam Discount.

References to the immediate reports in this section constitute the inclusion therein of the information contained in the said reports.

Name of Holder: *Dr. Joseph Bachar*

No. of Holder: *3*

Category of Holder: *Director/CEO*

Type of Identity Number: *Identity card number*

Identity Number: *053548905*

Citizenship/Country of Incorporation or Registration: *Private individual with Israeli citizenship*

Country of Citizenship/Incorporation or Registration: _____

Does the Holder Serve as a Representative for Reporting Purposes of a Number of Shareholders who Hold Securities of the Corporation Together with Him: *No*
Are the Shares Held Dormant Shares: *No*
Stock Exchange Security Registration Number: *691212*
Balance in Previous Report (Number of Securities): *29,640*
Change in Number of Securities: *0*
Holder's Maximum Percentage Holding of the Security During the Reporting Period : _____%
Holder's Minimum Percentage Holding of the Security During the Reporting Period : _____%

Remarks:

On December 16, 2010, the number of ordinary "A" shares of NIS 0.1 par value each – Discount A held by the interested party increased by 1,140, resulting from the exercise of rights within the framework of a rights offer published by the Bank, pursuant to a shelf prospectus of the Bank published on August 31, 2009 and pursuant to the shelf offer report from November 28, 2010 and pursuant to the supplementary report to the aforementioned shelf offer report from November 29, 2010.

Name of Holder: *Dr. Joseph Bachar*

No. of Holder: *4*

Category of Holder: *Director/CEO*

Type of Identity Number: *Identity card number*

Identity Number: *053548905*

Citizenship/Country of Incorporation or Registration: *Private individual with Israeli citizenship*

Country of Citizenship/Incorporation or Registration: _____

Does the Holder Serve as a Representative for Reporting Purposes of a Number of Shareholders who Hold Securities of the Corporation Together with Him: *No*

Are the Shares Held Dormant Shares: *No*

Stock Exchange Security Registration Number: *6910137*

Balance in Previous Report (Number of Securities): *23,527*

Change in Number of Securities: *0*

Holder's Maximum Percentage Holding of the Security During the Reporting Period : *0%*

Holder's Minimum Percentage Holding of the Security During the Reporting Period : *0%*

Remarks:

The percentage of Dr. Bachar's holdings of subordinated debentures (Series K) is 0.011% of the total of this class of security. Likewise, Dr. Bachar holds 77,000 subordinated debentures (Series E) (a holdings percentage of 0.01% of the total of this class of security) of Discount Manpikim Ltd.

Name of Holder: *Edith Lusky*

No. of Holder: *5*

Category of Holder: *Director/CEO*

Type of Identity Number: *Identity card number*

Identity Number: *50163567*

Citizenship/Country of Incorporation or Registration: *Private individual with Israeli citizenship*

Country of Citizenship/Incorporation or Registration: _____

Does the Holder Serve as a Representative for Reporting Purposes of a Number of Shareholders who Hold Securities of the Corporation Together with Him: *No*

Are the Shares Held Dormant Shares: *No*

Stock Exchange Security Registration Number: *6910095*

Balance in Previous Report (Number of Securities): *86,700*

Change in Number of Securities: *0*

Holder's Maximum Percentage Holding of the Security During the Reporting Period : _____%

Holder's Minimum Percentage Holding of the Security During the Reporting Period : _____%

Remarks:

The percentage of Ms. Lusky's holdings of hybrid capital notes (Series A) is 0.01% of the total of this class of security. Likewise, Ms. Lusky holds 82,269 hybrid capital notes (Series 1) (a holdings percentage of 0.01%) and 50,000 subordinated debentures (Series E) (a holdings percentage of 0.01%), both of which are of Discount Manpikim Ltd. (an

investee company of the reporting corporation).

Name of Holder: *Edith Lusky*

No. of Holder: 6

Category of Holder: Director/CEO

Type of Identity Number: *Identity card number*

Identity Number: 50163567

Citizenship/Country of Incorporation or Registration: *Private individual with Israeli citizenship*

Country of Citizenship/Incorporation or Registration: _____

Does the Holder Serve as a Representative for Reporting Purposes of a Number of Shareholders who Hold Securities of the Corporation Together with Him: *No*

Are the Shares Held Dormant Shares: *No*

Stock Exchange Security Registration Number: 6910137

Balance in Previous Report (Number of Securities): 23,000

Change in Number of Securities: 0

Holder's Maximum Percentage Holding of the Security During the Reporting Period : _____%

Holder's Minimum Percentage Holding of the Security During the Reporting Period : _____%

Remarks:

The percentage of Ms. Lusky's holdings of subordinated debentures (Series K) is 0.01% of the total of this class of security.

For information concerning additional holdings of Ms. Lusky in investee companies, see also the remarks to the section above relating to her holdings.

Name of Holder: *Joseph Beressi*

No. of Holder: 7

Category of Holder: Senior officer, not being the CEO or a director and not being an interested party by virtue of holdings

Type of Identity Number: *Identity card number*

Identity Number: 53393260

Citizenship/Country of Incorporation or Registration: *Private individual with Israeli citizenship*

Country of Citizenship/Incorporation or Registration: _____

Does the Holder Serve as a Representative for Reporting Purposes of a Number of Shareholders who Hold Securities of the Corporation Together with Him: *No*

Are the Shares Held Dormant Shares: *No*

Stock Exchange Security Registration Number: 6910095

Balance in Previous Report (Number of Securities): 45,100

Change in Number of Securities: 0

Holder's Maximum Percentage Holding of the Security During the Reporting Period : _____%

Holder's Minimum Percentage Holding of the Security During the Reporting Period : _____%

Remarks:

The percentage of Mr. Beressi's holdings of hybrid capital notes (Series A) is 0% of the total of this class of security.

Mr. Beressi holds 35,000 subordinated debentures (Series H) (a holdings percentage of 0% and 79,000 hybrid capital notes (Series I) (a holdings percentage of 0.01%), both of which are of Discount Manpikim Ltd. (an investee company of the reporting corporation).

Name of Holder: *Joseph Beressi*

No. of Holder: 8

Category of Holder: Senior officer, not being the CEO or a director and not being an interested party by virtue of holdings

Type of Identity Number: *Identity card number*

Identity Number: 53393260

Citizenship/Country of Incorporation or Registration: *Private individual with Israeli citizenship*

Country of Citizenship/Incorporation or Registration: _____

Does the Holder Serve as a Representative for Reporting Purposes of a Number of Shareholders who Hold Securities of the Corporation Together with Him: *No*

Are the Shares Held Dormant Shares: *No*
 Stock Exchange Security Registration Number: *6910137*
 Balance in Previous Report (Number of Securities): *47,000*
 Change in Number of Securities: *0*
 Holder's Maximum Percentage Holding of the Security During the Reporting Period : _____%
 Holder's Minimum Percentage Holding of the Security During the Reporting Period : _____%
 Remarks:
The percentage of Mr. Beressi's holdings of subordinated debentures (Series K) is 0.02% of the total of this class of security.
For information concerning additional holdings of Mr. Beressi in investee companies, see also the remarks to additional sections relating to his holdings.

Name of Holder: *Levy Halevy*
 No. of Holder: *9*
 Category of Holder: *Senior officer, not being the CEO or a director and not being an interested party by virtue of holdings*
 Type of Identity Number: *Identity card number*
 Identity Number: *024811770*
 Citizenship/Country of Incorporation or Registration: *Private individual with Israeli citizenship*
 Country of Citizenship/Incorporation or Registration: _____
 Does the Holder Serve as a Representative for Reporting Purposes of a Number of Shareholders who Hold Securities of the Corporation Together with Him: *No*
 Are the Shares Held Dormant Shares: *No*
 Stock Exchange Security Registration Number: *691212*
 Balance in Previous Report (Number of Securities): *0*
 Change in Number of Securities: *2,870*
 Holder's Maximum Percentage Holding of the Security During the Reporting Period : *0.00%*
 Holder's Minimum Percentage Holding of the Security During the Reporting Period : *0.00%*
 Remarks:

As of the date of this report and according to the provisions of the law, the controlling shareholder of the corporation is:

1
Since December 3, 2013, the Bank is a banking corporation not having a core controlling interest
 Identity Number of Controlling Shareholder: *Other Identity Number 0*
 Was Control Transferred in the Period Covered by the Report:...*No*

- 1. Ms. Esther Deutsch, a Senior Executive Vice President, sold her holding of 31,111 hybrid capita notes (Series A) of the Bank on June 1, 2014. For additional details, refer to the Immediate Report dated June 2, 2014, Reference No. 2014-01-082527.*
- 2. The Phoenix Holdings Ltd. and Excellence Investments Ltd. ceased to be interested parties of the Bank on June 22, 2014. For additional details, refer to the Immediate Reports dated June 24, 2014, Reference Nos. 2014-01-097461 and 2014-01-097434, respectively.*
- 3. Harel Insurance Investments and Financial Services Ltd. ceased to be an interested party of the Bank on June 26, 2014. For additional details, refer to the Immediate Report dated June 30, 2014, Reference No. 2014-01-103068.*
- 4. Psagot Investment House Ltd. ceased to be an interested party of the Bank on June 29, 2014. For additional details, refer to the Immediate Report dated July 1, 2014, Reference No. 2014-01-103827.*

The Report has been signed on behalf of the Corporation, in accordance with Regulation 5 of the Securities Regulations (Periodic and Immediate Reports), 5730-1970, by Ruth Moshkovitz, Corporate Secretary of the Bank.

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

Prior names of the reporting entity:

Date of updating structure of form: May 14, 2014

Name of person making electronic report: Moshkovitz, Ruth; Position: Corporate Secretary

Name of Employing Company:

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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.