

**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

Address: 23 Yehuda Halevi St., Tel Aviv 65136, Israel

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Israel Securities Authority  
**www.isa.gov.il**

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

**Supplementary report to the report filed on March 20, 2014, reference no. 2014-01-019032**

**Main details that have been added/completed:**

*The supplementary report is being filed due to the receipt of additional information, which was received from the interested party, on March 27, 2014 at 17:00 and also on March 30, 2014 at 11:30, regarding its holdings of additional securities of the Bank and of securities of investee companies of the Bank*

**Immediate Report Regarding Entity Becoming an Interested Party by Virtue of Holdings**

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

**1. Details of the holder:**

First name as it appears in passport \_\_\_\_\_

Surname/Name of Corporation *Harel Insurance Investments & Financial Services Ltd.*

Type of identity number: *Number with the Registrar of Companies in Israel*

☒ The holder is a corporation

Identity number: *520033986*

Citizenship/Country of incorporation or registration: *Incorporated in Israel*

Country of citizenship/incorporation or registration: \_\_\_\_\_

Address: *3 Abba Hillel St., Ramat Gan, Israel*

Does the holder serve as a representative for reporting purposes of a number of shareholders who hold securities of the Corporation together with him: *Yes*

Name of the controlling shareholder in the interested party: *See Item 5*

Identifying number of the controlling shareholder in the interested party: *See Item 5*

**2. Details of the transaction as a consequence of which the holder became an interested party in the Corporation:**

a. Name and class of security involved in the transaction: *Discount A*

b. Stock Exchange security registration number: *691212*

c. Date transaction took place: *March 13, 2014*

d. Nature of transaction – Increase due to a purchase in exchange trading \_\_\_\_\_

- e. Number of securities involved in the transaction: 4,361,852
- f. Price at which the transaction took place: 652.3 Agurot (100 Agurot = NIS 1) \_\_\_\_\_
- g. Are the shares dormant shares or securities convertible into dormant shares: No

**3. A. Status of interested party's holdings following the transaction:**

Name, Class and Series of Security	Stock Exchange Security Registration Number	Number of Securities	Dormant *	% of Equity	% of Voting	Holdings (Fully Diluted) % of Equity	% of Voting
Discount A	691212	55,055,646	No	5.22	5.22	5.22	5.22
Subordinated debentures (Series J)	6910129	95,319,373	No	0	0	0	0
Subordinated debentures (Series K)	6910137	43,877,951	No	0	0	0	0
Hybrid capital notes (Series A)	6910095	78,440,087	No	0	0	0	0

**B.** ☐ The holder is not a member of an institutional reporting group

☒ The holder is a member of an institutional reporting group.

Details of its holdings are presented below:

Holder	Name, Class and Series of Security	Stock Exchange Security Registration Number	Number of Securities	Dormant
Nostro account	Discount A	691212	1,185,796	No
Index products issuer and a corporation under its control	Discount A	691212	18,007,084	No
Joint investment trust fund management companies	Discount A	691212	5,650,474	No
Provident funds and provident fund management companies	Discount A	691212	29,655,956	No
Participating life insurance accounts	Discount A	691212	556,336	No
Nostro account	Subordinated debentures (Series J)	6910129	38,830,635	No
Index products issuer and a corporation under its control	Subordinated debentures (Series J)	6910129	2,698,633	No
Joint investment trust fund management companies	Subordinated debentures (Series J)	6910129	2,905,438	No
Provident funds and provident fund management companies	Subordinated debentures (Series J)	6910129	50,884,667	No
Nostro account	Subordinated debentures (Series K)	6910137	40,000,000	No
Index products issuer and a corporation under its control	Subordinated	6910137	2,972,739	No

<i>control</i>	<i>debentures (Series K)</i>			
<i>Joint investment trust fund management companies</i>	<i>Subordinated debentures (Series K)</i>	<i>6910137</i>	<i>905,212</i>	<i>No</i>
<i>Index products issuer and a corporation under its control</i>	<i>Hybrid capital notes (Series A)</i>	<i>6910095</i>	<i>5,211,744</i>	<i>No</i>
<i>Joint investment trust fund management companies</i>	<i>Hybrid capital notes (Series A)</i>	<i>6910095</i>	<i>17,733,961</i>	<i>No</i>
<i>Provident funds and provident fund management companies</i>	<i>Hybrid capital notes (Series A)</i>	<i>6910095</i>	<i>55,494,382</i>	<i>No</i>

\* It should be noted whether these are dormant shares or securities convertible into dormant shares

4. ☐ The interested party does not hold shares or other securities in an investee company, if its activity is material in relation to the activity of the reporting Corporation
- ☒ The interested party holds shares or other securities in an investee company, if its activity is material in relation to the activity of the reporting Corporation, as set forth below.

**1**

Name of the investee company with material activity in relation to the activity of the reporting Corporation: *Discount Manpikim Ltd.*

Type of identity number: *Number with the Registrar*

Identity number: *520029935*

Country of incorporation or registration: *Incorporated in Israel* Country: \_\_\_\_\_

Nature of connection to the reporting Corporation: *Subsidiary*

Class of security: *Discount Man B1* Stock Exchange security registration number: *7480015*

Number of securities: *74,336,724* Holding of all securities of that class: *23.23%*

Holding of equity: *0%* Holding of voting: *0%*

**2**

Name of the investee company with material activity in relation to the activity of the reporting Corporation: *Discount Manpikim Ltd.*

Type of identity number: *Number with the Registrar*

Identity number: *520029935*

Country of incorporation or registration: *Incorporated in Israel* Country: \_\_\_\_\_

Nature of connection to the reporting Corporation: *Subsidiary*

Class of security: *Discount Man B2* Stock Exchange security registration number: *7480023*

Number of securities: *116,955,104* Holding of all securities of that class: *19.49%*

Holding of equity: *0%* Holding of voting: *0%*

**3**

Name of the investee company with material activity in relation to the activity of the reporting Corporation: *Discount Manpikim Ltd.*

Type of identity number: *Number with the Registrar*

Identity number: *520029935*

Country of incorporation or registration: *Incorporated in Israel* Country: \_\_\_\_\_

Nature of connection to the reporting Corporation: *Subsidiary*

Class of security: *Discount Man B5*

Stock Exchange security registration number: *7480031*

Number of securities: *95,189,891*

Holding of all securities of that class: *12.69%*

Holding of equity: *0%*

Holding of voting: *0%*

**4**

Name of the investee company with material activity in relation to the activity of the reporting Corporation: *Discount Manpikim Ltd.*

Type of identity number: *Number with the Registrar*

Identity number: *520029935*

Country of incorporation or registration: *Incorporated in Israel* Country: \_\_\_\_\_

Nature of connection to the reporting Corporation: *Subsidiary*

Class of security: *Discount Man B4*

Stock Exchange security registration number: *7480049*

Number of securities: *98,272,766*

Holding of all securities of that class: *15.05%*

Holding of equity: *0%*

Holding of voting: *0%*

**5**

Name of the investee company with material activity in relation to the activity of the reporting Corporation: *Discount Manpikim Ltd.*

Type of identity number: *Number with the Registrar*

Identity number: *520029935*

Country of incorporation or registration: *Incorporated in Israel* Country: \_\_\_\_\_

Nature of connection to the reporting Corporation: *Subsidiary*

Class of security: *Discount Man B7*

Stock Exchange security registration number: *7480064*

Number of securities: *55,095,879*

Holding of all securities of that class: *7.68%*

Holding of equity: *0%*

Holding of voting: *0%*

**6**

Name of the investee company with material activity in relation to the activity of the reporting Corporation: *Discount Manpikim Ltd.*

Type of identity number: *Number with the Registrar*

Identity number: *520029935*

Country of incorporation or registration: *Incorporated in Israel* Country: \_\_\_\_\_

Nature of connection to the reporting Corporation: *Subsidiary*

Class of security: *Discount Man B8*

Stock Exchange security registration number: *7480072*

Number of securities: *129,969,666*

Holding of all securities of that class: *15.26%*

Holding of equity: *0%*

Holding of voting: *0%*

**7**

Name of the investee company with material activity in relation to the activity of the reporting Corporation: *Discount Manpikim Ltd.*

Type of identity number: *Number with the Registrar*

Identity number: 520029935

Country of incorporation or registration: *Incorporated in Israel* Country: \_\_\_\_\_

Nature of connection to the reporting Corporation: *Subsidiary*

Class of security: *Discount Man N1*

Stock Exchange security registration number: 7480098

Number of securities: 47,762,327

Holding of all securities of that class: 3.81%

Holding of equity: 0%

Holding of voting: 0%

**8**

Name of the investee company with material activity in relation to the activity of the reporting Corporation: *Discount Manpikim Ltd.*

Type of identity number: *Number with the Registrar*

Identity number: 520029935

Country of incorporation or registration: *Incorporated in Israel* Country: \_\_\_\_\_

Nature of connection to the reporting Corporation: *Subsidiary*

Class of security: *Discount Man B9*

Stock Exchange security registration number: 7480106

Number of securities: 54,550,046

Holding of all securities of that class: 7.13%

Holding of equity: 0%

Holding of voting: 0%

**9**

Name of the investee company with material activity in relation to the activity of the reporting Corporation: *Mercantile Hanpakot Ltd.*

Type of identity number: *Number with the Registrar*

Identity number: 513686154

Country of incorporation or registration: *Incorporated in Israel* Country: \_\_\_\_\_

Nature of connection to the reporting Corporation: *Subsidiary*

Class of security: *Mercantile B1*

Stock Exchange security registration number: 1094101

Number of securities: 20,482,176

Holding of all securities of that class: 20.48%

Holding of equity: 0%

Holding of voting: 0%

**10**

Name of the investee company with material activity in relation to the activity of the reporting Corporation: *First International Issues Ltd.*

Type of identity number: *Number with the Registrar*

Identity number: 513141879

Country of incorporation or registration: *Incorporated in Israel* Country: \_\_\_\_\_

Nature of connection to the reporting Corporation: *Related company*

Class of security: *Intern Issue B2*

Stock Exchange security registration number: 1091164

Number of securities: 51,959,010

Holding of all securities of that class: 26.85%

Holding of equity: 0%

Holding of voting: 0%

**11**

Name of the investee company with material activity in relation to the activity of the reporting Corporation: *First International Issues Ltd.*

Type of identity number: *Number with the Registrar*

Identity number: *513141879*

Country of incorporation or registration: *Incorporated in Israel* Country: \_\_\_\_\_

Nature of connection to the reporting Corporation: *Related company*

Class of security: *Intern Issue B3* Stock Exchange security registration number: *1093681*

Number of securities: *57,985,329* Holding of all securities of that class: *22.48%*

Holding of equity: *0%* Holding of voting: *0%*

**12**

Name of the investee company with material activity in relation to the activity of the reporting Corporation: *First International Issues Ltd.*

Type of identity number: *Number with the Registrar*

Identity number: *513141879*

Country of incorporation or registration: *Incorporated in Israel* Country: \_\_\_\_\_

Nature of connection to the reporting Corporation: *Related company*

Class of security: *Intern Issue B4* Stock Exchange security registration number: *1103126*

Number of securities: *30,268,608* Holding of all securities of that class: *16.58%*

Holding of equity: *0%* Holding of voting: *0%*

**13**

Name of the investee company with material activity in relation to the activity of the reporting Corporation: *First International Issues Ltd.*

Type of identity number: *Number with the Registrar*

Identity number: *513141879*

Country of incorporation or registration: *Incorporated in Israel* Country: \_\_\_\_\_

Nature of connection to the reporting Corporation: *Related company*

Class of security: *Intern Issue B5* Stock Exchange security registration number: *1105576*

Number of securities: *80,704,019* Holding of all securities of that class: *10.99%*

Holding of equity: *0%* Holding of voting: *0%*

**14**

Name of the investee company with material activity in relation to the activity of the reporting Corporation: *First International Issues Ltd.*

Type of identity number: *Number with the Registrar*

Identity number: *513141879*

Country of incorporation or registration: *Incorporated in Israel* Country: \_\_\_\_\_

Nature of connection to the reporting Corporation: *Related company*

Class of security: <i>Intern Issue B6</i>	Stock Exchange security registration number: 1110279
Number of securities: 50,545,725	Holding of all securities of that class: 24.07%
Holding of equity: 0%	Holding of voting: 0%
<b>15</b>	
Name of the investee company with material activity in relation to the activity of the reporting Corporation: <i>First International Issues Ltd.</i>	
Type of identity number: <i>Number with the Registrar</i>	
Identity number: 513141879	
Country of incorporation or registration: <i>Incorporated in Israel</i> Country: _____	
Nature of connection to the reporting Corporation: <i>Related company</i>	
Class of security: <i>Intern Issue B7</i>	Stock Exchange security registration number: 1110428
Number of securities: 44,526,368	Holding of all securities of that class: 11.13%
Holding of equity: 0%	Holding of voting: 0%
<b>16</b>	
Name of the investee company with material activity in relation to the activity of the reporting Corporation: <i>First International Issues Ltd.</i>	
Type of identity number: <i>Number with the Registrar</i>	
Identity number: 513141879	
Country of incorporation or registration: <i>Incorporated in Israel</i> Country: _____	
Nature of connection to the reporting Corporation: <i>Related company</i>	
Class of security: <i>Intern Issue B20</i>	Stock Exchange security registration number: 1121953
Number of securities: 98,192,714	Holding of all securities of that class: 11.42%
Holding of equity: 0%	Holding of voting: 0%
<b>17</b>	
Name of the investee company with material activity in relation to the activity of the reporting Corporation: <i>First International Issues Ltd.</i>	
Type of identity number: <i>Number with the Registrar</i>	
Identity number: 513141879	
Country of incorporation or registration: <i>Incorporated in Israel</i> Country: _____	
Nature of connection to the reporting Corporation: <i>Related company</i>	
Class of security: <i>Intern Issue B21</i>	Stock Exchange security registration number: 1126598
Number of securities: 152,654,887	Holding of all securities of that class: 15.52%
Holding of equity: 0%	Holding of voting: 0%

## 5. Additional details

*1. To the best of the Bank's knowledge, Harel holds securities of investee companies of Discount Bank. Details will be presented in Immediate Report T077, regarding status of holdings of interested parties and senior officers, on the fifth trading day of the month.*

*2. Details regarding the Controlling Shareholders:*

*Yair Hamburger ID No. 007048671*

*Gideon Hamburger ID No. 007048663*

*Nurit Manor ID No. 051171312*

*The Controlling Shareholders hold some of their holdings directly, but the majority of their holdings is held through a company that they wholly own – G.Y.N. Financial Consulting & Management Ltd., Private Company No. 510179443.*

*3. The holdings that appear in this report under the name “Provident funds and provident fund management companies” (see section 3B above), include direct holdings of Harel’s provident funds and also holdings of one or more of the following partnerships: “Harel Amitim Israel Equities”, “Harel Amitim Linked Corporate Bonds” and “Harel Amitim Shekel Corporate Bonds”, wherever such holdings exist.*

**6.** The date and time when the Corporation first learned of the event or matter: *March 19, 2014 at 17:30*

*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: *March 2, 2014*

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

Name of Employing Company:

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***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.***