

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: August 10, 2016
Reference No.: 2016-01-100528

IMMEDIATE REPORT

Nature of the event: Immediate Report

Further to that stated in the Bank's Financial Report for the first quarter of 2016 (page 18 of the English translation), in regard to the transaction with Visa Europe, and in the immediate reports dated June 20 and 21, 2016 (reference nos. 2016-01-053166 and 2016-01-063289, respectively, the Bank is pleased to report as follows:

The division of the consideration for the Visa Europe transaction is being made, and will be made in the future, in accordance with an agreed division mechanism formulated by the Bank, Israel Credit Cards Ltd. ("ICC") and FIBI. The division mechanism has been approved by the competent organs of ICC and, in the coming days, will be brought before the competent organs of ICC, the Bank and FIBI for the necessary approvals to be completed.

The transaction is expected to contribute NIS 178 million (directly and indirectly) to Discount Group's net profit in the second quarter of 2016.

It should be noted that the aforesaid is presented solely as an update regarding the division of the extraordinary income arising from the Visa transaction.

ICC's contribution to the Bank's profits in the second quarter of 2016 amounts to NIS 123 million in total. For the full picture of ICC's profits in the second quarter of 2016, reference should be made to ICC's financial statements that are being published today.

See Attachment N/A

☐ The Company is a shell company as defined in the TASE Code

The date when the Corporation first learned of the event: August 9, 2016 at 17:00

The report has been signed on behalf of the Corporation pursuant to Regulation 5 of the Securities Regulations (Periodic and Immediate Reports), 5730-1970 by Joseph Beressi, Senior Executive Vice President and Controller-Chief Accountant, and Yuval Gavish, Senior Executive Vice President, Head of the Banking Division.

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

2016-01-053166 2016-01-063289

The securities of the Corporation are listed for trade on the Tel Aviv Stock Exchange Date of updating structure of form: July 26, 2016

Abbreviated name: Discount

Address: 23 Yehuda Halevi St., Tel Aviv 6513601, Israel Tel: 972-3-5145582; 972-3-5145544; Fax: 972-3-5171674

Email: michal.sd@discountbank.co.il

Prior names of the reporting entity:

Name of person making electronic report: Sokolov-Danoch, Michal Position: Corporate Secretary Name of Employing Company:

Address: 23 Yehuda Halevi St., Tel Aviv 6513601, Israel Tel: 972-3-5145582; Fax: 972-3-5171674 Email: michal.sd@discountbank.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.