

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

T053 (Public) Magna transmission date: September 3, 2019
Reference No.: 2019-01-077025

Immediate Report Regarding Event or Matter Not in the Ordinary Course of Business of the Corporation **Regulation 36 of the Securities Regulations (Periodic and Immediate Reports), 5730-1970**

Report regarding: ☐ Report whose submissions was delayed

Nature of the event: Immediate Report

1. *Further to that stated in the Quarterly Report of Israel Discount Bank Ltd. ("the Bank") for the second quarter of 2019 (page 115; page 120 of the English translation) and in the Immediate Report from August 29, 2019, in connection with the Merger Agreement, within the framework of which Municipal Bank Ltd. ("Municipal Bank") is to be merged with and within Mercantile Discount Bank Ltd. ("MDB"), a wholly-owned subsidiary of the Bank, subject to fulfillment of the conditions precedent prescribed in the Merger Agreement, the Bank is pleased to report that approval has been received from the Banking Supervision Department for the merger in accordance with the terms prescribed by the Competition Authority.*

Closure of the merger transaction is subject to the fulfillment of additional conditions whose fulfillment is not certain.

2. The date and time when the Corporation first learned of the event or matter:

☒ September 2, 2019 at 18:30

☐ _____

Report that was delayed in accordance with Regulation 36(b):

3. If the report was delayed – the reason for its submission having been delayed

4. On _____ at _____, the obstacle preventing submission of the report was removed.

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

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 Esther Deutsch, Senior Executive Vice President and Head of Group Management and Regulation Division and by Ziv Biron, Executive Vice President and Head of Planning, Strategy and Finance Division.

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

2018-01-107985 2019-01-075288

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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:

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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.