Israel Discount Bank Ltd.

March 1, 2009

Israel Securities Authority   The Tel Aviv Stock Exchange

Via "MAGNA"   Via "MAGNA"

Re: **Immediate Report**

Israel Discount Bank Ltd. (hereinafter: "**the Bank**") announces as follows:

According to preliminary assessments and estimates of the results of the Discount Group for the fourth quarter of 2008, the Bank estimates that the results for this quarter may amount to a loss of between NIS 70 million and NIS 120 million. Accordingly, the results of the Discount Group for the whole of 2008 may amount to a net profit of between approximately NIS 300 million and NIS 250 million.

The above stems, among other things, from the continued financial global crisis, the decline in price of securities on the capital markets in Israel and abroad, and the effect of all of these on the Discount Group, including write-offs in respect of the Bank's non-financial investments; the effect on the value of the Bank's "Nostro" investments; the increase in the provision for doubtful debts; losses on deposits for employee severance pay; the effect of fair value of derivative financial instruments and the damage to the business results of investee companies.

It is noted that the said assessments and estimates constitute a forward looking statement. The Bank is still in the midst of collecting and processing the financial data and preparing the annual financial statements. The assessments and estimates mentioned above are based upon data which is preliminary, not final and in many cases even incomplete, which is currently held by the Bank. Economic developments that may occur until the date of approval of the financial statements and events that are unknown at the present time, may affect the volume of required provisions, whether in respect of credit granted or in respect of securities. In addition, data which has not yet reached the Bank, including financial statements of certain investee companies, may have a material effect upon the results. All these matters might cause the actual results to differ from those estimated as above.