



NOTICE TO SHAREHOLDERS:

Notice is hereby given that an Extraordinary General Meeting of Shareholders of A' Ordinary Shares of Israel Discount Bank Ltd. (the "Bank") will be held on Tuesday, December 15, 2009 at 1:00 P.M. at 23 Yehuda Halevi Street, Tel-Aviv (17th Floor). An adjourned meeting, if necessary, will be held on Wednesday, December 16, 2009, at the same time and place.

A g e n d a

To increase the registered share capital of the Bank by 111,000,000 Ordinary "A" shares of NIS 0.1 n.v. each, and to amend the Memorandum and Articles of Association of the Bank accordingly.

1. The matters stated in the Agenda shall be decided by an ordinary majority of votes of holders of Ordinary A' shares voting at the meeting in person or by proxy and entitled to vote thereon, not taking abstentions into account.
2. The Record Date fixed for determining the right of shareholders to participate and vote at the meeting pursuant to Section 182 (b) of the Companies Law 5759-1999, is December 8, 2009 ("**Record Date**").
3. A shareholder whose shares are held through a Member of the Stock Exchange (hereinafter, "Member"), and the said shares are registered in the Shareholders Register in the name of a Nominee Company, may vote at the meeting upon delivering to the Bank a Confirmation from the Member as to his ownership of the shares on the Record Date, pursuant to Form 1 which is an addendum to the Companies Regulations (Proof of Share Ownership for the Purpose of Voting at a General Meeting), 5760-2000.
4. A shareholder whose shares are registered with a Member may receive the Confirmation of Ownership from the Member through whom he holds his shares, at a branch of the Member or by mail to his address upon payment of a delivery charge, if so requested. The said request is to be given in advance to the specific security account.
5. A shareholder is authorized to participate and to vote at the Meeting, either personally or by proxy, and, in the case of a corporation, by a duly authorized representative. An instrument of appointment shall be in writing and signed by the shareholder making the appointment or by his attorney, or, if such shareholder is a corporation, under its common seal or the hands of its attorney. The instrument appointing a proxy shall be deposited at the registered office of the Bank not less than 48 hours before the time for the holding of the Meeting. The instrument of appointment shall be in the form stated in the Articles of Association of the Bank or corresponding thereto as far as possible. The instrument of appointment shall not be effective after more than twelve months from the date of its signing.

The text of the proposed resolution to be brought for approval at the Meeting will be available at the Office of the Secretary of the Bank, 23 Yehuda Halevi Street, Tel-Aviv, telephone no. 972-3-5145582, during regular business hours, from the date of publication of this notice.

The text of the proposed resolution may also be found on the MAGNA site of the Israel Securities Authority, www.magna.isa.gov.il.

THE BOARD OF DIRECTORS

December 1, 2009