

# 2024 REVIEW

## Financial Highlights

Investor Relations

March 11, 2025



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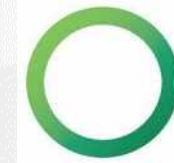
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# 2024 – DELIVERING ROBUST PERFORMANCE



## NET INCOME

**4,281<sub>M</sub>**

## ROE

**14.2%**

## EFFICIENCY RATIO

**52.1%**

Banking in  
Israel \*

**3,648<sub>M</sub>**

**16.9%**

**44.1%**

## TOTAL EQUITY

**33.1<sub>BN</sub>**

## DIVIDEND PAYOUT + SHARE BUYBACK

**30% + 10%**

## NII CHANGE

YoY

**-0.9%**

## CREDIT GROWTH

YoY

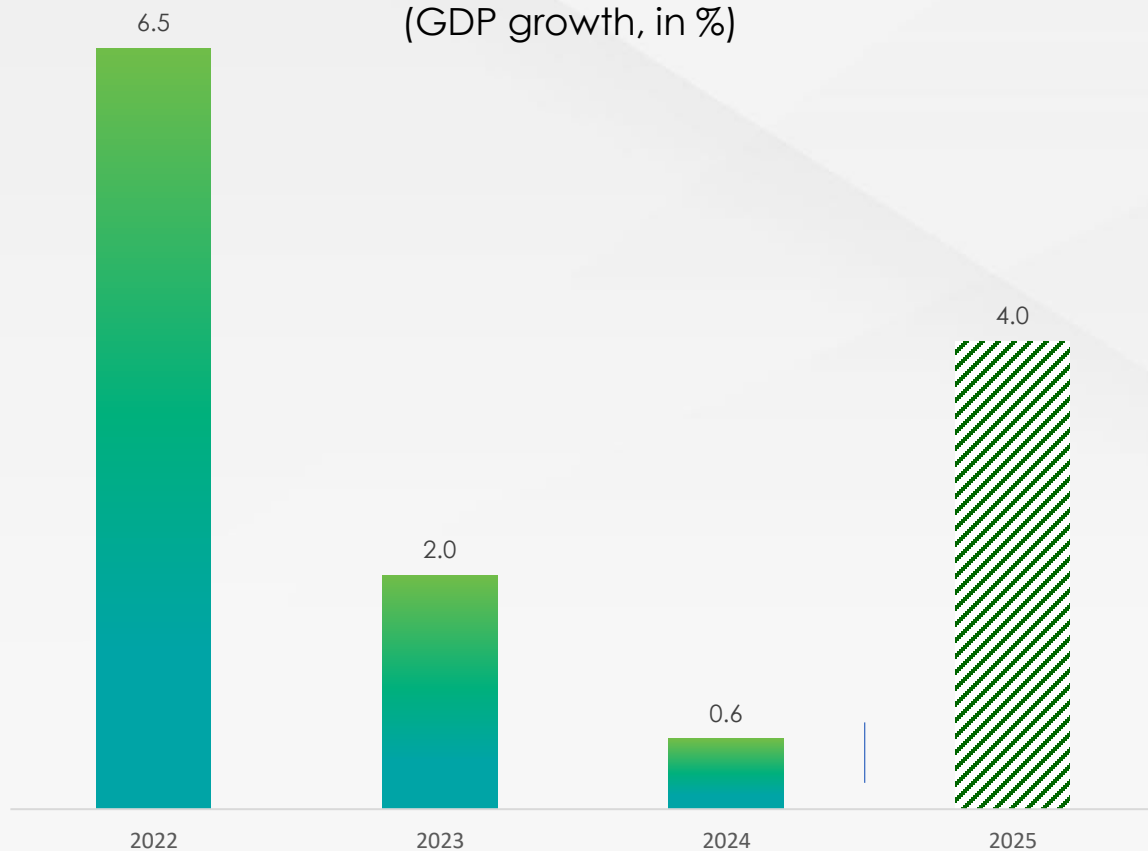
**8.0%**

\* Consolidated figures for banking operations of Discount & Mercantile

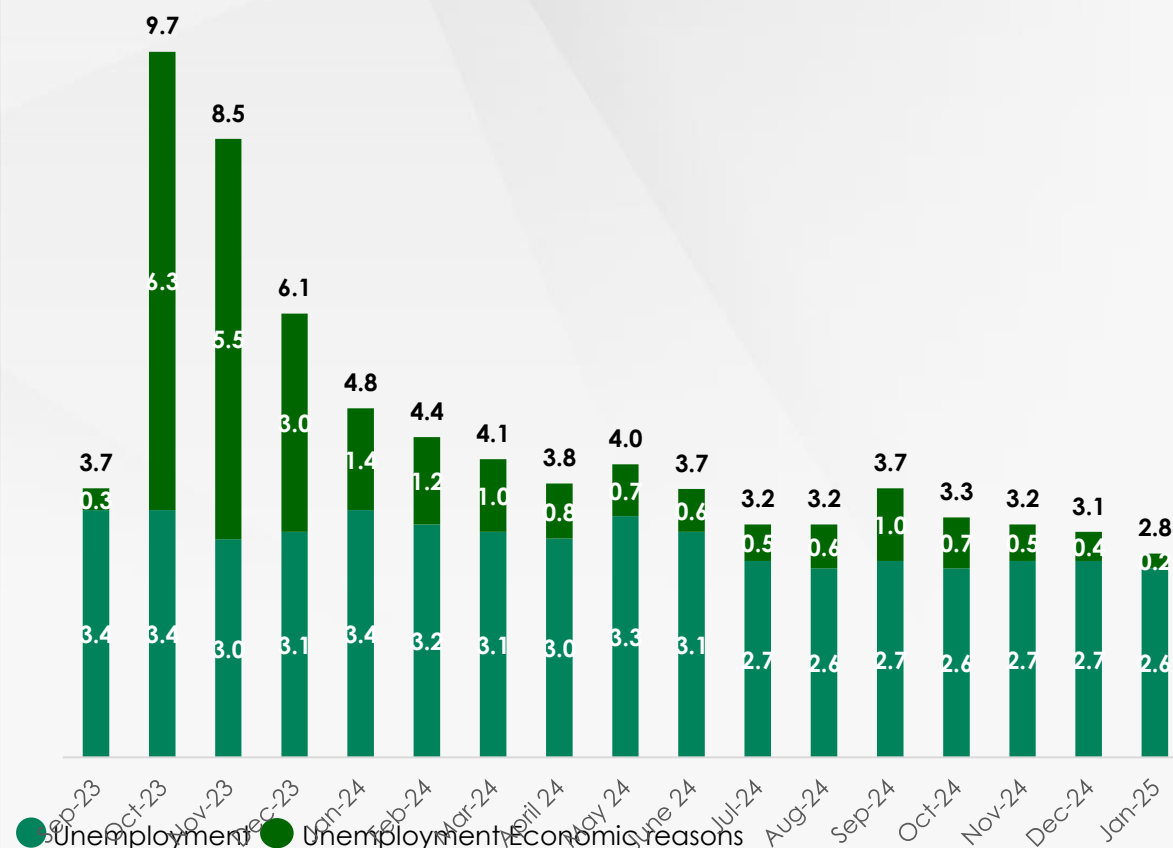


# THE ECONOMY IS AT FULL EMPLOYMENT GDP GROWTH IS EXPECT TO RECOVER IN 2025

The war has impacted GDP growth in 2024,  
with recovery anticipated in 2025  
(GDP growth, in %)



Job market shows resilience and strength  
(%)





# BOI RATE SLOWLY DECREASING INFLATION IS EXPECTED TO CONVERGE WITHIN LIMITS

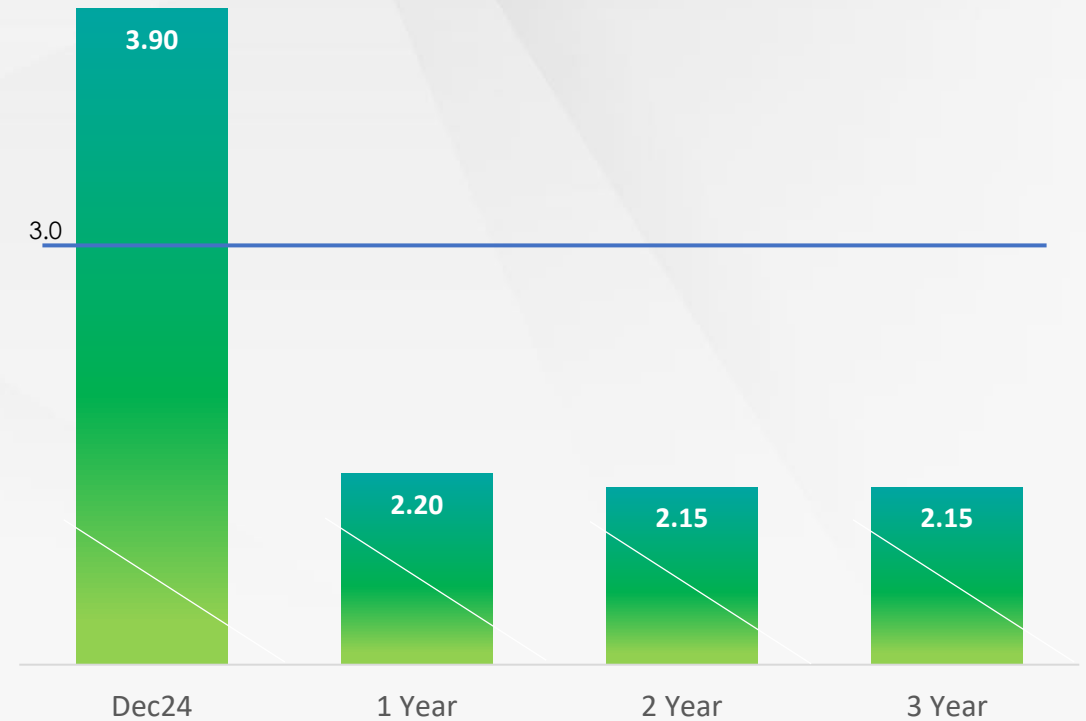
## Bank of Israel holds Interest Rate – Slow Decrease

(Market Expectations for BoI Rate at end of 2025 on specific dates, %)



## Inflation is Projected to Converge within BoI Middle Range

(Israel Inflation - CPI Forwards, %)





# 4Q24 FINANCIAL HIGHLIGHTS



- **Net income reaches NIS 1,049m and ROE of 13.4% in 4Q24**, despite NII decline amid flat CPI which reduced income by NIS330m.
- **Significant Reduction in Collective Allowance Provision**, driven by provision reversals. Credit loss expenses ratio stood at 0.12%. Non-Performing Loans (NPL) out of total credit continue to decrease to 0.61% in 4Q24, compared with 0.91% in 4Q23.
- **Strong Credit growth**: Total credit grew by 1.6% QoQ and 8.0% YoY, with corporates growing by 3.5% QoQ and mortgage balance by 1.4%.
- **Flat CPI impacts NII, While Financing income from current operations grows in 1.5%**: NII decreased in 4Q24 by 9.6% QoQ, contributed to the flat CPI that reduced income by NIS 330m QoQ . Financing income from current operations increased by 1.5% driven by growth of the loan book : Net Interest Margin (NIM) reduced with effect of CPI to 2.63% compared with 3.06% in 3Q24.
- **Efficiency Ratio in 2024 reached 52.1% and 46.9% w/o CAL**, efficiency Ratio for 4Q24 increased to 55.5%.
- **The Bank announces a Dividend Payout of 30% and a share buyback of 10% of the net profit** amounting to a total of 40% of the net profit for 4Q24.

Adjusted 4Q24	Net Income	ROE	Cost-Income Ratio	Credit Loss Expenses Ratio	Adjusted 2024	Net income	ROE	Cost-Income Ratio	Credit Loss Expenses Ratio
	NIS 1,049 m	13.4%	55.5%	0.12%		NIS 4,281 m	14.2%	52.1%	0.26%
	3Q24: NIS 1,137 m; 4Q23: NIS 919 m	3Q24: 14.9%; 4Q23: 13.2%	3Q24: 49.1%; 4Q23: 53.4%	3Q24: 0.40%; 4Q23: 0.59%		2023: NIS 4,192 m	2023: 15.7%	2023: 49.6%	2023: 0.59%
Adjusted 4Q24	Net Income	ROE	Cost-Income Ratio	Credit Loss Expenses Ratio	Adjusted 2024	Net income	ROE	Cost-Income Ratio	Credit Loss Expenses Ratio
	NIS 1,079 m	13.8%	54.2%	0.12%		NIS 4,463 m	14.8%	51.8%	0.26%
	3Q24: NIS 1,198 m; 4Q23: NIS 821 m	3Q24: 15.7%; 4Q23: 11.8%	3Q24: 49.4%; 4Q23: 55.2%	3Q24: 0.40%; 4Q23: 0.59%		2023: NIS 4,026 m	2023: 15.1%	2023: 50.5%	2023: 0.59%

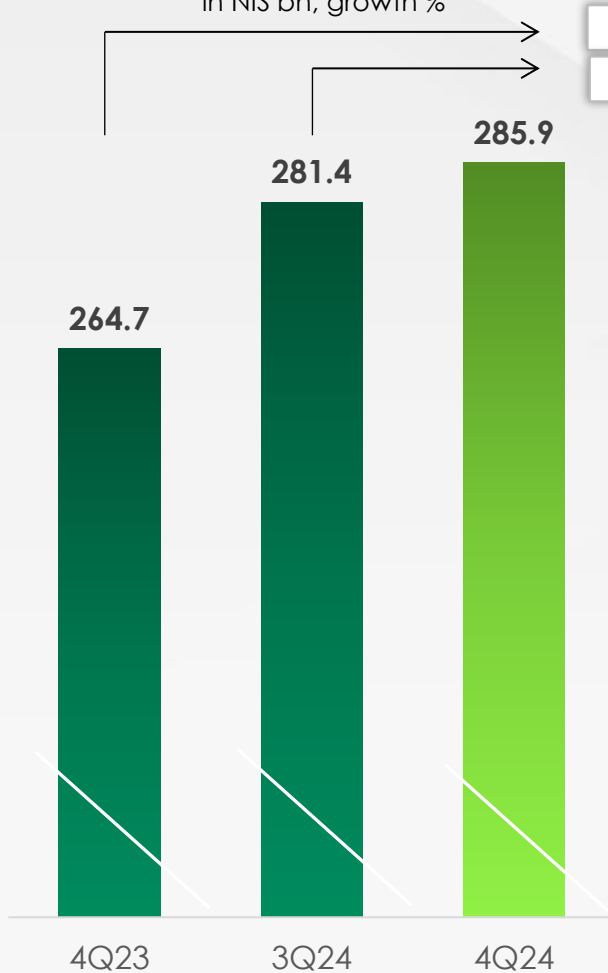


# ROBUST CREDIT GROWTH DRIVEN BY THE CORPORATE SEGMENT

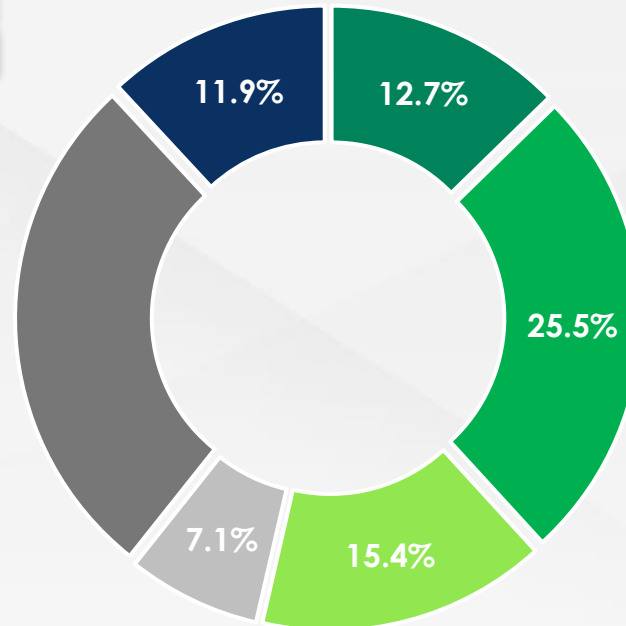


## Total Credit

in NIS bn; growth %



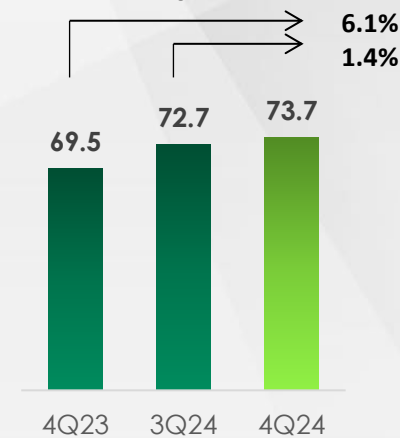
## Well Balanced Loan Book



- International
- Consumer & Private
- Corporate enterprises
- Medium Enterprises
- Mortgages
- Small & minute Businesses

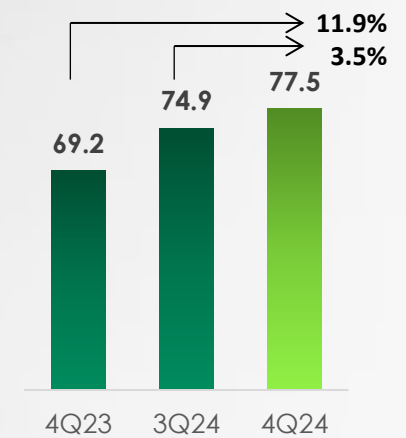
## Mortgages

in NIS bn; growth %



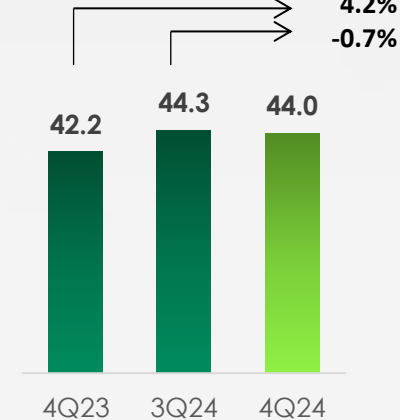
## Corporates

in NIS bn; growth %



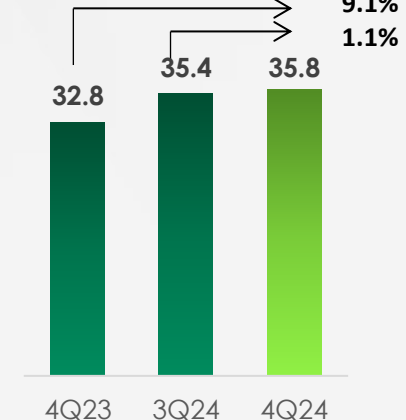
## Small businesses

in NIS bn; growth %



## Households

in NIS bn; growth %



Excl. Mortgages



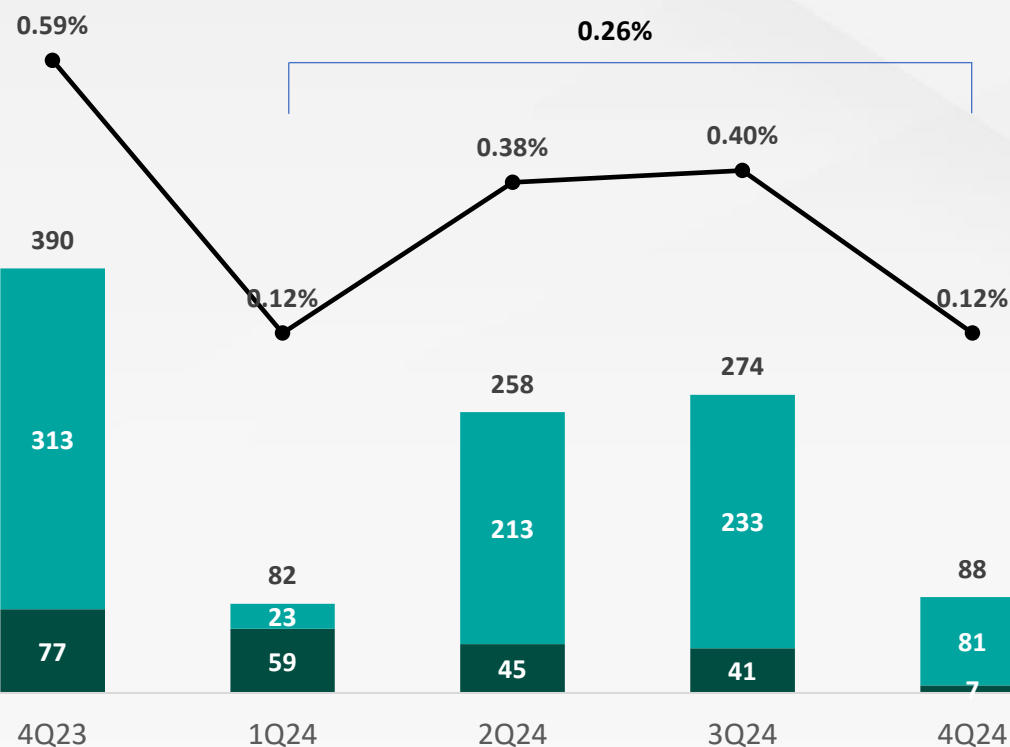
# CREDIT LOSS EXPENSES & NPL RATIO

## REVERT TO PRE-WAR LEVELS

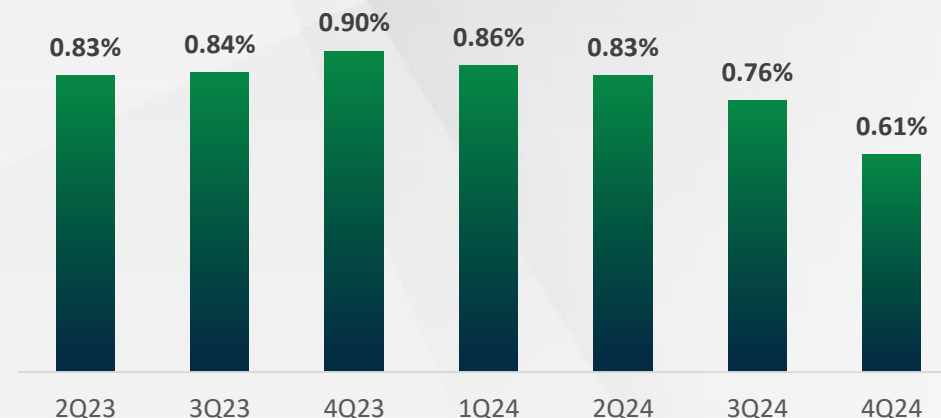


**Credit Loss Provision decreased due to Reversal of Collective Allowances Provisions**

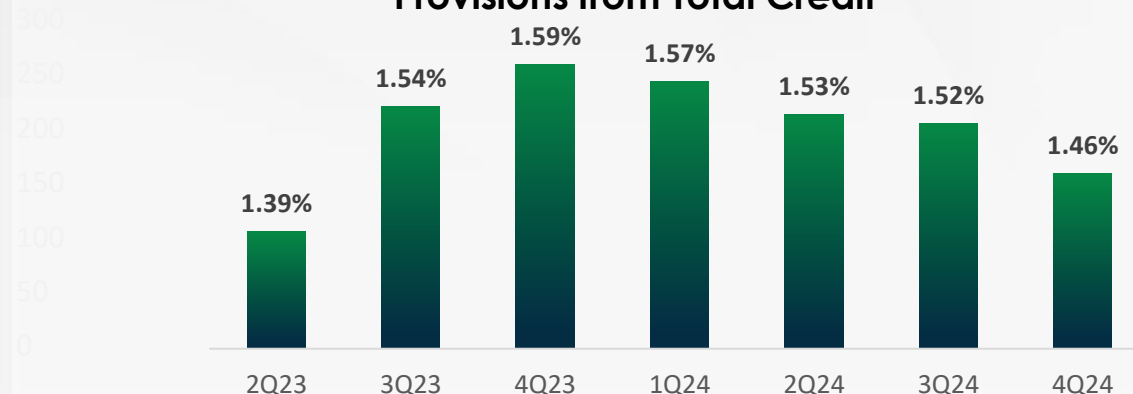
**To reflect improvements in macroeconomic parameters and the financial condition of borrowers**  
(in NIS m and %)



**NPL/Total Credit\* Ratio Returns to Pre-War Levels**



**Allowance for Loan Loss Provisions from Total Credit\*\***

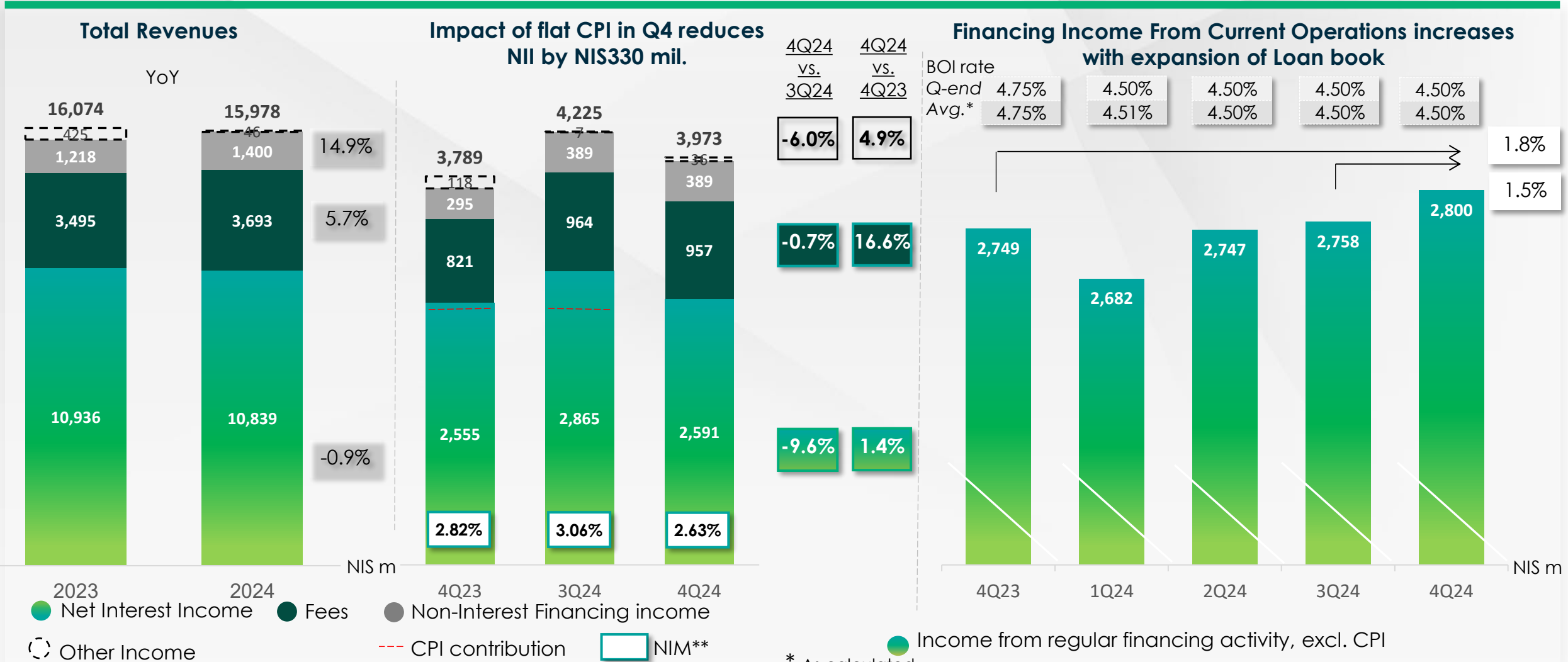


\* NPL: percent of non accrual from gross total credit.

\*\* Calculated as percent of Loan Loss Provisions from total credit.



# INCREASE IN RECURRING REVENUES IN 2024 DRIVEN BY LOAN BOOK EXPANSION



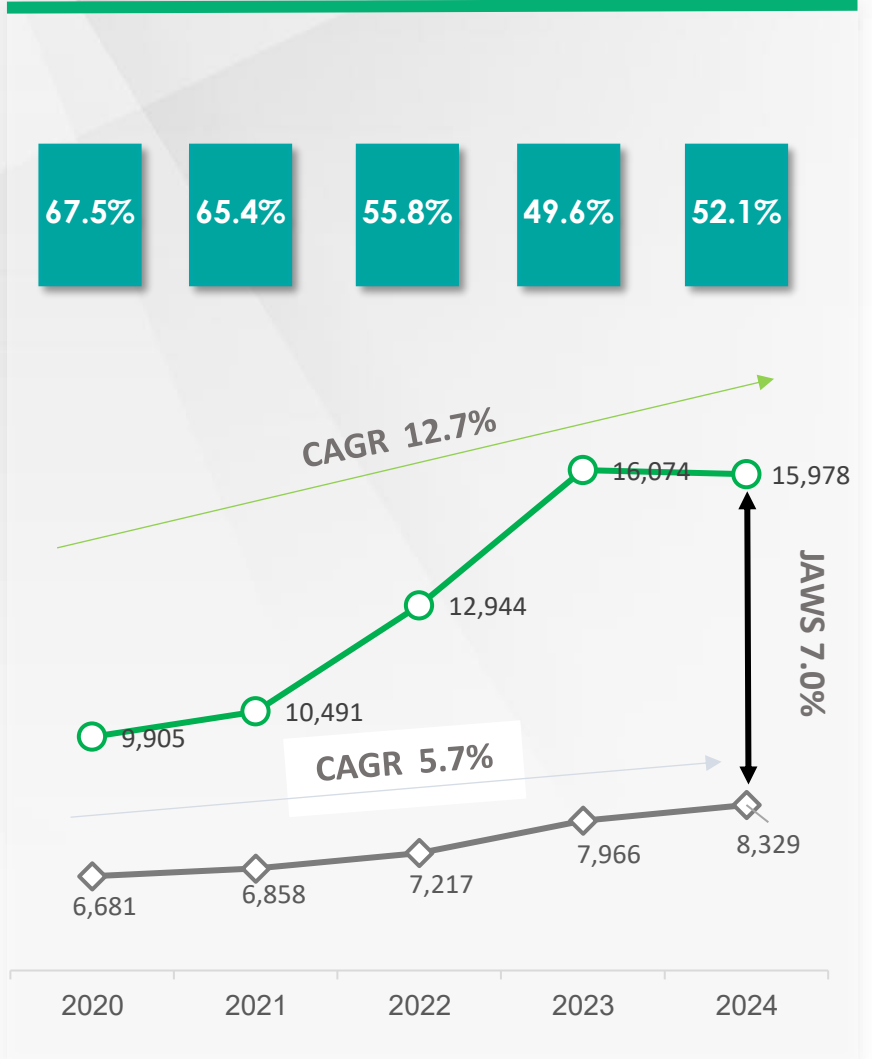
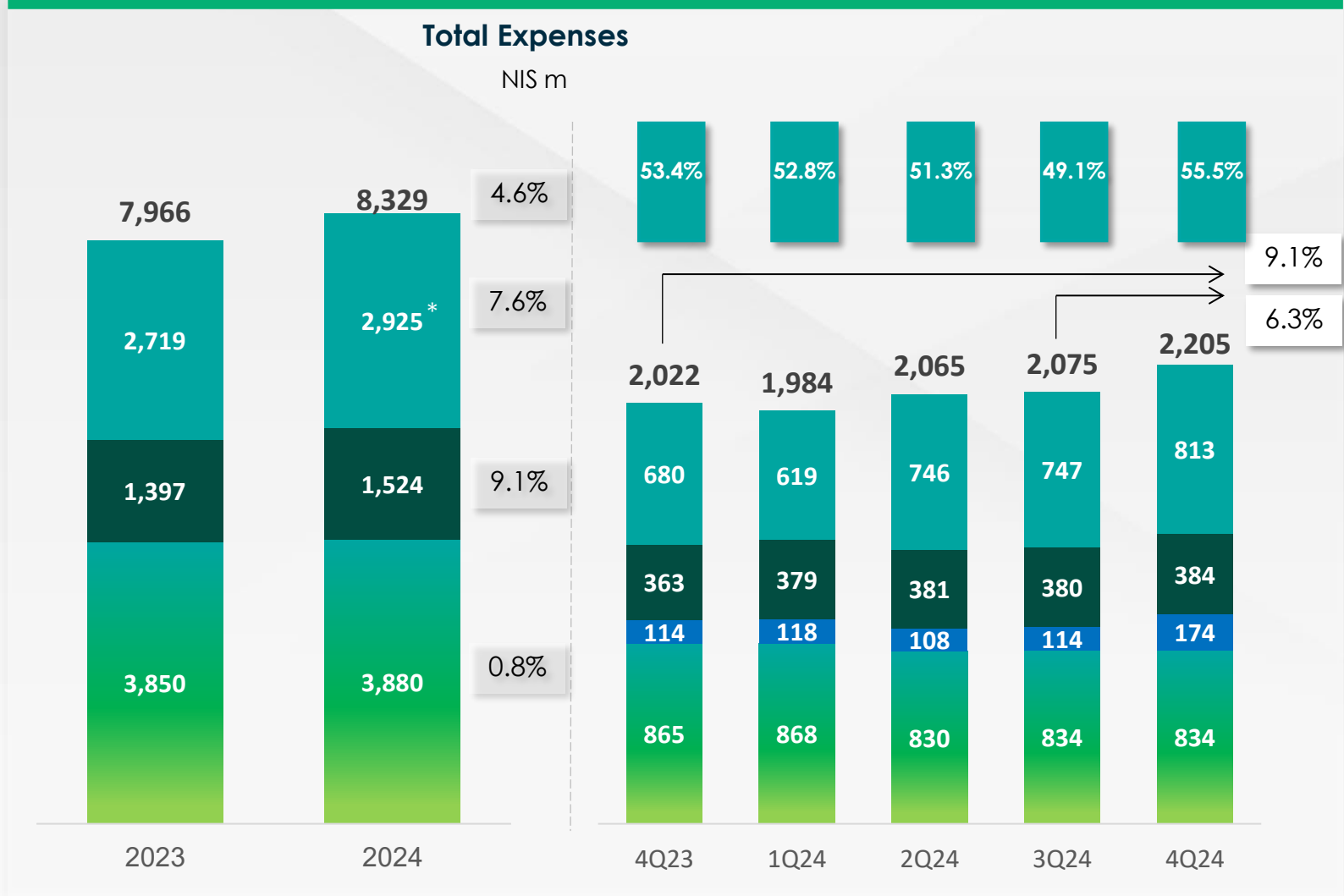
\* As calculated

\*\* Net yield on interest bearing assets

Financing Income from current operations is total net financing income excluding various items, such as CPI effect, net profit from realization and fair value adjustments, profit or loss from investments in shares, exchange rates differences, net profit on the sale of loans



# SALARY EXPENSES ARE CONTAINED, INCREASE IN OTHER-COSTS ARE LINKED TO CLEARING FEES IN CAL

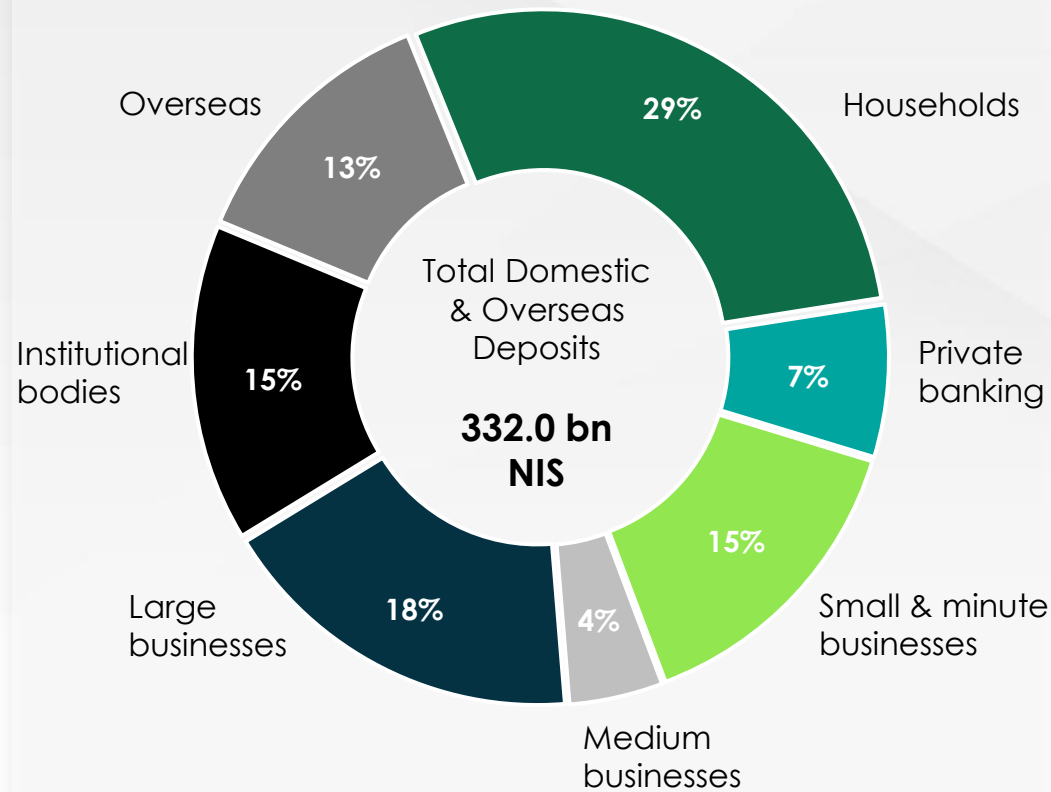




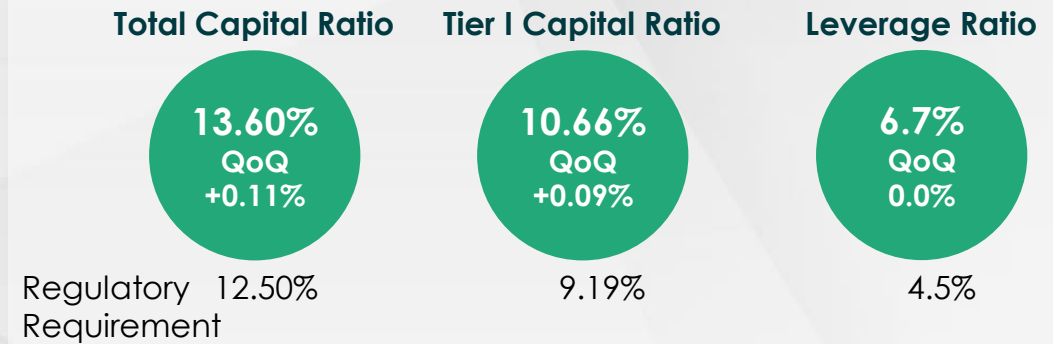
# ROBUST AND DIVERSIFIED FUNDING BASE WITH STRONG CAPITAL RATIO



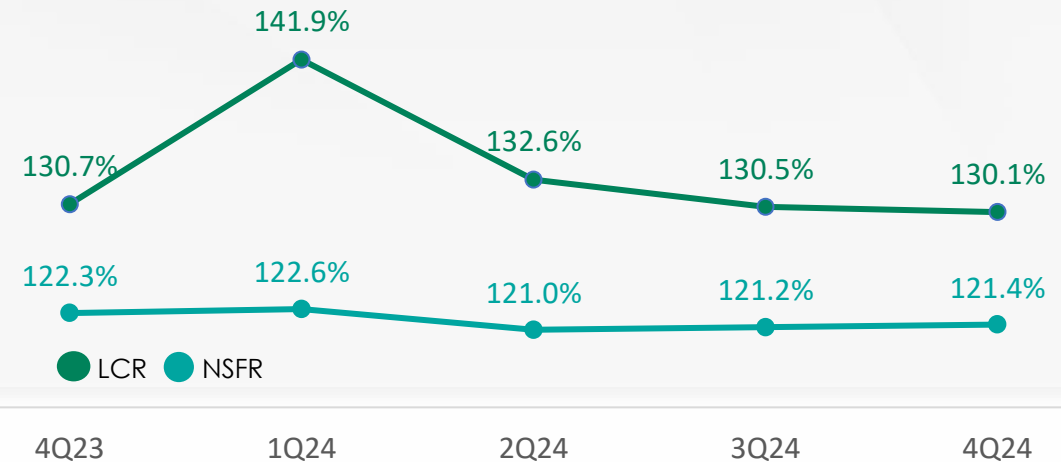
Diversified domestic public deposit base  
with high share of households deposits



Capital ratio well above the regulatory requirement

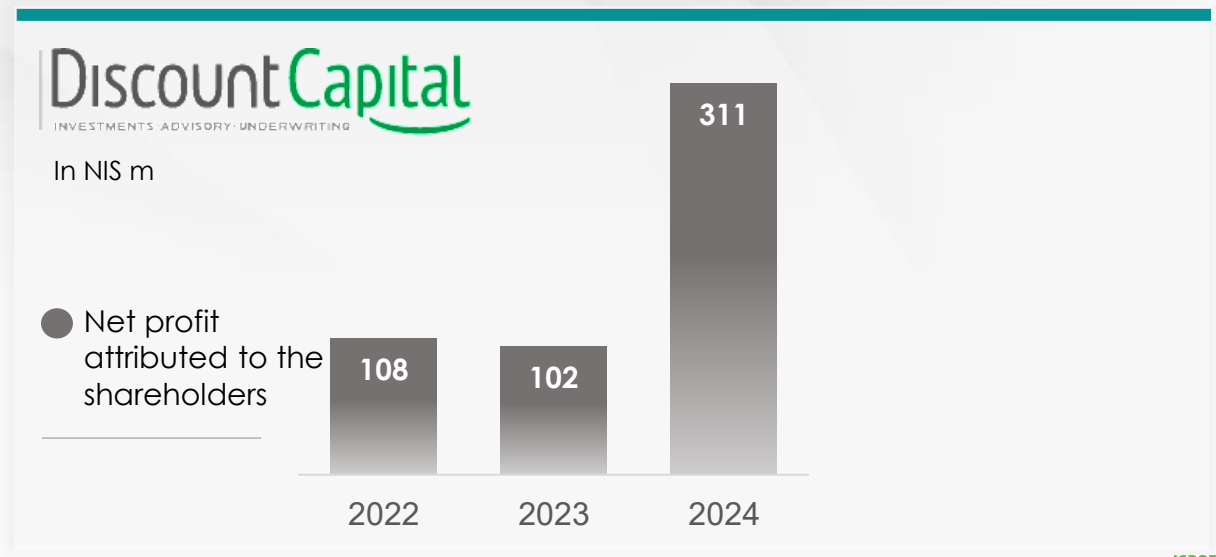
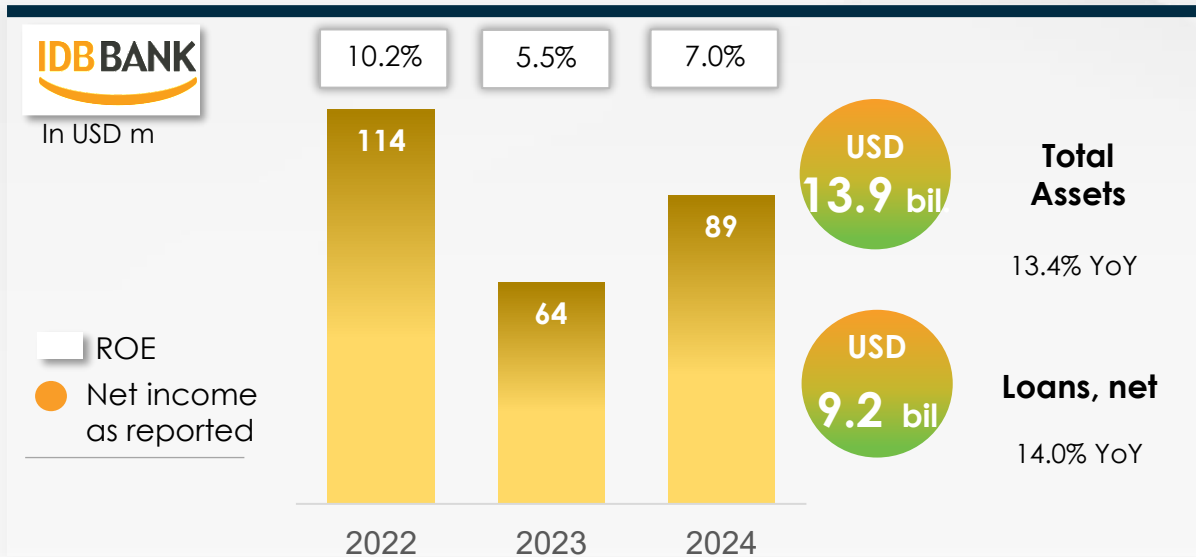
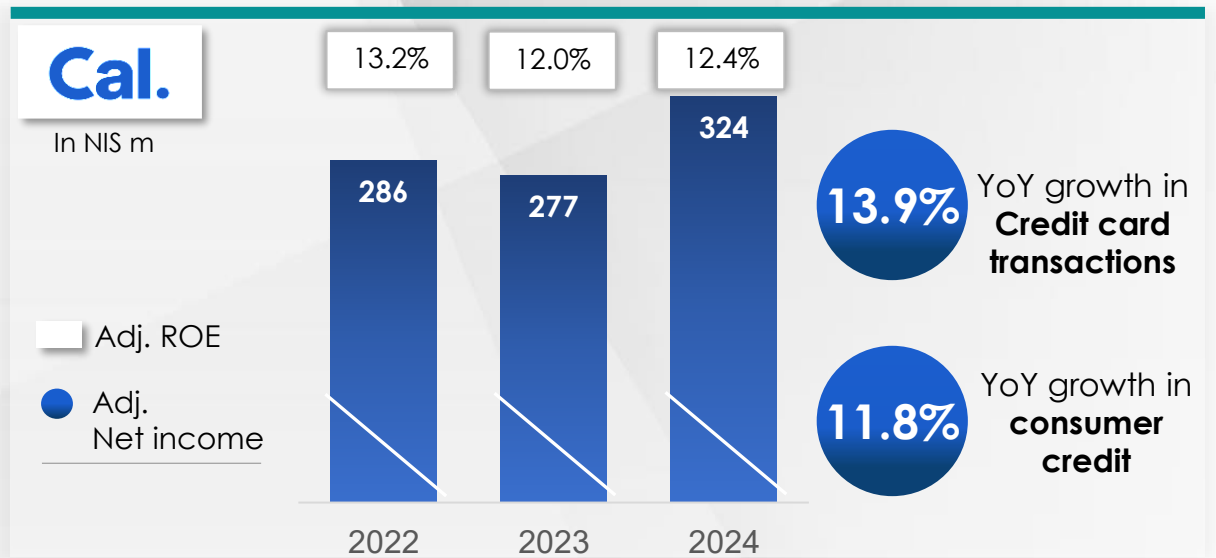
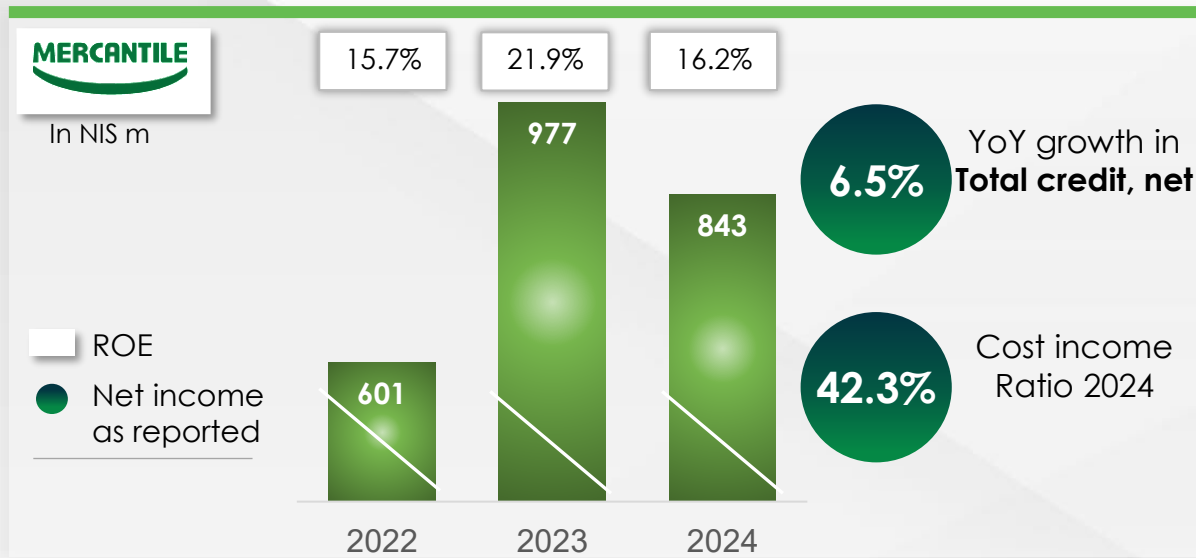


Maintaining solid LCR And NSFR well above  
the regulatory requirement (100%)





# CONTRIBUTION TO PROFIT FROM KEY SUBSIDIARIES





# TO SUMMARIZE



- ✦ **Robust & continuous strong results for 2024**, with **net income of 4.3** bil NIS, and **ROE of 14.2%**.
- ✦ **Responsible yet strong credit growth** continues the momentum, with asset quality improving – Credit growth of 8.0% in 2024, growth across all segments.
- ✦ **Credit loss provisions:** Collective allowances were reduced to reflect improvements in macroeconomic parameters and the financial condition of borrowers. Specific provisions decreased to 7m NIS, and NPL ratio returned to pre-war level of 0.61% with a sufficient allowance standing at 1.46%.
- ✦ **Expenses** are in main focus, with restrained salary expenses and other-expenses growth linked to the expanding clearing activity of CAL.
- ✦ **The Bank announces a Dividend Payout of 30% and a share buyback of 10% of the net profit** amounting to a total of 40% of the net profit for 4Q24.



# APPENDICES



# ISRAEL DISCOUNT BANK: P&L AND SELECTED RATIOS

NIS m	4Q24	3Q24	4Q23	vs.3Q24	vs.4Q23	2024	2023	change
Net interest income	2,591	2,865	2,555	(9.6%)	1.4%	10,839	10,936	-0.9%
Credit loss expenses	88	274	390	(67.9%)	(77.4%)	702	1,502	-53.3%
Non-interest financing income	389	389	295	-	31.9%	1,400	1,218	14.9%
Commissions	957	964	821	(0.7%)	16.6%	3,693	3,495	5.7%
Other income	36	7	118		(69.5%)	46	425	-89.2%
Total non-interest income	1,382	1,360	1,234	1.6%	12.0%	5,139	5,138	0.0%
<b>Total income</b>	<b>3,973</b>	<b>4,225</b>	<b>3,789</b>	<b>(6.0%)</b>	<b>4.9%</b>	<b>15,978</b>	<b>16,074</b>	<b>-0.6%</b>
Salaries and related expenses	1,008	948	979	6.3%	3.0%	3,880	3,850	0.8%
Maintenance & depreciation	384	380	363	1.1%	5.8%	1,524	1,397	9.1%
Other expenses	813	747	680	8.8%	19.6%	2,925	2,719	7.6%
<b>Total operating and other expenses</b>	<b>2,205</b>	<b>2,075</b>	<b>2,022</b>	<b>6.3%</b>	<b>9.1%</b>	<b>8,329</b>	<b>7,966</b>	<b>4.6%</b>
Income before taxes	1,680	1,876	1,377	(10.4%)	22.0%	6,947	6,606	5.2%
Provision for taxes on income	616	724	470	(14.9%)	31.1%	2,629	2,316	13.5%
Income after taxes	1,064	1,152	907	(7.6%)	17.3%	4,318	4,290	0.7%
<b>Net income attributable to shareholders</b>	<b>1,049</b>	<b>1,137</b>	<b>919</b>	<b>(7.7%)</b>	<b>14.1%</b>	<b>4,281</b>	<b>4,192</b>	<b>2.1%</b>
ROE	13.4%	14.9%	13.2%			14.2%	15.7%	
Cost income ratio	55.5%	49.1%	53.4%			52.1%	49.6%	
CET-1 ratio	10.66%	10.57%	10.71%			10.66%	10.71%	
NIM	2.63%	3.06%	2.82%			2.92%	3.08%	
Rate of credit loss expenses	0.12%	0.40%	0.59%			0.26%	0.59%	
NPL ratio	0.61%	0.76%	0.90%			0.61%	0.90%	
Dividend per share (in Agurot)*	25.53	27.60	14.86					

\* Dividend in respect of the relevant period





# ISRAEL DISCOUNT BANK: ADJUSTMENTS TO P&L

NIS, m

	4Q24	3Q24	4Q23
<b>Reported net income</b>	<b>1,049</b>	<b>1,137</b>	<b>919</b>
Profit from the sale of rights in Visa Europe	-	(18)	(97)
Special Income Tax	6	74	-
Effect of Settlement	6	5	-
Provisions stemming from the separation of ICC	18		(1)
Effect of change in VAT		-	
<b>Adjusted net income</b>	<b>1,079</b>	<b>1,198</b>	<b>821</b>



## ISRAEL DISCOUNT BANK: SELECTED BALANCE SHEET ITEMS

NIS m	31.12.24	30.9.24	31.12.23
Cash and deposits with banks	62,584	57,096	49,364
Securities	67,634	67,217	59,268
Securities borrowed or purchased under agreements to resell	1,000	1,155	851
Credit to the public	285,898	282,106	264,692
Provision for credit losses	(4,168)	(4,285)	(4,214)
Credit to the public, net	281,730	277,821	260,478
Credit to governments	2,366	2,758	3,073
Investment in investee companies	502	493	471
Buildings and equipment	4,721	4,625	4,535
Intangible assets and goodwill	160	161	161
Assets in respect of derivative instruments	9,610	9,176	11,106
Other assets	6,233	6,420	6,417
<b>Total Assets</b>	<b>436,540</b>	<b>426,922</b>	<b>395,724</b>
Deposits from the public	331,999	323,593	297,597
Deposits from banks and governments	7,792	8,158	11,404
Securities borrowed or sold via repo agreements*	14,264	13,710	12,642
Bonds and subordinated debt notes	20,035	20,768	15,491
Liabilities in respect of derivative instruments	8,812	7,846	10,469
Other liabilities	20,553	20,807	18,883
<b>Total liabilities</b>	<b>403,455</b>	<b>394,882</b>	<b>366,486</b>
Equity capital attributed to the Bank's shareholders	31,569	31,211	28,474
Non-controlling rights in consolidated companies	1,516	829	764
Total equity	33,085	32,040	29,238
<b>Total Liabilities and Equity</b>	<b>436,540</b>	<b>426,922</b>	<b>395,724</b>



# MERCANTILE: FINANCIAL PERFORMANCE

Main P&L and Balance Sheet metrics and selected ratios

NIS m	4Q24	3Q24	4Q23	Vs. 3Q24	Vs. 4Q23
Net interest income	524	588	536	(10.9%)	(2.2%)
Non-interest income	100	93	209	7.5%	(52.2%)
Total income	624	681	745	(8.4%)	(16.2%)
Operating & other expenses	289	262	252	10.3%	14.7%
<b>Net income</b>	<b>208</b>	<b>226</b>	<b>285</b>	<b>(7.9%)</b>	<b>10.6%</b>
Return on equity	15.00%	17.10%	23.8%		
Cost-income ratio	46.30%	38.50%	33.8%		
Rate of credit loss expenses	0.19%	0.46%	0.76%		
NIM	3.26%	3.71%	3.64%		
Total assets	66,509	67,843	63,789	(2.0%)	4.3%
Credit to the public, net	48,666	48,381	45,678	0.6%	6.5%
Securities	8,496	8,506	7,410	(0.1%)	14.7%
Deposits from the public	53,159	54,654	50,306	(2.7%)	5.7%
Total equity	5,733	5,480	4,977	4.6%	15.2%

2024	2023	Change
2,220	2,284	(2.8%)
403	533	(24.4%)
2,623	2,817	(6.9%)
1,110	1,048	5.9%
<b>843</b>	<b>977</b>	<b>(13.7%)</b>
16.2%	21.9%	
42.3%	37.2%	
0.39%	0.70%	
3.55%	3.75%	



# IDBBANK: FINANCIAL PERFORMANCE

Main P&L and Balance Sheet metrics and selected ratios



USD m	4Q24	3Q24	4Q23	Vs. 3Q24	Vs. 4Q23
Net Interest Income	86	82	80	5.4%	7.5%
Non-Interest income (Expenses)	19	20	(10)	N/A	N/A
Total Income	105	102	70	3.2%	50.0%
Operating & Other Expenses	73	72	77	1.4%	(5.2%)
<b>Net Income</b>	<b>30</b>	<b>21</b>	<b>(5)</b>	<b>40.2%</b>	<b>(700.0%)</b>
Return on Equity	9.1%	6.7%	(1.8%)	35.8%	(605.6%)
Cost-Income Ratio	69.8%	70.6%	110.0%	(1.1%)	(36.5%)
Credit Loss Expenses ratio	(0.27%)	0.10%	0.24%	N/A	N/A
NIM	2.72%	2.78%	2.77%	(2.2%)	(1.8%)
Total Assets	13,856	13,219	12,219	4.8%	13.4%
Loans, net	9,238	8,941	8,102	3.3%	14.0%
Securities	2,415	2,562	2,608	(5.7%)	(7.4%)
Deposits from the Public	12,066	10,887	10,316	10.8%	17.0%
Total Equity	1,319	1,301	1,222	1.4%	7.9%

2024	2023	Change
328	335	(2.1%)
77	45	71.1%
405	380	6.6%
286	292	(2.1%)
<b>89</b>	<b>64</b>	<b>39.1%</b>
7.0%	5.5%	
70.5%	76.8%	
0.03%	0.10%	
2.79%	2.90%	



# CAL: FINANCIAL PERFORMANCE

Main P&L and Balance Sheet metrics and selected ratios



NIS m	4Q24	3Q24	4Q23	Vs. 3Q24	Vs. 4Q23
Income From Credit Card Transactions	503	526	401	(4.4%)	25.4%
Credit Loss Expense	74	79	98	(6.3%)	(24.5%)
Total Income	776	784	614	(1.0%)	26.4%
Total Expenses (excluding credit loss expenses)	651	584	474	11.5%	37.3%
<b>Net income</b>	<b>49</b>	<b>90</b>	<b>26</b>	<b>(45.6%)</b>	<b>88.5%</b>
Return on equity	7.2%	13.6%	4.2%		
Cost-income ratio	83.9%	74.5%	77.2%		
Total assets	22,088	21,765	19,378	1.5%	14.0%
Interest bearing credit	9,385	9,213	9,005	1.9%	4.2%
Total equity	2,656	2,711	2,447	(2.0%)	8.5%

2024	2023	Change
1,946	1,751	11.1%
260	285	(8.8%)
2,936	2,883	1.8%
2,286	2,001	14.2%
<b>301</b>	<b>450</b>	<b>(33.1%)</b>
11.5%	19.5%	
77.8%	69.4%	