

ISRAEL DISCOUNT BANK LTD.

DISCOUNT MANPIKIM LTD

August 21, 2025

Issuance Rating

Assignment of '-ilAA' rating to the issuance of deferred notes with a loss absorption mechanism

for a total amount of up to NIS 1.5 billion par value.

Lead Credit Analyst:

Regina Argenio, Milan, 39-02-72111208 regina.argenio@spglobal.com

Additional Contacts:

- Matan Benjamin, Ramat Gan, 972-3-7539708 matan.benjamin@spglobal.com
- Hollegien Pierre, Paris, 33-14-0752513 pierre.hollegien@spglobal.com

S&P Maalot hereby announces the assignment of a '-ilAA' rating to the deferred notes with a loss absorption mechanism for a total amount of up to NIS 1.5 billion par value to be issued by ISRAEL DISCOUNT BANK LTD. (+ilAAA/Negative/ilA-1) through the issuance of a new series, Series 11.

In determining the rating of the deferred notes Series 11, we apply, among other things, the methodology for rating complex bank instruments and the methodology for determining ratings on the local scale. The starting point for the rating is the bank's Stand-Alone Credit Profile (SACP) and not its Issuer Credit Rating (ICR), which includes state support, as we do not expect these instruments to be affected by state support. We lower two rating notches as follows:

- One rating notch to reflect the built-in loss absorption mechanism in the instrument in the form of conversion of the deferred notes into bank shares upon the occurrence of one of the trigger events defined in its terms, namely a "capital loss absorption event" when the bank's Common Equity Tier 1 capital ratio falls below 5%, or a "non-viability event" defined as the earlier of a written notice from the Supervisor of Banks to the bank that conversion of the deferred notes is necessary, as without it, in the opinion of the Supervisor, the bank would reach the point of non-viability; or a written notice from the Supervisor to the bank of a decision to inject capital from the public sector, or equivalent support, without which the bank would reach the point of non-viability, as determined by the Supervisor (insolvency).
- One rating notch to reflect the contractual subordination of the instrument compared to the bank's more senior obligations (subordinated).

When examining the instrument in light of our methodology for complex instruments, we do not consider there to be additional default risks that justify further rating downgrades beyond those mentioned above. In particular, we note that the creditworthiness



Alt: Discount Bank logo

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The bank's current credit quality does not lead us to believe that the likelihood of regulatory intervention regarding Series 11 deferred notes, as described above, requires further rating downgrades.

For more details about ISRAEL DISCOUNT BANK LTD.'s rating and additional regulatory requirements, see the rating report from May 29, 2025. For further details about the instrument's rating methodology, please refer to the list of methodology articles in the

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aforementioned rating report and the "Complex Bank Instruments Rating - Q&A, November 29, 2015" document.

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Rating	Date of Initial Rating Publication	Date of Last Rating Update	
Issuer Rating(s)			
Long Term	ilAAA\Negative	01/09/2003	29/05/2025
Short Term	ilA-1+	04/12/2019	29/05/2025
Issuance Rating(s)			

Issuer Rating History	
Long Term	
October 31, 2023	ilAAA\Negative
July 11, 2019	ilAAA\Stable
December 20, 2016	ilAA+\Stable
December 24, 2014	ilAA\Stable
December 16, 2010	ilAA-\Stable
May 06, 2009	ilAA-\Negative
December 09, 2007	ilAA\Stable
December 20, 2006	ilAA-\Stable
October 13, 2004	ilAA-
March 13, 2004	ilAA
September 01, 2003	ilAA-
Short Term	
December 24, 2019	ilA-1+

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Issuance Rating

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Links:

- [Rating Report from May 29, 2025](#)
- [Complex Bank Instruments Rating - Q&A, November 29, 2015](#)

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DISCOUNT MANPIKIM LTD	Rating	Date of Initial Rating Publication	Date of Last Rating Update
Issuer Rating(s)			
Long Term	ilAAA\Negative	01/09/2003	29/05/2025
Short Term	ilA-1+	04/12/2019	29/05/2025
Issuance Rating(s)			
Complex Subordinated Debt			
Series 6 Deferred Notes with Loss Absorption Mechanism	ilAA-	02/10/2019	29/05/2025
Series 7 Deferred Notes with Loss Absorption Mechanism	ilAA-	02/06/2020	29/05/2025
Series 8 Deferred Notes with Loss Absorption Mechanism	ilAA-	10/11/2021	29/05/2025
Series 9 Deferred Notes with Loss Absorption Mechanism	ilAA-	10/11/2022	29/05/2025
Series 10 Deferred Notes with Loss Absorption Mechanism	ilAA-	18/08/2024	29/05/2025
Short Term Debt			
Commercial Papers Series 4	ilA-1+	18/08/2024	29/05/2025
Commercial Papers Series 5	ilA-1+	29/12/2024	29/05/2025
Commercial Papers Series 6	ilA-1+	19/05/2025	29/05/2025
Senior Unsecured Debt			
Series 16	ilAAA	02/01/2024	29/05/2025
Series 14	ilAAA	05/12/2018	29/05/2025
Series 15	ilAAA	10/11/2021	29/05/2025
Series 17	ilAAA	29/12/2024	29/05/2025
Subordinated Debt			

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Series 11 Deferred Notes with Loss Absorption Mechanism	iIAA-	21/08/2025	21/08/2025
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Additional Details	Data
Time of Event	21/08/2025 15:30
Time Event First Known	21/08/2025 15:30
Rating Initiator	The Rated Company

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