ISRAEL DISCOUNT BANK LTD.

Rating Action and November 2025

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Midroog assigns a rating of Aaa.il with a stable outlook for the bond issuances (series Yad and Yaz), in a total amount of up to NIS 1.5 billion par value, as well as a rating of P-1.il for the issuance of commercial papers (series 7) in an amount of up to NIS 1.0 billion par value. The issuance will be made by Discount Issuers Ltd., a wholly owned subsidiary of ISRAEL DISCOUNT BANK LTD. (hereinafter: the Bank), which is the issuance arm of the Bank.

According to Midroog's methodology, the rating of the commercial papers is based on the rating of the Bank's long-term deposits and senior debt, and on its short-term liquidity analysis, based on the liquidity profile examined in the assessment of the Bank's financial strength, the stability of funding sources[1], and liquid assets[2] relative to total public deposits.

For information on the rating considerations, see the monitoring report from November 2025[3].

Related Reports

ISRAEL DISCOUNT BANK LTD. - Related Reports

Bank Rating Methodology - Methodological Report, September 2019

Short-Term Rating - Methodological Report, November 2025

Promoting Competition in the Banking System - Special Report, February 2023

Guidelines for the Assessment of Environmental, Social, and Corporate Governance Risks within Credit Rating - Methodological Report, February 2022

Table of Affiliations and Holdings

Midroog's Scales and Definitions

Reports are published on the Midroog website www.midroog.co.il

General Information

Rating report date:: 17.11.2025
Last rating update:: 13.11.2025
Initial rating publication date:: 22.12.2005
Rating initiator:: ISRAEL DISCOUNT BANK LTD.
Entity that paid for the rating:: ISRAEL DISCOUNT BANK LTD.

Information from the Issuer

In its ratings, Midroog relies, among other things, on information received from authorized sources at the issuer.

Internal Financial Strength Assessment (BCA)	aa2.il	undefined
Long-term deposits and bonds	Aaa.il	Outlook: Stable
Deferred promissory notes with a contractual mechanism for loss absorption (CoCo)	Aa3.il(hyb)	Outlook: Stable
Short-term deposits/commercial papers	P-1.il	

[1] Deposits from banks, deposits from institutional entities, bonds, and promissory notes payable within the next 12 months, from total assets.

[2] Cash and deposits with banks, Israel government bond series and US government bonds, and assets guaranteed by the US government.

[3] The rating report appears on Midroog's website.

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Rating Scale for Basic Credit Assessment - Baseline Credit Assessment (BCA)

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Issuers or issuances rated aaa.il, in Midroog's judgment, exhibit independent or standalone internal financial strength, the highest relative to other local issuers, in the absence of any possibility of external support from a related company or from the state.

Issuers or issuances rated aa.il, in Midroog's judgment, exhibit independent or standalone internal financial strength, very high relative to other local issuers, in the absence of any possibility of external support from a related company or from the state.

Issuers or issuances rated a.il, in Midroog's judgment, exhibit independent or standalone internal financial strength, high relative to other local issuers, in the absence of any possibility of external support from a related company or from the state.

Issuers or issuances rated baa.il, in Midroog's judgment, exhibit independent or standalone internal financial strength, medium relative to other local issuers, in the absence of any possibility of external support from a related company or from the state, and may have certain speculative characteristics.

Issuers or issuances rated ba.il, in Midroog's judgment, exhibit independent or standalone internal financial strength, weak relative to other local issuers, in the absence of any possibility of external support from a related company or from the state, and have speculative characteristics.

Issuers or issuances rated b.il, in Midroog's judgment, exhibit independent or standalone internal financial strength, very weak relative to other local issuers, in the absence of any possibility of external support from a related company or from the state, and have highly speculative characteristics.

Issuers or issuances rated caa.il, in Midroog's judgment, exhibit independent or standalone internal financial strength, extremely weak relative to other local issuers, in the absence of any possibility of external support from a related company or from the state, and are very close to a default situation with limited prospects for repayment of principal and interest.

Issuers or issuances rated ca.il, in Midroog's judgment, exhibit independent or standalone internal financial strength, extremely weak, in the absence of any possibility of external support from a related company or from the state and are usually in a state of default with faint prospects for repayment of principal and interest.

Issuers or issuances rated c.il, in Midroog's judgment, exhibit independent or standalone internal financial strength, the weakest, in the absence of any possibility of external support from a related company or from the state and are usually in a state of default with virtually no prospects for repayment of principal and interest.

aaa.il	The highest relative to other local issuers, in the absence of any possibility of external support from a related company or from the state.
aa.il	Very high relative to other local issuers, in the absence of any possibility of external support from a related company or from the state.
a.il	High relative to other local issuers, in the absence of any possibility of external support from a related company or from the state.
baa.il	Certain speculative characteristics.
ba.il	Speculative.
b.il	Highly speculative.
caa.il	Most highly speculative.
ca.il	Any ability to repay principal and interest.
c.il	To repay principal and interest.

Note: Midroog uses numeric modifiers 1, 2, 3 in each rating category from aa.il up to caa.il. Modifier 1 indicates that the bond is at the upper end of the rating category designated by the letters. Modifier 2 indicates it is in the midrange of the rating category, while modifier 3 indicates the bond is at the lower end of its assigned letter rating category.

ISRAEL DISCOUNT BANK LTD. - Rating Action

Local Long-Term Rating Scale

Issuers or issuances rated Aaa.il, according to Midroog's assessment, exhibit the highest credit repayment ability relative to other local issuers.

Issuers or issuances rated Aa.il, according to Midroog's assessment, exhibit a very high credit repayment ability relative to local issuers.

Issuers or issuances rated A.il, according to Midroog's assessment, exhibit high credit repayment ability relative to local issuers.

Issuers or issuances rated Baa.il, according to Midroog's assessment, exhibit medium credit repayment ability relative to issuers.

Issuers or issuances rated Ba.il, according to Midroog's assessment, exhibit weak credit repayment ability relative to issuers.

Issuers or issuances rated B.il, according to Midroog's assessment, exhibit very weak credit repayment ability relative to issuers.

Issuers or issuances rated Caa.il, according to Midroog's assessment, exhibit the weakest credit repayment ability relative to issuers.

Issuers or issuances rated Ca.il, according to Midroog's assessment, exhibit extremely weak credit repayment ability and are close to default with some prospects for principal and interest repayment.

Issuers or issuances rated C.il, according to Midroog's assessment, exhibit the weakest credit repayment ability and are usually in default with negligible prospects for principal and interest repayment.

Aaa.il	Relative to other local issuers.
Aa.il	Other local issuers.
A.il	Other issuers.
Baa.il	Other local issuers, and they may have certain speculative characteristics.
Ba.il	Other local issuers and have speculative characteristics.
B.il	Other local issuers and have significant speculative characteristics.
Caa.il	Other local issuers and have very significant speculative characteristics.
Ca.il	Very close to default with some probabilities for principal and interest repayment.
C.il	In a default situation with scant prospects for principal and interest repayment.

Note: Midroog uses numerical modifiers 1, 2, 3 in each rating category from Aa.il to Caa.il. Modifier 1 indicates that the bond is at the top end of its rating category denoted by the letters. Modifier 2 indicates it is in the middle of the rating category, while modifier 3 indicates that the bond is at the lower end of its assigned rating category denoted by the letters.

Local Short-Term Rating Scale

Issuers rated Prime-1.il are, according to Midroog's assessment, considered to have a very good ability to meet their short-term obligations.

Issuers rated Prime-2.il are, according to Midroog's assessment, considered to have a good ability to meet their short-term obligations.

Issuers rated Prime-3.il are, according to Midroog's assessment, considered to have a medium ability to meet their short-term obligations.

Issuers rated Not Prime.il, according to Midroog's assessment, do not fall into any of the three Prime categories above.

P-1.il	Relative to other local issuers in the short term.
P-2.il	Relative to other local issuers.
P-3.il	Relative to other local issuers.
NP.il	

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