



Q3 2025 REVIEW



Financial Highlights





3Q 2025 – Main indicators

Net Income

1,133_M

ROE

13.7%

Efficiency Ratio*

44.0%

**Banking
in Israel ****

890_M

14.3%

42.6%

Dividend Distribution

50%

NII Change*

- 0.2%

QoQ

Credit Growth*

3.4%

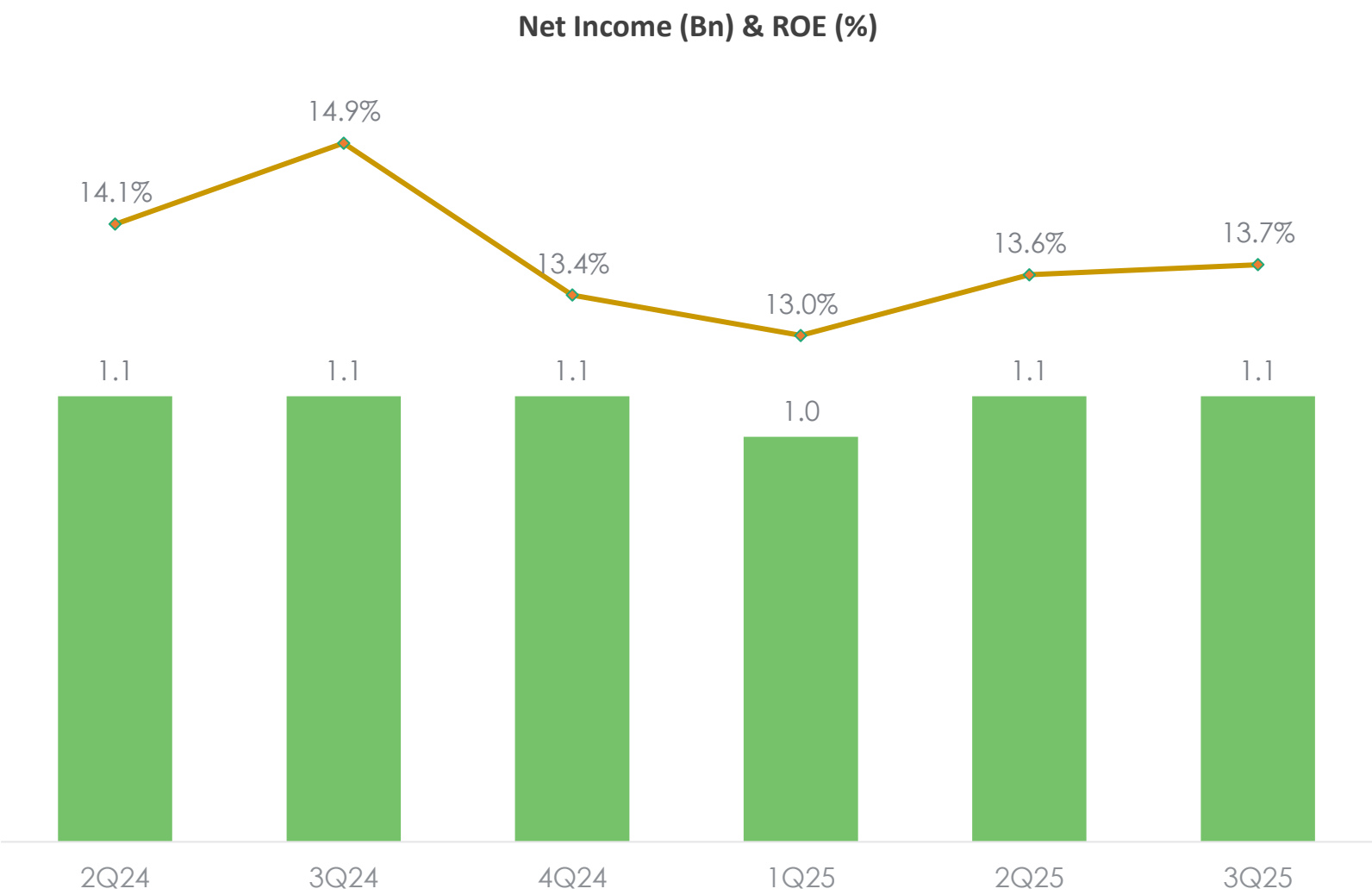
QoQ

* The comparative figures have been restated to reflect the classification of CAL's operations as "discontinued operations"

** Consolidated figures for banking operations of Discount & Mercantile



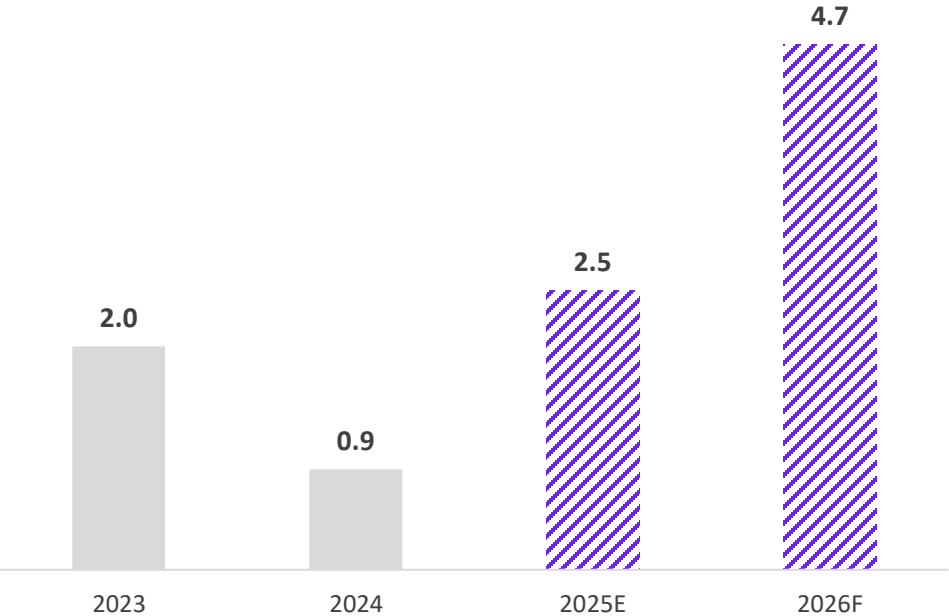
Consistent double-digit ROE and stable NI



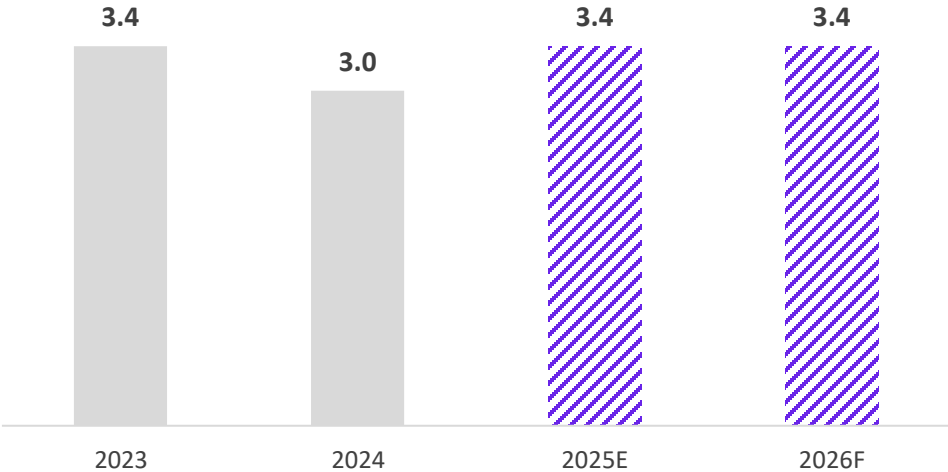


The Economy is expected to rebound in 2026

GDP is expected to almost double
(GDP growth, in %)



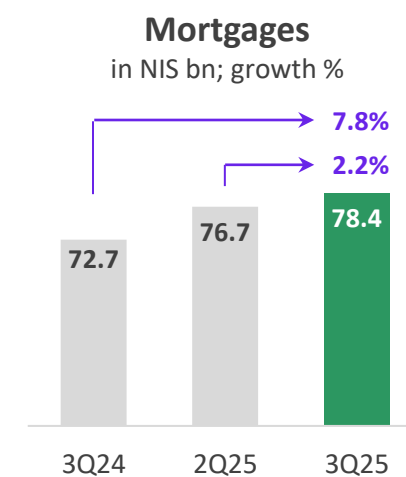
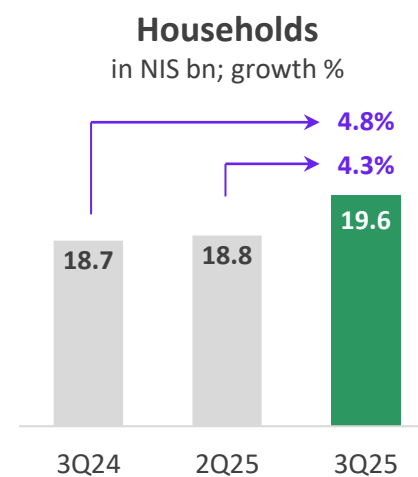
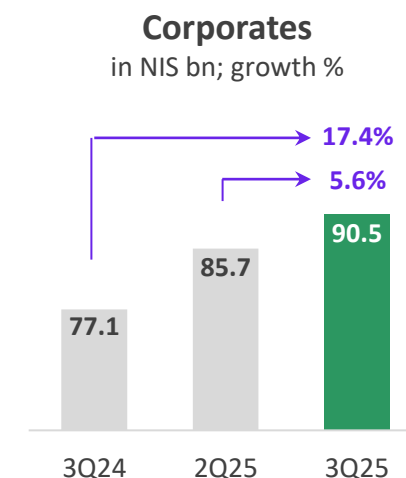
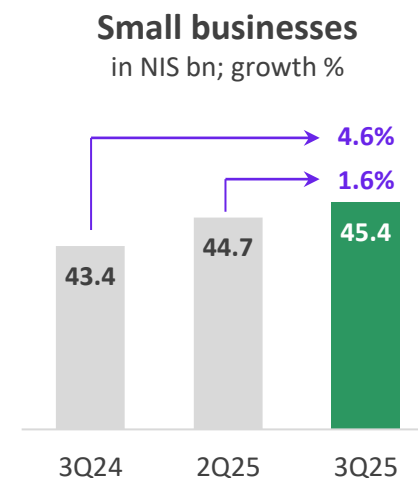
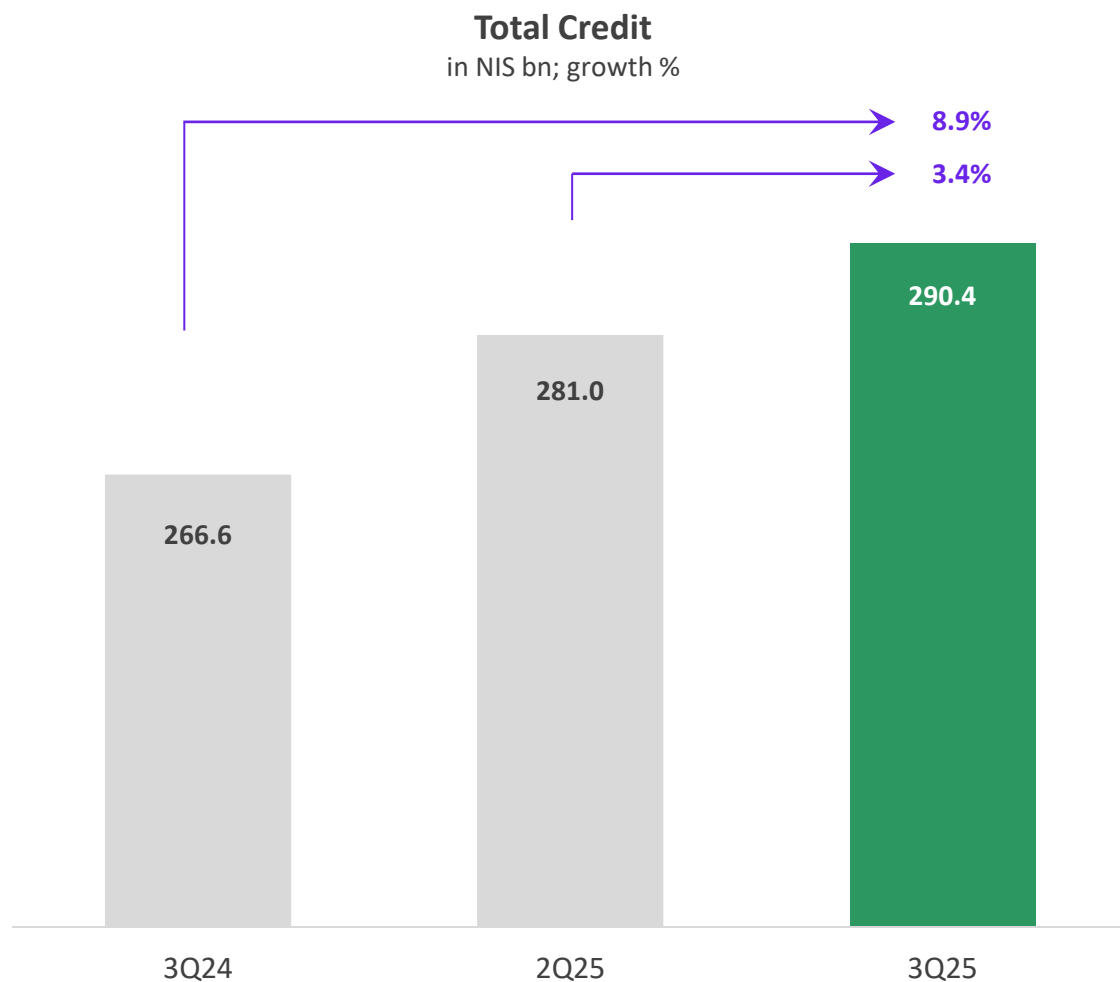
Job market shows resilience



● Unemployment, %

Source: Bol, Sept 2025

Corporate demand drives strong credit growth



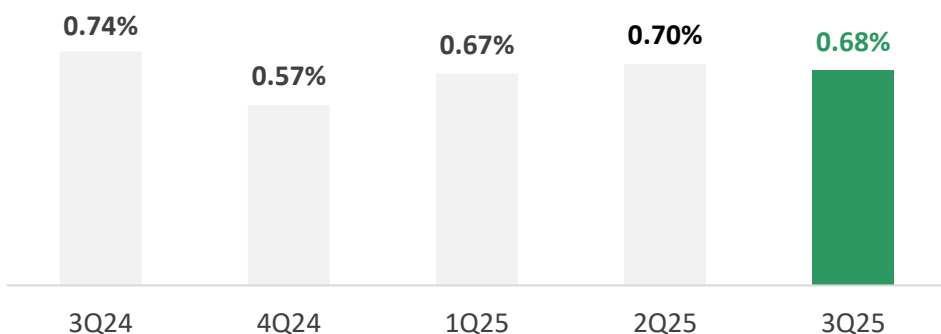
Excl. Households Mortgages

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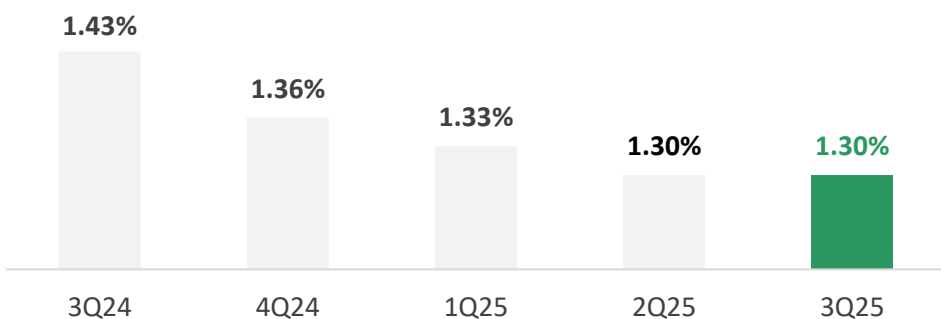


NPL ratio & Credit loss expenses

NPL/Total Credit Ratio

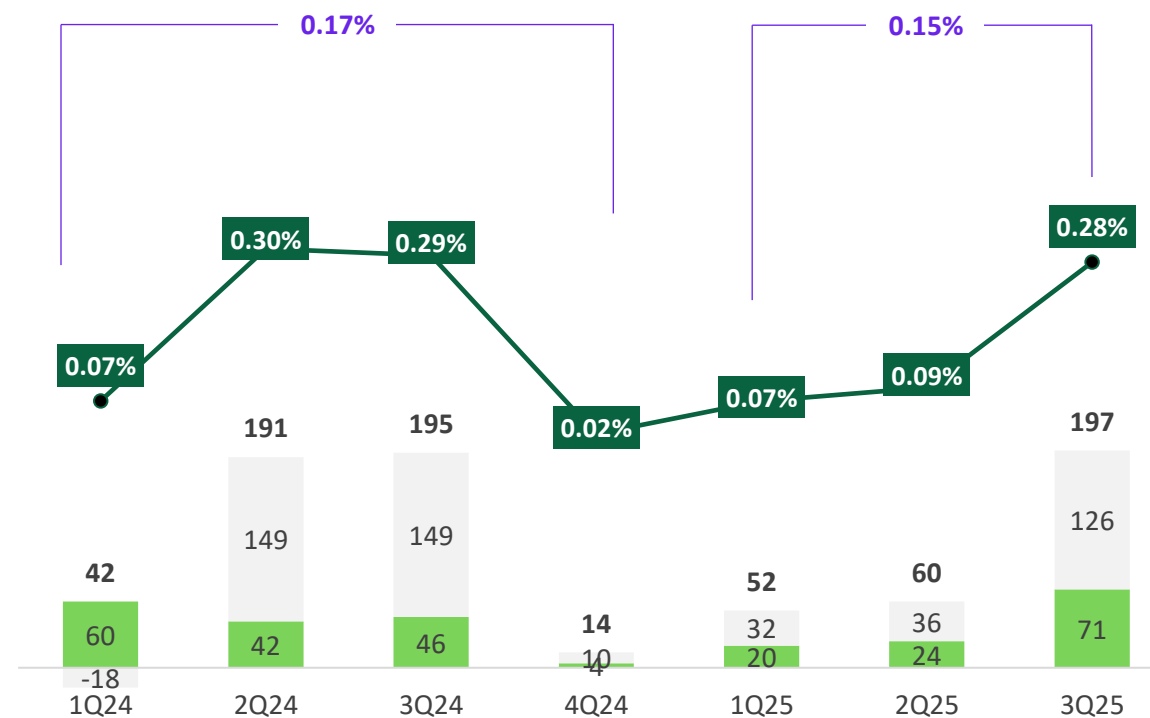


Allowance for Loan Loss Provisions from Total Credit



Credit loss expenses

in NIS m and %



● Total credit loss expenses ratio

● Collective

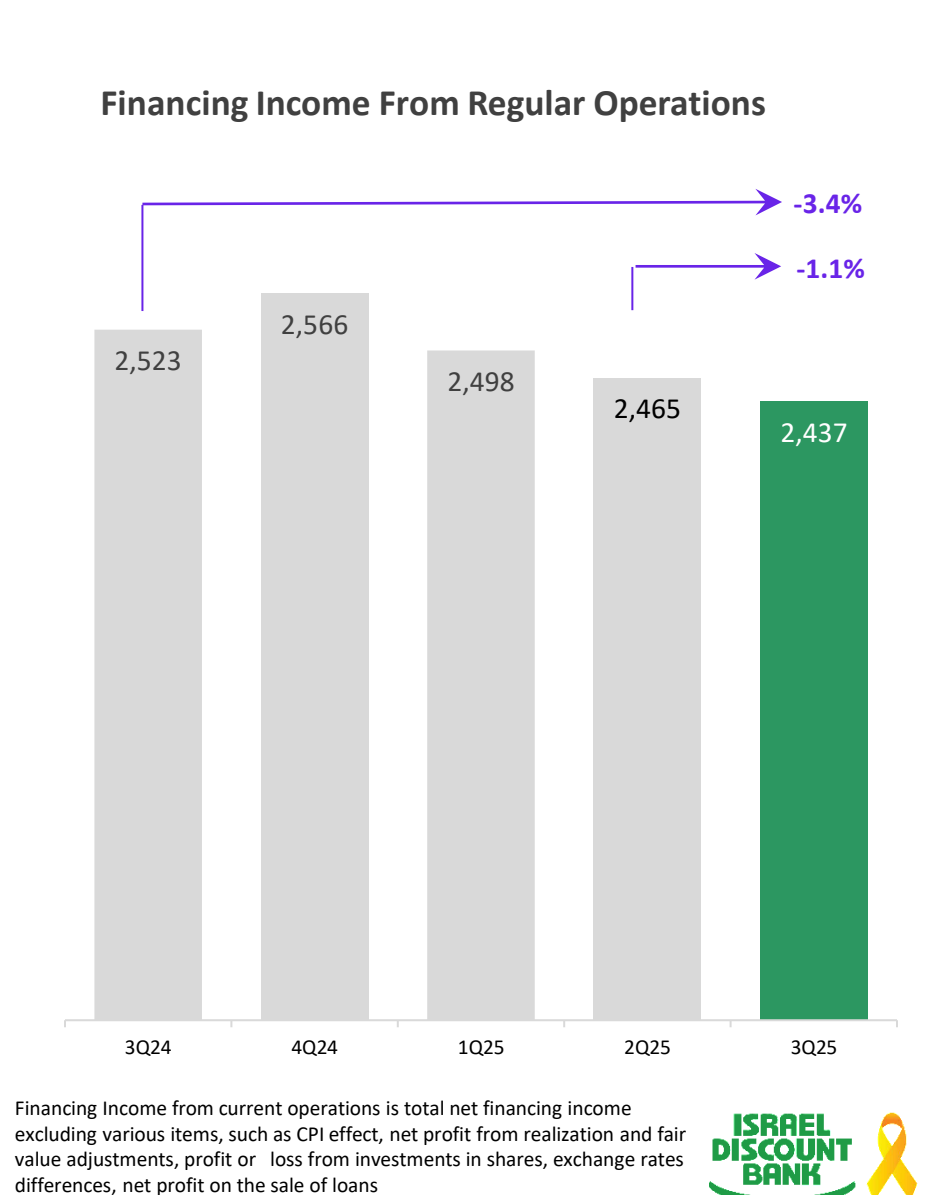
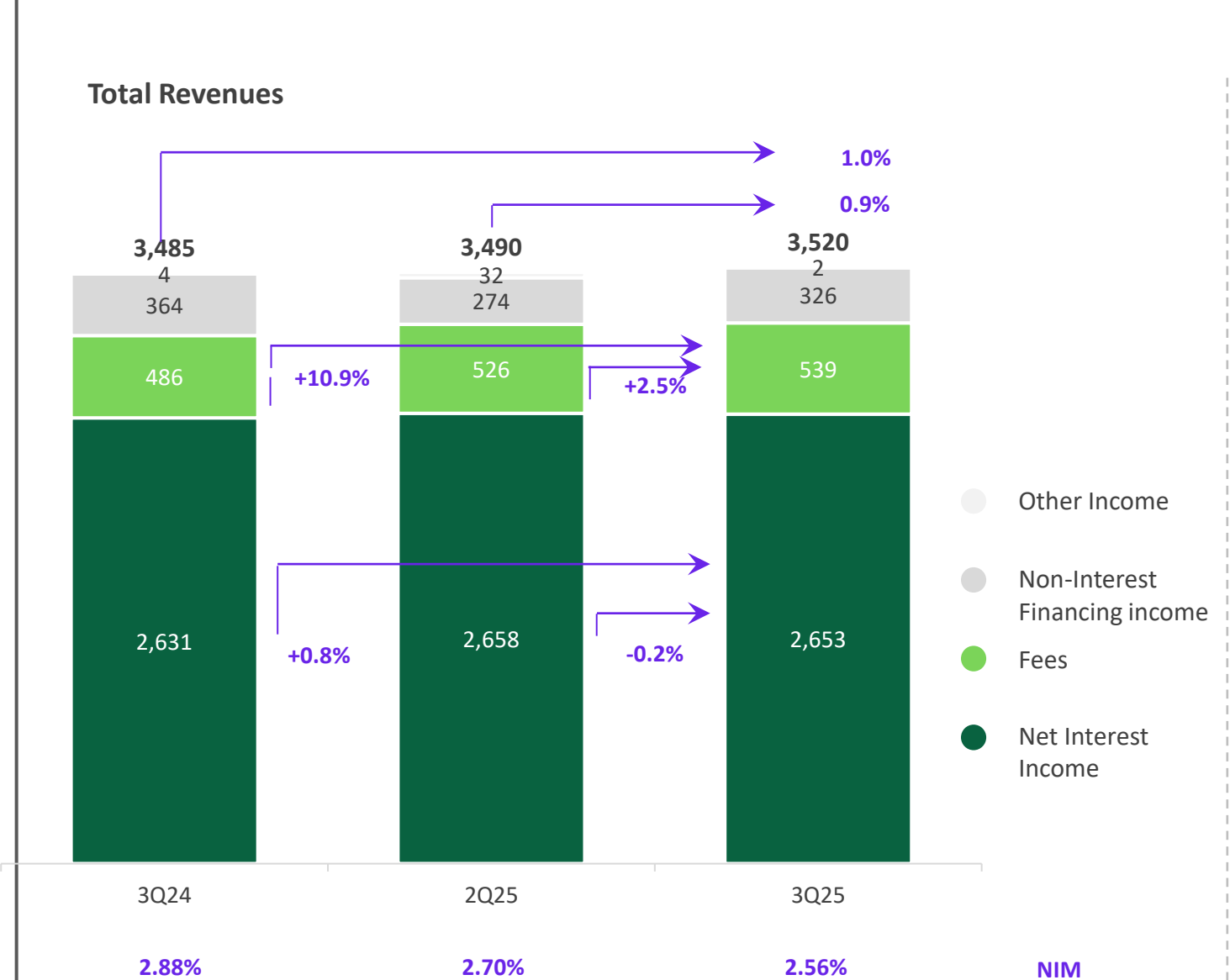
● Specific



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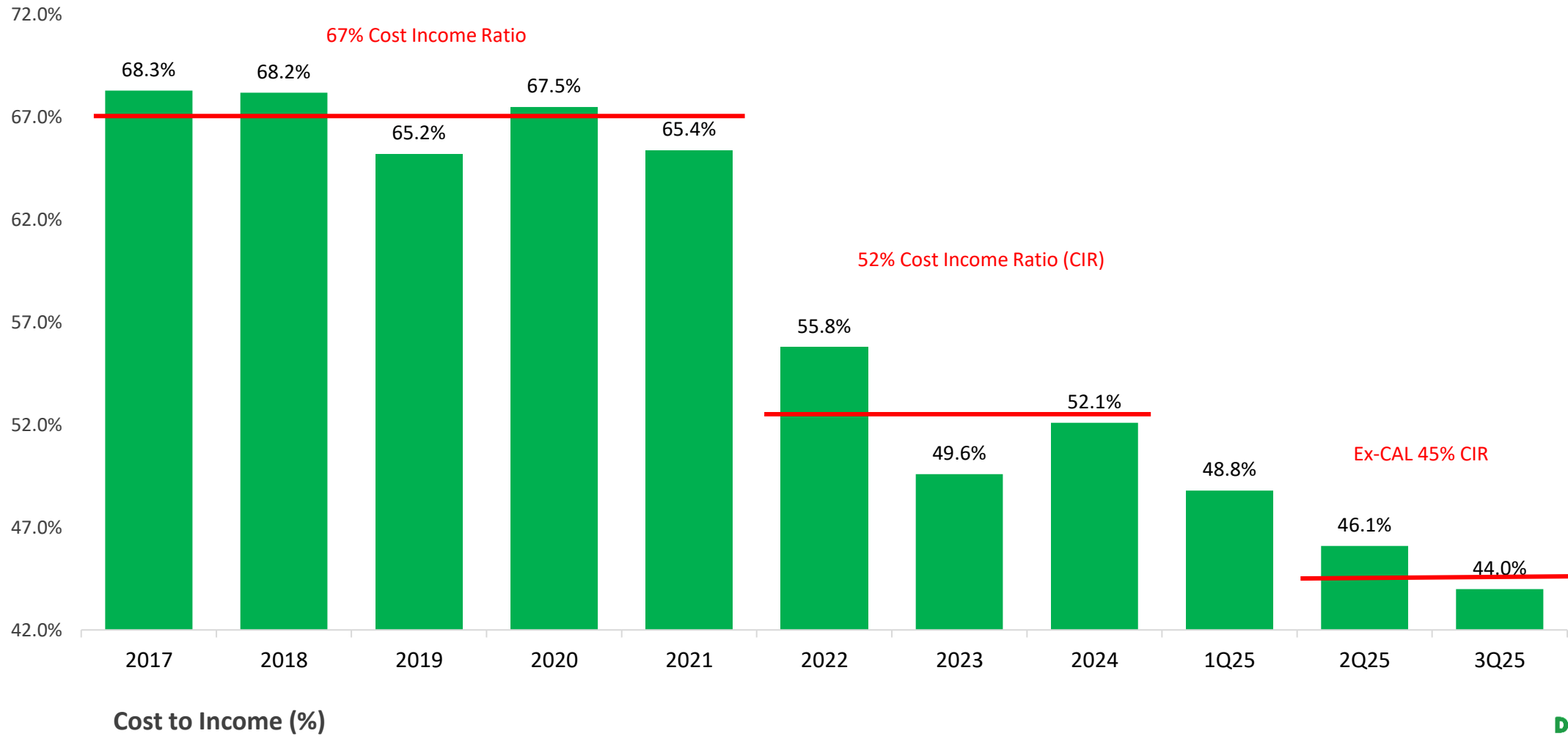
Revenues – NII & Fees



The comparative figures have been restated to reflect the classification of CAL's operations as "discontinued operations"



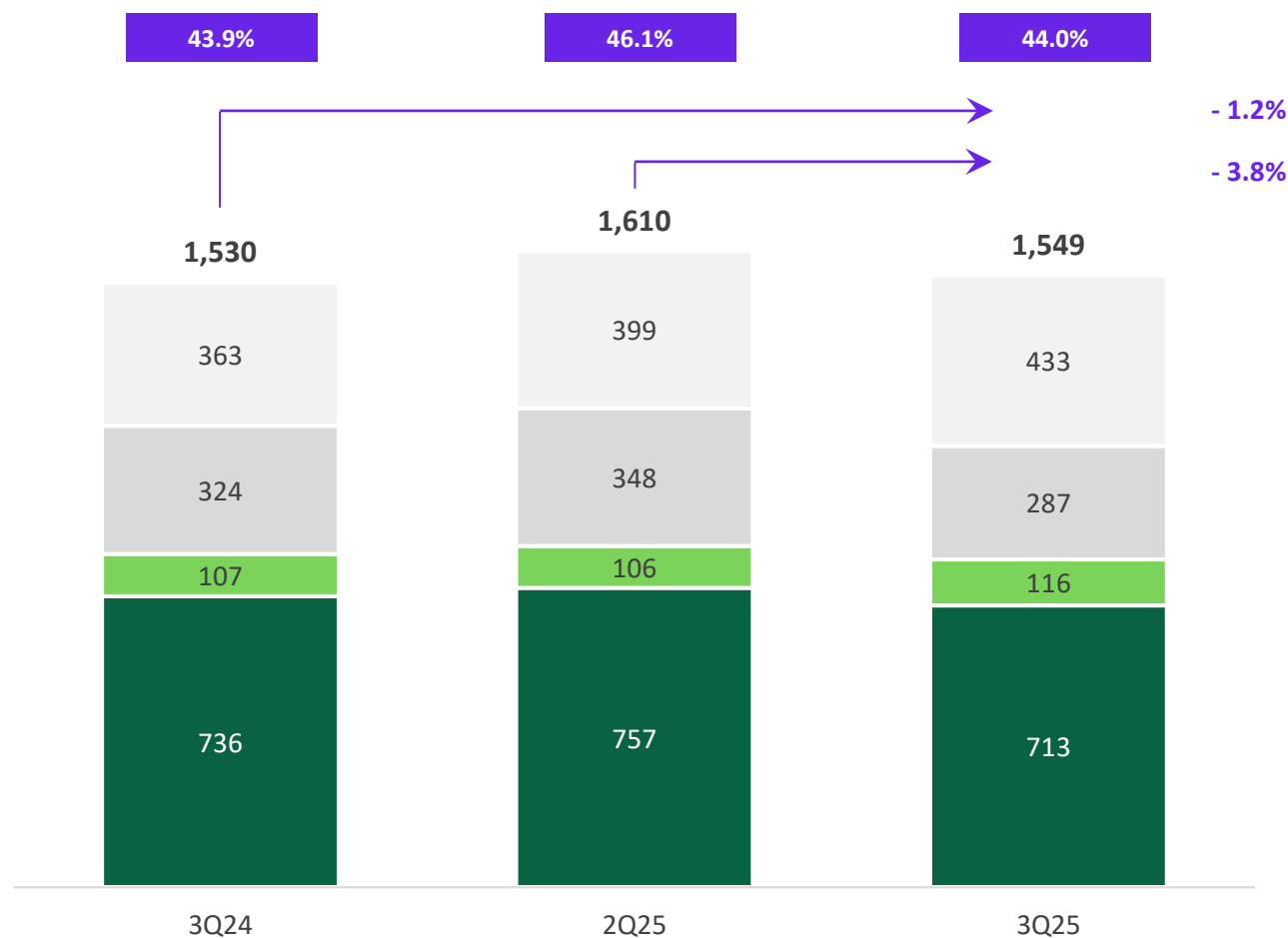
Notable improvement in cost efficiency





Maintaining expense discipline

Total Expenses in NIS m

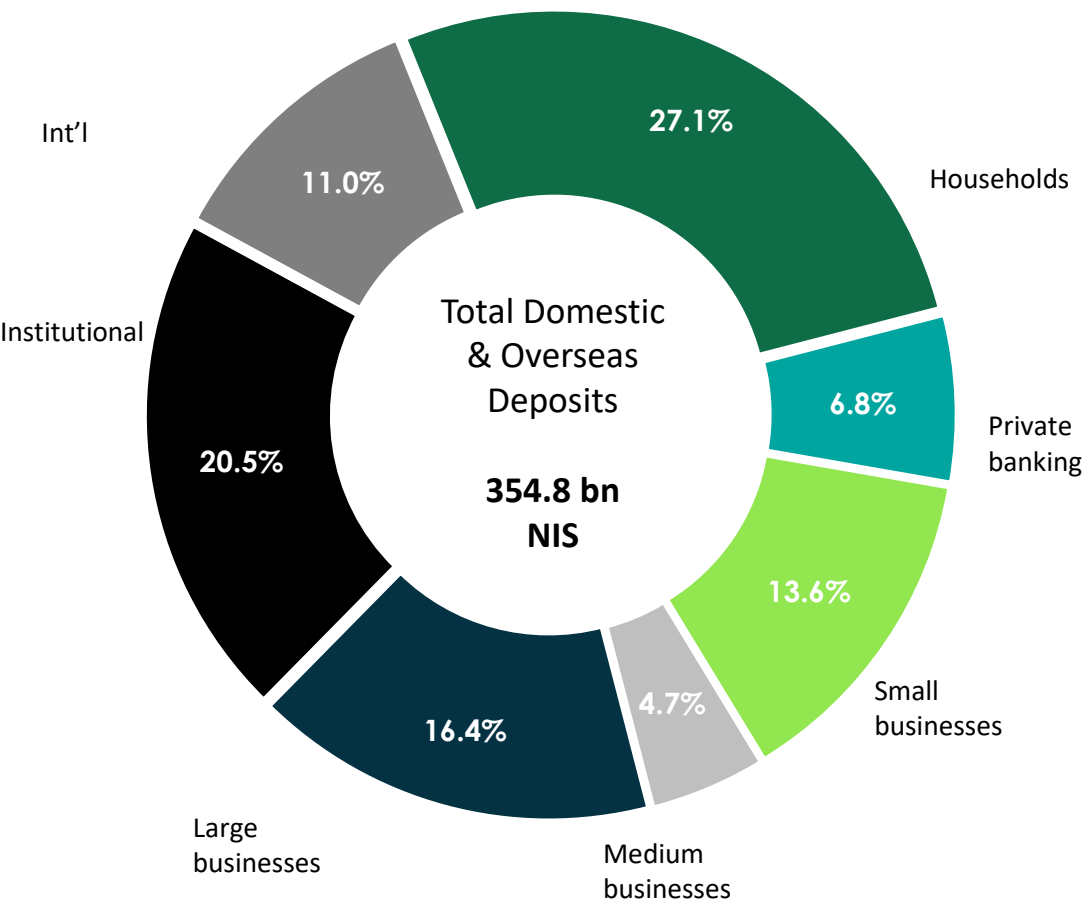


- Cost Income Ratio
- Other
- Maintenance & depreciation
- Awards
- Salary & related

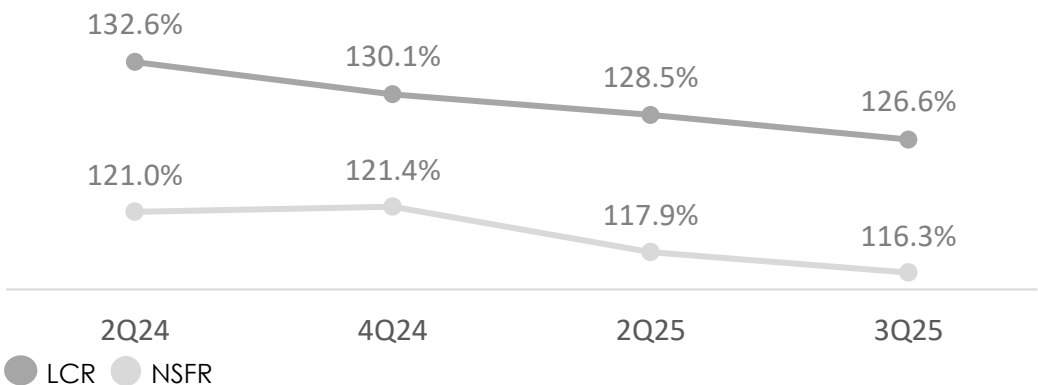


Robust and diversified funding base with strong capital Ratio

Diversified domestic public deposit base with 48% share of retail deposits in %



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



Capital Ratio well above the regulatory requirement

	Total Capital Ratio	Tier I Capital Ratio	Leverage Ratio
3Q25	13.38%	10.47%	6.6%
	QoQ -0.10%	QoQ -0.05%	QoQ 0.1
Regulatory Requirement	12.50%	9.20%	4.5%



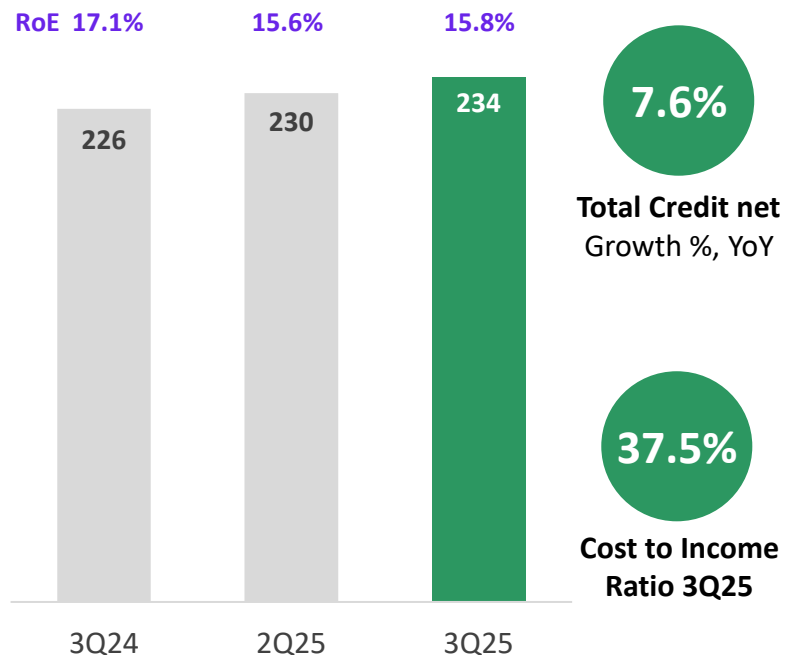
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Contribution to Profit from key subsidiaries

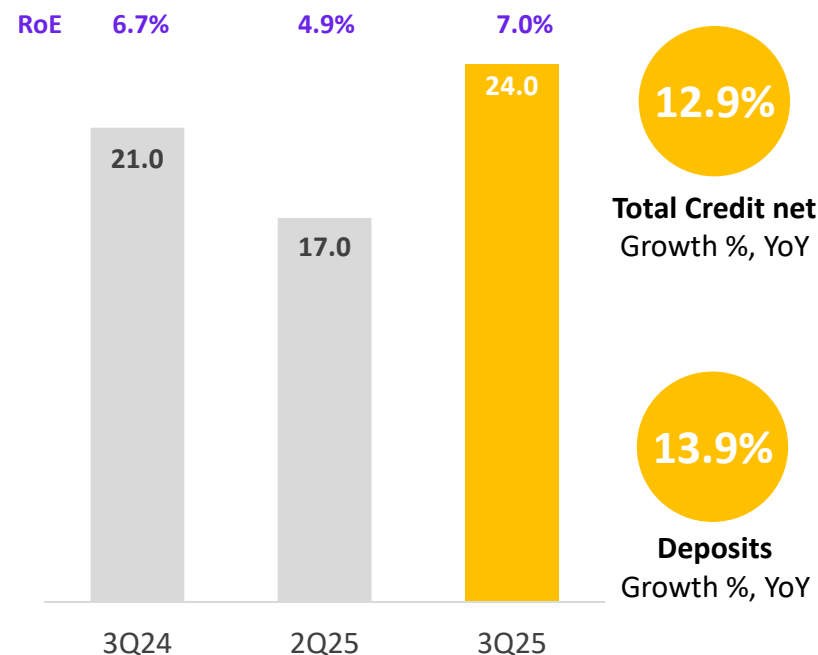
MERCANTILE

Net income
in NIS mil.



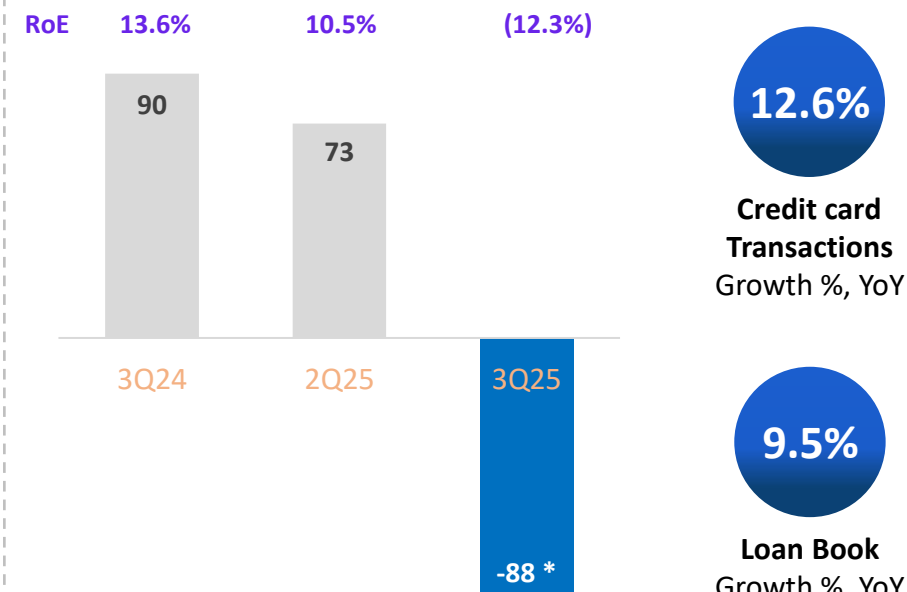
IDB BANK

Net income
in USD mil.



Cal.

Net income
in NIS mil.



* The contribution to the Bank's business results in 3Q25 amounted to NIS40 m
Differences between net income and the contribution to the Bank's business results
are derived from recognition of current tax liability in respect of
the investment in the company.



Main Takeaways

Executing on our Strategy

- ▶ Strong 3Q25 and 9M25 financial performance – ROE of 13.7% 3Q25;
- ▶ CIR of 44%; +8.9% YoY loan growth; CET1 10.5% and NPL ratio of 0.7%
- ▶ CAL sale will boost– 1) FY25e ROE by c1.2% (+ILS 0.5bn to FY25 NI); 2) CET1 by 0.6%; 3) CIR by -4%, providing the bank with adequate resources to continue to grow.
- ▶ Dividend payout 50% of earnings – CET1 remains 10.5%, despite strong loan growth and dividend payout – reflecting an annualized dividend yield of ca. 5%



Israel Discount Bank: P&L and Selected Ratios

NIS m	3Q25	2Q25	3Q24	vs.2Q25	vs.3Q24
Net interest income	2,653	2,658	2,631	(0.2%)	0.8%
Credit loss expenses	197	60	195	228.3%	1.0%
Non-interest financing income	326	274	364	19.0%	(10.4%)
Commissions	539	526	486	2.5%	10.9%
Other income	2	32	4	(93.8%)	(50.0%)
Total non-interest income	867	832	854	4.2%	1.5%
Total income	3,520	3,490	3,485	0.9%	1.0%
Salaries and related expenses	829	863	843	(3.9%)	(1.7%)
Maintenance & depreciation	287	348	324	(17.5%)	(11.4%)
Other expenses	433	399	363	8.5%	19.3%
Total operating and other expenses	1,549	1,610	1,530	(3.8%)	1.2%
Income before taxes	1,774	1,820	1,760	(2.5%)	0.8%
Provision for taxes on income	700	667	692	4.9%	1.2%
Income after taxes	1,074	1,153	1,068	(6.9%)	0.6%
Net income attributable to shareholders	1,133	1,115	1,137	1.6%	(0.4%)
ROE	13.7%	13.6%	14.9%		
Cost income ratio	44.0%	46.1%	43.9%		
NIM	2.56%	2.70%	2.88%		
Rate of credit loss expenses	0.28%	0.09%	0.29%		
NPL ratio	0.68%	0.70%	0.74%		
Dividend per share (in Agurot)	46.30	36.38	27.60		



Israel Discount Bank: Adjustments to P&L

NIS m	3Q25	2Q25	3Q24
Reported net income	1,133	1,115	1,137
Realization of Assets		(17)	-
Profit from the sale of rights in Visa Europe	(12)	-	(18)
Special income tax	78	86	74
Effect of settlement	7	-	5
Provision for discontinued operation (CAL)	33	13	-
Court decision regarding VAT (CAL)	9	75	-
Adjusted net income	1,248	1,272	1,198



Israel Discount Bank: Selected Balance sheet Items

NIS m	30.9.2025	30.9.2024	31.12.2024
Cash and deposits with banks	66,135	57,072	62,575
Securities –Total	73,743	67,207	67,627
Credit to the public	290,425	266,647	270,997
Provision for credit losses	(3,763)	(3,810)	(3,685)
Credit to the public, net	286,662	262,837	267,312
Buildings and equipment	4,075	3,714	4,138
Assets in respect of derivative instruments	11,149	9,173	9,607
Other assets	5,301	5,440	5,289
Assets related to discontinued operations	22,698	21,889	22,229
Total Assets	472,426	431,753	442,659
Deposits from the public	354,719	323,656	332,443
Securities borrowed or sold via repo agreements	15,198	13,710	14,264
Bonds and subordinated debt notes	22,405	20,768	20,035
Liabilities in respect of derivative instruments	12,302	7,847	8,812
Liabilities related to discontinued operations	19,788	19,055	19,432
Total liabilities	437,360	399,713	409,574
Equity capital attributed to the Bank's shareholders	33,544	31,211	31,569
Non-controlling rights in consolidated companies	1,522	829	1,516
Total equity	35,066	32,040	33,085
Total Liabilities and Equity	472,426	431,753	442,659

The data relating to CAL are presented separately as “discontinued operation”. The comparative data was restated accordingly



Mercantile Discount Bank – principal data

NIS m	3Q25	3Q24	9M25	9M24	2024
Net profit attributed to the shareholders	234	226	670	635	843
Net interest income	585	588	1,695	1,696	2,220
Credit loss expenses	66	55	137	164	187
Non-financing income	140	93	366	303	403
Non-financing expenses	272	262	822	821	1,110
Total assets	71,479	67,843	71,479	67,843	66,509
Credit to the public, net	52,074	48,381	52,074	48,381	48,666
Securities	9,210	8,506	9,210	8,506	8,496
Deposits from the public	56,811	54,654	56,811	54,654	53,159
Total equity	6,028	5,480	6,028	5,480	5,733
%					
Return on equity	15.8	17.1	15.2	16.6	16.2
Efficiency ratio	37.5	38.5	39.9	41.1	42.3
Ratio of total capital to risk assets	14.29	14.34	14.29	14.34	14.73
Ratio of credit loss expenses to the average balance of credit to the public	0.36	0.46	0.51	0.45	0.39
Total net return on interest bearing assets	3.42	3.71	3.44	3.65	3.55



Discount Bancorp, Inc. – principal data

US\$ m	3Q25	3Q24	9M25	9M24	2024
Net profit attributed to the shareholders	24	21	63	59	89
The contribution to the Bank's business results	18	21	47	59	75
Net interest income	93	82	273	242	328
Credit loss expenses	3	2	17	9	2
Non-financing income	19	20	61	59	77
Non-financing expenses	76	72	233	213	286
Total assets	14,419	13,219	14,419	13,219	13,856
Credit to the public, net	10,093	8,941	10,093	8,941	9,238
Securities	2,683	2,562	2,683	2,562	2,415
Deposits from the public	12,400	10,887	12,400	10,887	12,066
Total equity	1,414	1,301	1,414	1,301	1,319
%					
Return on equity	7.0	6.7	6.1	6.3	7.0
Efficiency ratio	67.9	70.6	69.8	70.8	70.5
Ratio of total capital to risk assets	14.3	15.5	14.3	15.5	14.7
Ratio of credit loss expenses to the average balance of credit to the public	0.11	0.07	0.23	0.14	0.03
Total net return on interest bearing assets	2.84	2.78	2.78	2.81	2.79



Israel Credit Cards – principal data

NIS m	3Q25	3Q24	9M25	9M24	2024
Net profit attributed to the shareholders	(88)	90	82	252	301
The contribution to the Bank's business results	40	45	69	129	145
Income from credit card transactions	598	526	1,661	1,443	1,946
Net interest income	252	231	733	677	906
Non interest income	23	27	28	40	84
Non-financing expenses	980	663	2,306	1,820	2,545
Of which: Credit loss expenses	60	79	172	186	260
Total assets	22,515	21,765	22,515	21,765	22,089
Interest bearing credit to the public	10,086	9,213	10,086	9,213	9,385
Total equity	2,738	2,711	2,738	2,711	2,656
%					
Return on equity	(12.3)	13.6	4.0	13.1	11.5
Efficiency ratio	105.4	74.5	88.1	75.6	77.8
Ratio of total capital to risk assets	12.3	13.2	12.3	13.2	12.8
Turnover of credit card transactions – in NIS millions	55,864	49,610	154,742	138,352	185,719
Number of active cards – in thousands	3,961	3,669	3,961	3,669	3,725



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