S&P Global Ratings

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Israel Discount Bank Ltd.

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Israel Discount Bank Ltd.

Ratings Score Snapshot

Issuer Credit Rating
BBB+/Negative/A-2

SACP: bbb → **Support: 0** → **Additional factors: 0**

Anchor	bbb+	
Business position	Adequate	0
Capital and earnings	Adequate	0
Risk position	Moderate	-1
Funding	Adequate	0
Liquidity	Adequate	
CRA adjustment		0

ALAC support	0
GRE support	0
Group support	0
Sovereign support	+1

Issuer credit rating
BBB+/Negative/A-2

ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

Overview	
Key strengths	**Key risks**
Good home-market position as one of the four largest local banking groups.	Uncertain macroeconomic outlook and exposure to security and geopolitical risk.
Well-diversified revenue base by product and segment.	High exposure to the real estate and construction sectors.
A large and granular customer deposit base.	

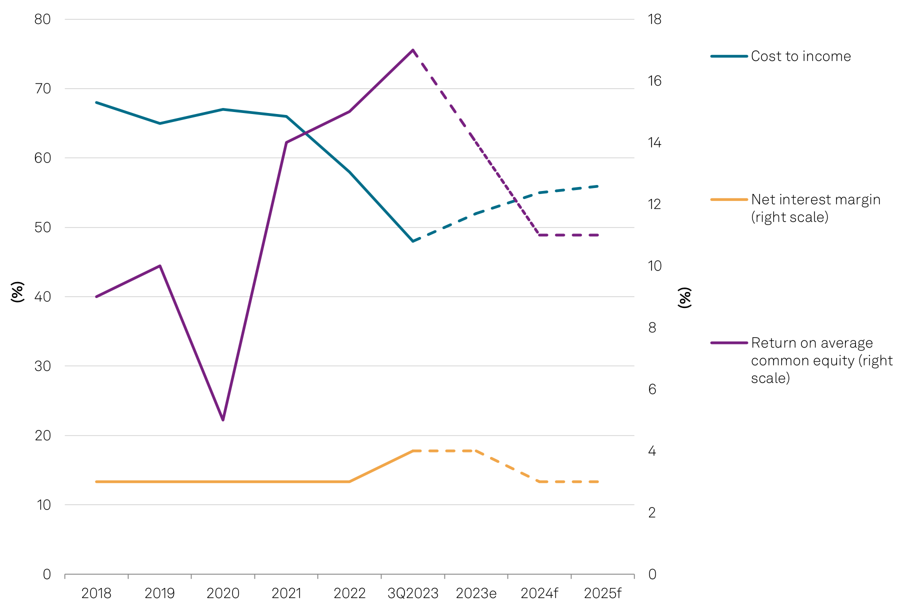
Effects of the Israel-Hamas war remain highly uncertain and IDB is proactively building provisions to cushion the bank from the spillovers of the war. Hamas' attack and the military operation led by the Israeli army on the Gaza Strip have added significant risks to Israel's economic outlook (see "Outlooks On Israeli Banks Revised To Negative On Increased Geopolitical Risk; Ratings Affirmed," published on Oct. 31, 2023). There is a risk that Israel Discount Bank (IDB) and, more broadly, Israeli banks might face protracted effects from changed macroeconomic prospects and credit conditions, with a potential decline in revenue and substantial increase in credit losses. In the third quarter of 2023, IDB posted large collective loan loss provisions of Israeli new shekel (ILS) 534 million to anticipate any deterioration in asset quality, leading cost of risk to jump to 92 basis point (bps) for the third quarter of 2023 compared to 18 bps for the third quarter of 2022. We expect the bank to build collective provisions in the incoming quarters and we incorporate an annual cost of risk of 60 bps-70 bps on average for 2023 and for 2024 in our forecasts. Additionally, local authorities are discussing a potential introduction of a new windfall tax for the sector, which we expect would have a moderate effect on IDB.

We will carefully monitor the Israeli real estate market where we see the most significant downside risks for IDB. Like its domestic peers, the bank's loan portfolio is skewed toward construction and real estate (18% of the lending book as of end-September 2023), which we see as highly sensitive to domestic economic development. Activity started to moderate before the war and continued in the fourth quarter with a decrease of 1.8% year on year in prices in November 2023. The sale of apartments fell by 55% year on year in October, reaching the lowest level since April 2020. The weakest real estate developers and construction players are feeling the heat and their ability to cope with the shock and the magnitude of the slowing sales is uncertain. However, underlying strong demand for housing and the expectation of an economic rebound after the war continues to support the sector.

We expect profitability to moderate as margins' squeeze and the cost of risk weighs on bottom line results. The decline in net interest income will come from an exceptionally high base as IDB strongly benefited from the rise in interest rates throughout 2022 and the first half of 2023. Interest margin compression was visible in IDB's third quarter earnings as the funding base continues to reprice, and we expect it to last through 2024-2025 driven by a decline in the Bank of Israel's interest rates. We forecast that lending growth will be limited over 2024 to about 4%-5% before picking up in 2025 as the war's effects on the economy potentially fade. Despite war-related extra-provisioning, we expect IDB will generate sufficient capital to maintain regulatory ratios above minimum requirements and maintain a risk-adjusted capital (RAC) in the range of 9%-10% in the next two years.

Chart 1

We expect IDB's profitability to peak in 2023



e--Estimate. f--Forecast. Q--Quarter. Source: S&P Global Ratings.

Outlook

The negative outlook reflects the deteriorated economic environment that could have negative consequences for IDB's creditworthiness over the next 12-24 months.

Downside scenario

We could lower the ratings on IDB if we considered that economic risks in Israel had structurally increased, with negative consequences for the banking sector and IDB's creditworthiness. This could happen if we anticipated significant asset quality deterioration, particularly in the real estate sector, or higher exposure to financial and nonfinancial risks.

Upside scenario

We could revise the outlook to stable if we thought that pressure on domestic economic prospects had lessened.

Key Metrics

Israel Discount Bank Ltd.--Key ratios and forecasts

	--Fiscal year ended Dec. 31--				
(%)	**2021a**	**2022a**	**2023f**	**2024f**	**2025f**
Growth in operating revenue	5.2	20.0	22.7-27.7	(3.2)-(4.0)	0.2-0.2
Growth in customer loans	11.7	12.8	7.2-8.8	3.6-4.4	5.4-6.6
Growth in total assets	14.0	12.4	6.1-7.4	3.4-4.2	4.7-5.8
Net interest income/average earning assets (NIM)	2.6	3.1	3.4-3.7	3.1-3.5	2.9-3.3
Cost-to-income ratio	65.6	57.6	50.2-52.8	53.7-56.4	54.6-57.4
Return on average common equity	13.6	15.1	13.7-15.1	9.7-10.7	9.5-10.5
Return on assets	0.9	1.0	0.9-1.1	0.7-0.8	0.7-0.8
New loan loss provisions/average customer loans	(0.3)	0.2	0.6-0.7	0.6-0.7	0.5-0.5
Gross nonperforming assets/customer loans	1.0	1.1	1.4-1.5	1.5-1.7	1.1-1.2
Net charge-offs/average customer loans	0.0	0.1	0.3-0.3	0.4-0.4	0.4-0.4
Risk-adjusted capital ratio	9.4	8.9	8.9-9.4	9.2-9.7	9.3-9.8

All figures are S&P Global Ratings-adjusted. a--Actual. f--Forecast. NIM--Net interest margin.

Anchor: 'bbb+' For Banks Operating In Israel

We use our Banking Industry Country Risk Assessment's economic risk and industry risk scores to determine a bank's anchor, the starting point in assigning an issuer credit rating. The anchor for banks operating only in Israel is 'bbb+'.

In our view, the material escalation of geopolitical and security risks that Israel faces following the Israel-Hamas war that started on Oct. 7, 2023, will continue to affect Israel's economic performance. We forecast real GDP growth to slow to 0.5% in 2024, which--excluding the pandemic year of 2020--will be the weakest performance in decades. We expect growth to accelerate to 5.0% in 2025 as confidence returns and reconstruction and the investment cycle kick in more fully. We see a high degree of uncertainty, however, about the extent and duration of military hostilities and the rebound may not materialize under a scenario of protracted conflict. Israel's real estate sector, which represents a large portion of banks' loan books, is among the more vulnerable sectors to the current developments, in addition to tourism, small businesses, and the services sector. We anticipate a moderate contraction of real estate prices because of still elevated interest rates and a decline in domestic confidence. In this context, we expect credit losses to surge to about 80 bps in 2023 before gradually falling to about 25 bps-30 bps by 2025.

The Israeli banking sector benefits from a strong funding profile, and a net external creditor position, which provide a cushion in the challenging environment. Prudent banking regulatory oversight somewhat mitigates risks of concentration and geopolitical instability.

Israeli banks profitability benefits from strong lending growth post pandemic, high interest rates, and continuous cost-cutting initiatives. Competition among banks and nonbank financial institutions somewhat constrains margins and fees.

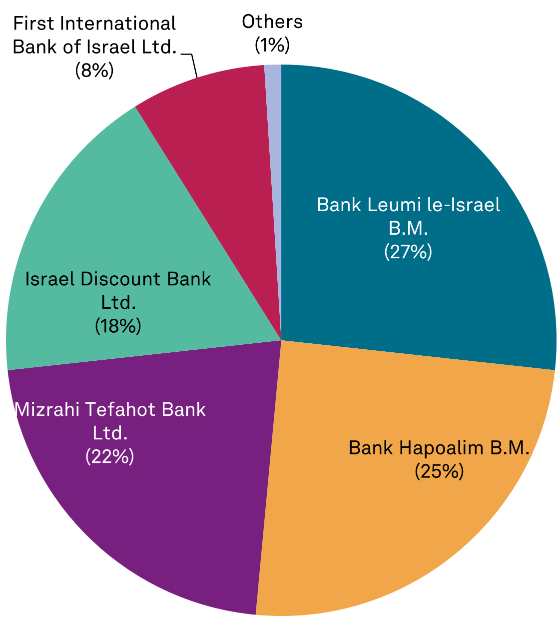
Business Position: Solid Domestic Market Position, With Continuity In Digital Banking Initiatives

In our view, IDB's solid market position in Israel supports revenue. As of Sept. 30, 2023, IDB's loan market share was about 18% of local banks' loans and it's deposits account for about 14% of the local market share. IDB is therefore the fourth largest bank in Israel (see chart 2).

Chart 2

IDB is the fourth largest bank in Israel

Domestic loans market share as of Sept. 30, 2023



Source: S&P Global Ratings.

Although IDB operates mainly in Israel, it's diverse product offering somewhat mitigates the geographic concentration. In our view, IDB generates about 92% of its revenue in Israel, leading to some geographic concentration. However, we acknowledge that its business model provides sound diversification to its income and balances the risks from geographic concentration (see chart 3).

Following the Israeli finance minister's decision, IDB will have to divest its majority stake in its credit card subsidiary, CAL, by January 2026. This decision is aligned with a previous regulatory authorities' ruling in 2015 that forced the two largest Israeli players to dispose of their credit card subsidiaries. We do not expect the sale to occur until the geopolitical tensions ease, and think the sale of the subsidiary before the end of 2024 will be unlikely. In our view. the disposal of CAL would have limited ratings implications because it would imply a net income reduction of 6.4% as of end-September 2023, with return on equity (ROE) decreasing to 16.1% from 16.6% and cost to income improving to 44.8% from 48.4%, all other things being equal. Depending on the price and use of proceeds, the sale might bring some upside to IDB's RAC ratio.

Chart 3

Although concentrated on Israel, IDB enjoys some segmental diversification

Q--Quarter. Sources: IDB Financial statements. S&P Global Ratings.

IDB's efficiency metrics lag those of domestic peers, while profitability moderates. IDB has historically demonstrated lower efficiency compared with peers, this is partly because of the treatment of commissions related to its credit cards activity that inflate costs. We expect the bank to focus on cost reductions in the next two years along with continuously enforcing the digitalization of the bank. Impairment costs will also significantly weigh on the bank's profitability. We forecast a downward trend to about 11%-13% for ROE in 2023-2025 and for cost to income to remain steady at about 55% to 2025. This compares with IDB's 2021-2025 strategic plan's targets of ROE exceeding 12.5% and an efficiency ratio of lower than 55.0% in 2025.

Capital And Earnings: Strong Core Earnings Should Support Capitalization In This Difficult Environment

IDB's capitalization, measured by regulatory ratios and S&P Global Ratings' RAC ratio, should remain adequate. The bank's regulatory Tier 1 capital ratio stood at about 10.4% on Sept. 30, 2023, compared with the requirement of 9.2%. We expect the RAC ratio before concentration adjustments to come in at about 9.4%-9.8% in 2025 from 8.9% at end-2022. We acknowledge it is difficult to gauge the scale of the downturn and the resulting effect on credit losses for IDB, however, we expect low lending growth and still high interest rates to support capitalization. Our forecasts assume the following:

- A deceleration of lending expansion. We anticipate muted loan growth in the fourth quarter of 2023, and moderate growth in 2024 to about 4%-5%. We forecast lending to pick up in 2025 to 6% as the geopolitical tensions ease.
- A compression in margins in 2024-2025 after peaking in 2023, driven by decreasing interest rates and continuous deposit migration and repricing.
- We expect operating costs to grow by low- to mid-single digits, after a 13.2% surge year on year as of end-September 2023, reflecting still high technology investments partly offset by cost-cutting efforts from IDB.
- Credit losses are likely to remain high. We anticipate the ongoing conflict, coupled with recent aggressive loan growth and rising interest rates, will lead to an uptick in cost of risk to 60 bps-70 bps per year for 2023 and 2024. We expect some improvements in 2025.
- We forecast IDB's ROE to stabilize at 11%-12% in 2024-2025.
- We anticipate management to calibrate dividend distributions and growth of risk-weighted assets to safeguard capital. We factor in a 15% dividend pay-out for the the fourth quarter of 2023, in line with that of the third quarter. We also expect a 30% dividend pay-out over 2024 and 2025 as the situation normalizes.

We acknowledge that local authorities are discussing a potential introduction of a new windfall tax for the sector. If the tax is introduced in line with current proposals, we forecast that it could negatively affect the bank's capitalization and we expect this would result in the RAC ratio to reduce in 2025 by about 10 bps-15 bps.

Risk Position: Asset Quality Will Be Put To The Test As The Operating Environment Becomes More Volatile

IDB's business model results in higher sensitivity to downturns compared with international peers. Although IDB's combined exposure to construction and real estate (18%) is lower than that of Bank Leumi (27%) or Bank Hapoalim (22%), IDB has a high sensitivity to tail risks and displays significant single-name concentrations. The bank also holds credit card operations, which has intrinsically higher cost of risk.

IDB has been expanding its low-risk mortgage portfolio, which represented 30% of the loan book as of Sept. 30, 2023 compared with 26% in December 2020. This points to the dynamism of the Israeli mortgage market pre-war and the bank's strategy to catch up with domestic peers in this segment. We anticipate the risk associated with mortgage exposures will remain contained going forward. This is because IDB, like the rest of the Israeli system, follows a prudent risk management with low loan-to-value (LTV) ratios and low payment-to-income ratios of its borrowers--underlying demand for housing will also likely support prices through economic turbulences. As of Sept. 30, 2023, 60.7% of IDB's mortgages had an LTV below 60.0%, with about half of those having an LTV below 45.0%, and 99.9% of mortgages had payment to income ratios below 40.0%.

We expect the cost of risk to rapidly grow in 2023 and 2024 as a consequence of the Israel-Hamas war. Over the next two years, we forecast the cost of risk could reach 60 bps-70 bps per year on average. While this is mainly a precautionary provision, we expect the materialization of the losses to hinge on the performance of the Israeli real estate market throughout the conflict. The real estate market had already shown signs of slowing down before the war amid rising interest rates. Specifically, we see loans to the construction sector--which accounts for 12% of IDB's total loans in 2023--as carrying more risk. We think the shortage of Palestinian workers and the drop in property demand due to the war, coupled with higher rates will significantly test the financial resilience of real estate developers.

Operational risks are material because of the geopolitical tensions in the region, the related potential damage, and other adverse events. We partly reflect these risks in our anchor for Israeli banks. At the same time, we consider that the bank actively protects itself from cyber risks.

Funding And Liquidity: Well-Diversified Funding Base Supports Metrics

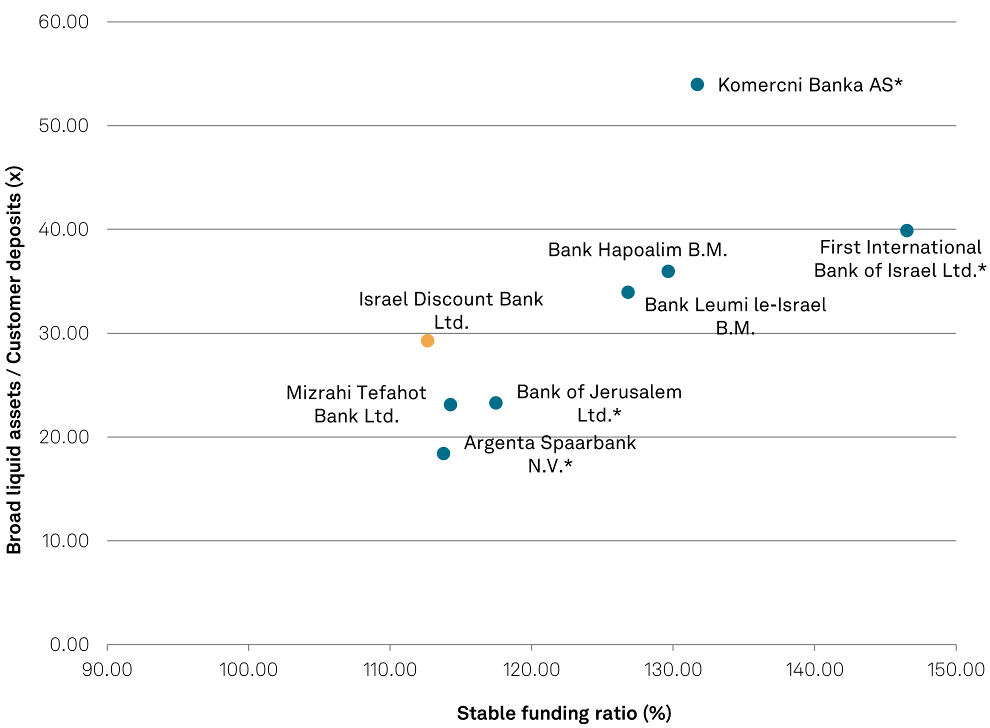
Since the war began, we have not witnessed any volatility in IDB's deposits base. Over the past 12 months, the structure of deposits has somewhat evolved, with the share of noninterest-bearing deposits reducing to approximately 23% as of Sept. 30, 2023, from about 27% as of March 31, 2023. We expect further rebalancing of deposits toward remunerated deposits and, therefore, IDB's cost of funding to continue to increase. The depositor base has not shown signs of volatility amid tighter liquidity conditions and despite the ongoing war. Deposits have continued to expand as consumption has dropped since Oct. 7, 2023. We expect the bank to retain a deposit market share of close to 14% over the next two years.

Our assessment considers IDB's lack of reliance on wholesale funding and deep domestic funding base. As with domestic peers, most of IDB's funding base stems from stable and granular customer deposits and moderate deposit-pricing competition. In January 2023, IDB completed its first international private placement of 800 million U.S. dollar bonds. We do not expect IDB to have any major difficulty in refinancing its issues or in accessing domestic capital markets, despite the ongoing conflict, as domestic investors maintained their appetite for banks' issuances. The bank managed to issue an ILS1.4 billion unsecured bond on Jan. 2, 2024.

In our view, IDB benefits from sound liquidity. Cash at the central bank, other bank placements, and investment securities constituted about 28% of the bank's assets and 47% of the short-term customer deposits as of Sept. 30, 2023. As of Sept. 30, 2023, approximatively 71% of the securities portfolio is invested in government bonds, and approximatively 16% is invested in highly rated bonds backed by mortgages. IDB's ratio of broad liquid assets to short-term wholesale funding was 3.4x on Sept. 30, 2023. We do not expect a significant deviation in the overall liquidity profile of the bank over the next two years. Finally, we note IDB's key funding and liquidity ratios compare adequately with those of similar peers. The bank's liquidity coverage ratio stood at 136% for the third quarter of 2023 and the net stable funding ratio at 121%.

Chart 4

IDB displays funding and liquidity metrics in line with peers



*Data as of the first half of 2023. S&P Calculations based on banks' regulatory disclosures. Source: S&P Global Ratings.

Support: One Notch Of Uplift For Government Support

Our long-term issuer credit rating on IDB is one notch higher than its stand-alone credit profile, reflecting the bank's high systemic importance in Israel, which we classify as supportive to the banking sector. Consequently, we consider the likelihood of extraordinary government support to IDB, if needed, to be moderately high. We would reconsider our assessment of government support if regulatory authorities introduced an updated bank resolution framework.

Environmental, Social, And Governance

We think environmental, social, and governance credit factors have no material influence on our credit rating analysis of IDB.

We regard the management team as professional and experienced. Also, IDB exhibits a robust system of checks and balances in decision-making with independent directors that contribute to the bank's strategy.

Environment and social factors do not affect credit quality differently from industry peers. We expect the bank's investment in digitalization will gradually have positive environmental implication. IDB is also committed to increasing the scope of "green lending" to ILS12 billion and reduce its carbon footprint by 40% by 2030. Regarding social risk, we note IDB will continue staff reduction as part of its strategy. We expect early retirements to be handled carefully. We also understand that IDB intends to increase the share of new hires from under-represented population to 25%.

Key Statistics

Table 1

Israel Discount Bank Ltd.--Key figures

	--Year ended Dec. 31--				
(Mil. ILS)	**2023***	**2022**	**2021**	**2020**	**2019**
Adjusted assets	399,040	375,330	333,726	292,603	258,690
Customer loans (gross)	265,776	246,887	218,860	195,952	186,506
Adjusted common equity	29,535	25,205	20,438	17,530	17,674
Operating revenues	12,264	12,535	10,447	9,926	9,660
Noninterest expenses	5,944	7,217	6,858	6,681	6,299
Core earnings	3,362	3,252	2,788	988	1,746

*Data as of Sept. 30, 2023. ILS--Israeli new shekel.

Table 2

Israel Discount Bank Ltd.--Business position

	--Year ended Dec. 31--				
(%)	**2023***	**2022**	**2021**	**2020**	**2019**
Total revenues from business line (currency in millions)	12,264	12,971	10,511	9,955	9,680
Commercial banking/total revenues from business line	39.1	37.4	36.1	36.8	38.9
Retail banking/total revenues from business line	45.7	40.4	36.2	36.4	38.4
Commercial and retail banking/total revenues from business line	84.9	77.9	72.3	73.1	77.3
Other revenues/total revenues from business line	15.1	22.1	27.7	26.9	22.7
Return on average common equity	16.6	15.1	13.6	5.2	9.5

*Data as of Sept. 30, 2023.

Table 3

Israel Discount Bank Ltd.--Capital and earnings

	--Year ended Dec. 31--				
(%)	**2023***	**2022**	**2021**	**2020**	**2019**
Tier 1 capital ratio	10.36	10.25	10.23	10.38	10.60
S&P Global Ratings’ RAC ratio before diversification	N/A	8.92	9.41	9.19	9.76
S&P Global Ratings’ RAC ratio after diversification	N/A	7.97	8.43	8.31	8.74
Adjusted common equity/total adjusted capital	100.00	100.00	100.00	100.00	100.00
Net interest income/operating revenues	68.34	69.35	62.50	59.42	61.00
Fee income/operating revenues	21.80	27.16	29.91	28.47	30.77
Market-sensitive income/operating revenues	7.53	3.17	7.21	11.47	7.47
Cost-to-income ratio	48.47	57.57	65.65	67.31	65.21

Table 3

Israel Discount Bank Ltd.--Capital and earnings (cont.)

	--Year ended Dec. 31--				
(%)	**2023***	**2022**	**2021**	**2020**	**2019**
Preprovision operating income/average assets	2.17	1.49	1.14	1.17	1.35
Core earnings/average managed assets	1.16	0.91	0.89	0.36	0.70

*Data as of Sept. 30, 2023. N/A--Not applicable. RAC--Risk-adjusted capital.

Table 4

Israel Discount Bank Ltd.--Risk-adjusted capital framework data

(Mil. ILS)	**Exposure***	**Basel III RWA**	**Average Basel III RW(%)**	**S&P Global Ratings RWA**	**Average S&P Global Ratings RW (%)**
Credit risk					
Government and central banks	110,733	3,105	3	1,510	1
Of which regional governments and local authorities	11,939	2,519	21	430	4
Institutions and CCPs	16,966	2,849	17	4,058	24
Corporate	156,626	141,630	90	165,624	106
Retail	101,106	61,634	61	44,944	44
Of which mortgage	66,621	35,656	54	19,080	29
Securitization§	1,447	289	20	289	20
Other assets†	9,464	12,779	135	16,519	175
Total credit risk	396,342	222,287	56	232,945	59
Credit valuation adjustment					
Total credit valuation adjustment	--	2,077	--	2,700	--
Market risk					
Equity in the banking book	2,060	2,765	134	17,864	867
Trading book market risk	--	3,633	--	5,450	--
Total market risk	--	6,398	--	23,314	--
Operational risk					
Total operational risk	--	16,685	--	23,503	--
	Exposure	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global Ratings RWA**	**% of S&P Global Ratings RWA**
Diversification adjustments					
RWA before diversification	--	247,447	--	282,462	100
Total diversification/ Concentration adjustments	--	--	--	33,893	12
RWA after diversification	--	247,447	--	316,355	112
		Tier 1 capital	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global Ratings RAC ratio (%)**
Capital ratio					
Capital ratio before adjustments		25,353	10.2	25,205	8.9
Capital ratio after adjustments‡		25,353	10.2	25,205	8.0

Table 4

Israel Discount Bank Ltd.--Risk-adjusted capital framework data (cont.)

*Exposure at default. §Securitization exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. CCPs--Central counterparty clearing house. ILS--Israeli new shekel. Sources: Company data as of Dec. 31, 2022. S&P Global Ratings.

Table 5

Israel Discount Bank Ltd.--Risk position

	--Year ended Dec. 31--				
(%)	**2023***	**2022**	**2021**	**2020**	**2019**
Growth in customer loans	10.2	12.8	11.7	5.1	9.4
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	12.0	11.6	10.7	11.7
Total managed assets/adjusted common equity (x)	13.5	14.9	16.4	16.8	14.7
New loan loss provisions/average customer loans	0.6	0.2	(0.3)	0.9	0.4
Net charge-offs/average customer loans	0.1	0.1	0.0	0.2	0.2
Gross nonperforming assets/customer loans + other real estate owned	1.2	1.1	1.0	1.3	1.2
Loan loss reserves/gross nonperforming assets	125.9	123.7	140.8	143.5	110.1

*Data as of Sept. 30, 2023. N/A--Not applicable. RWA--Risk-weighted asset.

Table 6

Israel Discount Bank Ltd.--Funding and liquidity

	--Year ended Dec. 31--				
(%)	**2023***	**2022**	**2021**	**2020**	**2019**
Core deposits/funding base	87.7	89.9	90.2	90.3	91.0
Customer loans (net)/customer deposits	87.7	83.3	82.6	84.9	91.2
Long-term funding ratio	93.0	94.5	95.9	95.0	96.7
Stable funding ratio	112.7	117.1	118.8	114.8	109.4
Short-term wholesale funding/funding base	7.6	5.9	4.4	5.3	3.6
Regulatory net stable funding ratio	120.8	124.8	126.7	N/A	N/A
Broad liquid assets/short-term wholesale funding (x)	3.4	4.6	6.6	5.1	5.9
Broad liquid assets/total assets	21.9	23.6	25.0	23.3	18.2
Broad liquid assets/customer deposits	29.3	30.4	32.1	30.3	23.5
Net broad liquid assets/short-term customer deposits	25.8	29.8	34.1	30.5	24.4
Regulatory liquidity coverage ratio (x)	135.9	130.5	123.1	N/A	N/A
Short-term wholesale funding/total wholesale funding	61.6	58.9	44.6	55.2	40.3

*Data as of Sept. 30, 2023. N/A--Not applicable.

Israel Discount Bank Ltd.--Rating component scores

Issuer credit rating	**BBB+/Negative/A-2**
SACP	bbb
Anchor	bbb+
Economic risk	3
Industry risk	4
Business position	Adequate

Israel Discount Bank Ltd.--Rating component scores (cont.)	
Issuer credit rating	**BBB+/Negative/A-2**
Capital and earnings	Adequate
Risk position	Moderate
Funding	Adequate
Liquidity	Adequate
Comparable ratings analysis	0
Support	0
ALAC support	0
GRE support	0
Group support	0
Sovereign support	+1
Additional factors	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity. SACP--Stand-alone credit profile.

Related Criteria

- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities, Jan. 7, 2024
- General Criteria: National And Regional Scale Credit Ratings Methodology, June 8, 2023
- General Criteria: Hybrid Capital: Methodology And Assumptions, March 2, 2022
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Ratings Detail (As Of January 31, 2024)*	
Israel Discount Bank Ltd.	
Issuer Credit Rating	BBB+/Negative/A-2
Issuer Credit Ratings History	
31-Oct-2023	BBB+/Negative/A-2
20-Jan-2022	BBB+/Positive/A-2
06-May-2020	BBB+/Stable/A-2
10-Jul-2019	BBB+/Positive/A-2
Sovereign Rating	
Israel	AA-/Negative/A-1+

Ratings Detail (As Of January 31, 2024)*(cont.)	
Related Entities	
Israel Discount Bank of New York	
Issuer Credit Rating	BBB+/Negative/--

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.