

ISRAEL DISCOUNT BANK LTD.

Registration no.: 520007030

FAO: Israel Securities Authority
www.isa.gov.il

FAO: The Tel Aviv Stock Exchange Ltd.
www.tase.co.il

T125 (Public)

Magna transmission date: January 26, 2023
Reference No.: 2023-01-011721

Supplementary Report to the Report filed on January 17, 2023 whose reference number is: 2023-01-008241

Main details added/completed: *Rating of USD Notes updated from 'A(EXP)' to 'A'*
Details of the rating are set forth in the attachment below

Immediate Report Regarding Rating of Debentures/Rating of Corporation or Withdrawal of Rating

On January 17, 2023, *Other* Fitch Ratings published:

An initial rating report/notice

A withdrawal of rating notice

1. Rating report or notice

Rating of Corporation: *Other* Fitch Ratings A/F1+ _____ *stable*

Comments/Nature of the Notice: *Initial rating* _____

Rating history during the three years prior to the rating/notice date:

Date	Subject of Rating	Rating	Comments/Nature of the Notice
_____	_____	_____	_____

Rating of debentures of the Corporation

Name and Class of Security	Stock Exchange Security Registration Number	Rating Company	Current Rating	Comments/Nature of the Notice
<i>USD Notes</i>	<i>000000</i>	<i>Other Fitch Ratings</i>	<i>Other A(EXP)</i> _____ <i>stable</i>	<i>Initial rating</i>

Rating history during the three years prior to the rating/notice date:

Name and Class of Security	Stock Exchange Security Registration Number	Date	Class of Security Being Rated	Rating	Comments/Nature of the Notice
_____	_____	_____	_____	_____	_____

Fitch Ratings' rating report is attached

2. On _____, _____ announced that the rating for ... _____ had been withdrawn.

Details of signatories authorized to sign in the name of the Corporation:

	Name of Signatory	Position
1	<i>Assaf Pasternak</i>	<i>Other Executive Vice President, Head of Financial Markets Division</i>
2	<i>Barak Nardi</i>	<i>Other Executive Vice President, Head of Strategy, Finance and Holdings Division</i>

Reference numbers of previous documents relating to this topic (their mention does not constitute their inclusion by way of reference):

The securities of the Corporation are listed for trade on the Tel Aviv Stock Exchange Date of updating structure of form: 29/12/2022

Abbreviated name: Discount

Address: 23 Yehuda Halevi St., Tel Aviv 6513601, Israel Tel: +972-3-9439111; Fax: +972-3-5171674

Email: michal.sd@dbank.co.il

Prior names of the reporting entity:

Name of person making electronic report: Tenne, Ayelet Position: General Secretary Name of Employing Company:

Address: 23 Yehuda Halevi St., Tel Aviv 6513601, Israel Tel: +972-76-8058862; Fax: +972-3-5171674 Email: ayelet.tenne@dbank.co.il

Israel Discount Bank's Immediate Reports are published in Hebrew on the website of the Israel Securities Authority and the Tel Aviv Stock Exchange.

The English translation is prepared for convenience purposes only.

In the case of any discrepancy between the English and Hebrew versions, the Hebrew will prevail.

25 JAN 2023

Fitch Assigns Israel Discount Bank's USD800 million Senior Notes 'A' Final Rating

Fitch Ratings - London - 25 Jan 2023: Fitch Ratings has assigned Israel Discount Bank Limited's (IDB; A/Stable) USD800 million senior unsecured notes a final rating of 'A'. IDB's other ratings are unaffected by this rating action.

The final rating is in line with the expected rating that Fitch assigned to the notes on 17 January 2023.

Key Rating Drivers

Fitch rates the notes in line with IDB's 'A' Long-Term IDR and in line with the baseline approach for senior debt ratings under our criteria. This reflects our view that a default on senior unsecured debt equates to a default of the bank. It also reflects Fitch's expectation of average recovery prospects.

IDB's Long-Term IDR reflects Fitch's view of a very high probability that Israel (A+/Stable/F1+) would provide support to IDB, if needed. Fitch assesses Israel's ability and propensity to support IDB as very high, particularly given the bank's systemic importance in the country, with about 15% of banking-system assets.

For further details on IDB's key rating drivers and sensitivities, see 'Fitch Rates Israel Discount Bank 'A'/Stable; Senior Debt 'A'(EXP)'.
<https://www.fitchratings.com/site/pr/10223652>

Rating Sensitivities

Factors that could, individually or collectively, lead to negative rating action/downgrade:

The rating on the notes will be downgraded if IDB's Long-Term IDR is downgraded.

Factors that could, individually or collectively, lead to positive rating action/upgrade:

The rating on the notes will be upgraded if IDB's Long-Term IDR is upgraded.

Best/Worst Case Rating Scenario

International scale credit ratings of Financial Institutions and Covered Bond issuers have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of three notches over a three-year rating horizon; and a worst-case rating downgrade

scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of four notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit <https://www.fitchratings.com/site/re/10111579>

Date of Relevant Committee

12 January 2023

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

Public Ratings with Credit Linkage to other ratings

The senior unsecured debt ratings are driven by IDB's IDR, which in turn reflects Fitch's view of a very high probability of state support from Israel.

ESG CONSIDERATIONS

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

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Rating Actions

ENTITY/DEBT	RATING	RECOVERY	PRIOR
Israel Discount Bank Limited			
• senior unsecured ^{LT}	A	New Rating	A(EXP)

RATINGS KEY OUTLOOK WATCH

POSITIVE	⬆️	⬆️
NEGATIVE	⬇️	⬇️
EVOLVING	⦿	⬇️
STABLE	⦿	

Applicable Criteria

[Bank Rating Criteria \(pub.07 Sep 2022\) \(including rating assumption sensitivity\)](#)

Additional Disclosures

[Solicitation Status](#)

Endorsement Status

Israel Discount Bank Limited UK Issued, EU Endorsed

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