

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

T121 (Public)

Magna transmission date: August 10, 2022
Reference No.: 2022-01-100993

IMMEDIATE REPORT FOR MATERIAL GENERAL INFORMATION

Explanation: This form is not to be used if a form exists that is suitable for the reported event

Nature of the event: ICC Financial Report – Quarter 2, 2022

Reference numbers of previous reports relating to this topic: _____

We hereby announce that the subsidiary of the Bank, Israel Credit Cards Ltd., has approved its financial statements as of June 30, 2022.

See attachment below

The Company *is not* a shell company as defined in the TASE Code

The date when the Corporation first learned of the event: *August 09, 2022 at 19:30*

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

	Name of Signatory	Position
1	<i>Joseph Beressi</i>	<i>Other Senior Executive Vice President, Chief Accountant</i>
2	<i>Barak Nardi</i>	<i>Other Executive Vice President, Head of Planning, Strategy and Finance 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: 02/08/2022
Abbreviated name: Discount
Address: 23 Yehuda Halevi St., Tel Aviv 6513601, Israel Tel: 972-3-9439111; Fax: 972-3-5171674
Email: michal.sd@discountbank.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.

Condensed Consolidated Interim Statement of Profit and Loss

	Three months ended		Six months ended		Year ended
	June 30	June 30	June 30	June 30	December 31
	2022	2021	2022	2021	2021
	(Unaudited)		(Unaudited)		(Audited)
In NIS millions					
Income					
Credit card transactions	412	346	789	663	1,432
Net interest income	172	133	332	262	548
Non-interest financing income (expenses)	31	(1)	48	*-	5
Total income	615	478	1,169	925	1,985
Expenses					
Expenses (revenues) for credit losses	27	(15)	26	(19)	(9)
Operating (1)	212	152	404	307	684
Selling and marketing (1)	153	136	302	265	533
Administrative and general (1)	24	19	45	37	85
Payments to banks	86	76	164	138	301
Total expenses	502	368	941	728	1,594
Profit before taxes	113	110	228	197	391
Provision for taxes on income	33	31	68	58	122
Profit after taxes	80	79	160	139	269
Company's equity in profits of associate, net of tax effect	1	*-	1	*-	2
Net profit	81	79	161	139	271
Basic and diluted earnings per ordinary share in NIS:					
Net earnings attributable to equity holders of the Company	73.6	72.3	146.5	126.9	246.9

* Represents an amount of less than NIS 1 million.

- (1) Of which: in respect of salaries and social benefits in the amounts of NIS 96 million and NIS 89 million in the three months ended June 30, 2022 and 2021, respectively, and NIS 193 million, NIS 177 million and NIS 368 million in the first six months of 2022 and 2021 and in the year 2021, respectively. It is hereby clarified that the aforesaid amounts include only the service cost, with this being in accordance with Amendment 2017-07 to the Codification regarding improving the presentation of expenses for pension and other post-retirement benefits.

Esther Deutsch
Chair of the Board of Directors

Levy Halevy
Chief Executive Officer

Shaul Mizrahi
Chief Accountant

Date of the approval of the financial statements: August 9, 2022.

Condensed Consolidated Interim Statement of Other Comprehensive Income

	Three months ended		Six months ended		Year ended
	June 30	June 30	June 30	June 30	December 31
	2022	2021	2022	2021	2021
	(Unaudited)		(Unaudited)		(Audited)
	In NIS millions				
Net profit attributable to equity holders of the Company	81	79	161	139	271
Other comprehensive gain (loss) before taxes					
Adjustments to liabilities in respect to employee rights**	14	(*)	26	(1)	19
Other comprehensive gain (loss) before taxes	14	(*)	26	(1)	19
Related tax effect	(3)	*-	(6)	*-	(4)
Other comprehensive gain (loss) attributable to equity holders of the Company, after taxes	11	(*)	20	(1)	15
Comprehensive income attributable to equity holders of the Company	92	79	191	138	286

* Represents an amount of less than NIS 1 million.

** Mainly reflects adjustments in respect to period-end actuarial estimates of defined benefit pension plans and the write-down of amounts previously recorded in other comprehensive income.

Condensed Consolidated Interim Balance Sheet as at

	June 30	June 30	December 31
	2022	2021	2021
	(Unaudited)		(Audited)
	In NIS millions		
Assets:			
Cash and bank deposits	151	61	57
Accounts receivable on credit card transactions (1)	16,689	18,825	15,373
Provision for credit losses	(333)	(363)	(349)
Accounts receivable on credit card transactions, net	16,356	18,462	15,024
Securities	30	27	30
Investments in associate	10	13	9
Buildings and equipment	584	479	567
Other assets	528	459	389
Assets held for sale	39	-	-
Total assets	17,698	19,501	16,076
Liabilities and equity:			
Credit from banks	2,981	5,487	1,502
Accounts payable on credit card transactions	11,917	11,377	11,633
Subordinated notes	-	7	7
Other liabilities	743	562	718
Total liabilities	15,641	17,433	13,860
Total equity	2,057	2,068	2,216
Total liabilities and equity	17,698	19,501	16,076

Condensed Interim Statement of Changes in Equity

	Paid-up share capital	Retained earnings	Other comprehensive income (loss)	Total equity
In NIS millions				
For the three-month period ended June 30, 2022 (unaudited)				
Balance as at April 1, 2022	*-	2,324	(19)	2,305
Dividend	-	(340)	-	(340)
Other comprehensive income, net, after tax effect	-	-	11	11
Net profit for the period	-	81	-	81
Balance as at June 30, 2022	*-	2,065	(8)	2,057
For the three-month period ended June 30, 2021 (unaudited)				
Balance as at April 1, 2021	*-	2,033	(44)	1,989
Other comprehensive loss, net, after tax effect	-	-	(* -)	(* -)
Net profit for the period	-	79	-	79
Balance as at June 30, 2021	*-	2,112	(44)	2,068
For the six-month period ended June 30, 2022 (unaudited)				
Balance as at January 1, 2022	*-	2,244	(28)	2,216
Dividend	-	(340)	-	(340)
Other comprehensive income, net, after tax effect	-	-	20	20
Net profit for the period	-	161	-	161
Balance as at June 30, 2022	*-	2,065	(8)	2,057
For the six-month period ended June 30, 2021 (unaudited)				
Balance as at January 1, 2021	*-	1,973	(43)	1,930
Other comprehensive loss, net, after tax effect	-	-	(1)	(1)
Net profit for the period	-	139	-	139
Balance as at June 30, 2021	*-	2,112	(44)	2,068
For the year ended December 31, 2021 (audited)				
Balance as at January 1, 2021	*-	1,973	(43)	1,930
Other comprehensive loss, net, after tax effect	-	-	15	15
Net profit for the year	-	271	-	271
Balance as at December 31, 2021	*-	2,244	(28)	2,216

* Represents an amount of less than NIS 1 million.

Condensed Consolidated Interim Statement of Cash Flows

	Three months ended		Six months ended		Year ended
	June 30	June 30	June 30	June 30	December 31
	2022	2021	2022	2021	2021
	(Unaudited)		(Unaudited)		(Audited)
In NIS millions					
Cash flows from operating activities:					
Net profit for the period	81	79	161	139	271
Adjustments:					
Company's equity in undistributed profits of associate	(1)	(*)	(1)	(*)	(2)
Depreciation of buildings and equipment	26	24	51	47	97
Expenses (revenues) for credit losses	27	(15)	26	(19)	(9)
Deferred taxes, net	1	3	(128)	*-	15
Severance pay - increase (decrease) in excess of liability over funded amount	*-	*-	-	(1)	1
Dividend received from associate accounted for according to the equity method	-	-	-	-	6
Net changes in current assets:					
Accounts receivable on credit card transactions, net	(451)	202	(510)	(716)	3,374
Effect of exchange rate fluctuations on cash balances	2	(*)	1	(4)	(4)
Other assets	26	(28)	(17)	(75)	(23)
Net changes in current liabilities:					
Accounts payable on credit card transactions, net	32	(474)	284	459	715
Other liabilities	(88)	50	55	47	224
Net cash flows provided by/(used in) operating activities	(345)	(159)	(78)	(123)	4,665
Cash flows from investing activities:					
Acquisition of shares not held for trading	-	-	-	-	(3)
Credit to cardholders and merchants, net	(359)	(263)	(851)	(130)	(796)
Acquisition of buildings and equipment	(60)	(36)	(107)	(66)	(204)
Net cash flows used in investing activities	(419)	(299)	(958)	(196)	(1,003)
Cash flows from financing activities:					
Dividend distributed to the shareholders	(340)	-	(340)	-	-
Short-term credit from banks, net	1,150	463	1,478	331	(3,654)
Redemption of subordinated notes	-	-	(7)	(7)	(7)
Net cash flows provided by/(used in) financing activities	810	463	1,131	324	(3,661)
Increase in cash and cash equivalents	46	5	95	5	1
Effect of exchange rate fluctuations on cash balances	(2)	*-	(1)	4	4
Cash and cash equivalents at the beginning of the period	107	56	57	52	52
Cash and cash equivalents at the end of the period	151	61	151	61	57
Interest received	179	130	346	263	566
Interest paid	(8)	(7)	(14)	(14)	(24)
Dividends received	1	1	1	1	8
Taxes on income received	4	1	15	9	28
Taxes on income paid	(96)	(23)	(198)	(53)	(98)

* Represents an amount of less than NIS 1 million.