

# 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)

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## **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 3, 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 September 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: *November 21, 2022 at 13:30*

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

|          | <b>Name of Signatory</b> | <b>Position</b>  |
|----------|--------------------------|--|
| <b>1</b> | <i>Joseph Beressi</i>    | <i>Other<br/>Senior Executive Vice President, Chief Accountant</i>                             |
| <b>2</b> | <i>Barak Nardi</i>       | <i>Other<br/>Executive Vice President, Head of Strategy, Finance and<br/>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: 02/11/2022  
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](mailto: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](mailto: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 |             | Nine months ended |              | Year ended   |
|---|--------------------|-------------|-------------------|--------------|--------------|
|   | September 30       |             | September 30      |              | December 31  |
|   | 2022               | 2021        | 2022              | 2021         | 2021         |
|   | (Unaudited)        |             | (Unaudited)       |              | (Audited)    |
|   | In NIS millions    |             |                   |              |              |
| <b>Income</b>   |                    |             |                   |              |              |
| Credit card transactions  | 434                | 381         | 1,223             | 1,044        | 1,432        |
| Net interest income   | 170                | 140         | 502               | 402          | 548          |
| Non-interest financing income                                     | 61                 | 4           | 109               | 4            | 5            |
| <b>Total income</b>   | <b>665</b>         | <b>525</b>  | <b>1,834</b>      | <b>1,450</b> | 1,985        |
| <b>Expenses (Income)</b>  |                    |             |                   |              |              |
| For credit losses   | 28                 | 1           | 54                | (18)         | (9)          |
| Operating (1)   | 205                | 180         | 609               | 487          | 684          |
| Selling and marketing( 1)   | 156                | 113         | 458               | 378          | 533          |
| Administrative and general (1)                                    | 24                 | 21          | 69                | 58           | 85           |
| Payments to banks   | 97                 | 80          | 261               | 218          | 301          |
| <b>Total expenses</b>   | <b>510</b>         | <b>395</b>  | <b>1,451</b>      | <b>1,123</b> | 1,594        |
| Profit before taxes   | 155                | 130         | 383               | 327          | 391          |
| Provision for taxes on profit                                     | 47                 | 39          | 115               | 97           | 122          |
| Profit after taxes  | 108                | 91          | 268               | 230          | 269          |
| Company's equity in profits of associate,<br>net of tax effect    | 1                  | 1           | 2                 | 1            | 2            |
| <b>Net profit</b>   | <b>109</b>         | <b>92</b>   | <b>270</b>        | <b>231</b>   | <b>271</b>   |
| <b>Basic and diluted earnings per ordinary share in NIS:</b>      |                    |             |                   |              |              |
| <b>Net earnings attributable to equity holders of the Company</b> | <b>99.3</b>        | <b>83.6</b> | <b>245.8</b>      | <b>210.6</b> | <b>246.9</b> |

- (1) Of which: in respect of salaries and social benefits in the amounts of NIS 100 million and NIS 95 in the three months ended September 30, 2022 and 2021, respectively, and NIS 293 million, NIS 272 million and NIS 368 million in the first nine 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: November 21, 2022.

## Condensed Consolidated Interim Statement of Other Comprehensive Income

|   | Three months ended |            | Nine months ended |            | Year ended  |
|---|--------------------|------------|-------------------|------------|-------------|
|   | September 30       |            | September 30      |            | December 31 |
|   | 2022               | 2021       | 2022              | 2021       | 2021j       |
|   | (Unaudited)        |            | (Unaudited)       |            | (Audited)   |
|   | In NIS millions    |            |                   |            |             |
| Net profit attributable to equity holders of the Company  | <b>109</b>         | <b>92</b>  | <b>270</b>        | <b>231</b> | <b>271</b>  |
| <b>Other comprehensive income (loss) before taxes:</b>  |                    |            |                   |            |             |
| Adjustments to liabilities in respect to employee rights**  | 6                  | (1)        | 33                | (2)        | 19          |
| <b>Other comprehensive income (loss) before taxes</b>   | <b>6</b>           | <b>(1)</b> | <b>33</b>         | <b>(2)</b> | <b>19</b>   |
| Related tax effect  | (1)                | *-         | (8)               | *-         | (4)         |
| <b>Other comprehensive income (loss) attributable to equity holders of the Company, after taxes</b> | <b>5</b>           | <b>(1)</b> | <b>25</b>         | <b>(2)</b> | <b>15</b>   |
| <b>Comprehensive income attributable to equity holders of the Company</b>                           | <b>114</b>         | <b>91</b>  | <b>295</b>        | <b>229</b> | <b>286</b>  |

\* 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

|  | September 30    | September 30  | December 31   |
|--|-----------------|---------------|---------------|
|  | 2022            | 2021          | 2021          |
|  | (Unaudited      |               | (Audited)     |
|  | In NIS millions |               |               |
| <b>Assets:</b>                                       |                 |               |               |
| Cash and bank deposits                               | 67              | 67            | 57            |
| Accounts receivable on credit card transactions      | 17,620          | 14,488        | 15,373        |
| Provision for credit losses                          | (335)           | (352)         | (349)         |
| Accounts receivable on credit card transactions, net | 17,285          | 14,136        | 15,024        |
| Securities   | 17              | 27            | 30            |
| Investments in associate                             | 11              | 13            | 9             |
| Buildings and equipment                              | 631             | 500           | 567           |
| Other assets   | 514             | 422           | 389           |
| Asset held for sale                                  | 39              | -             | -             |
| <b>Total assets</b>                                  | <b>18,564</b>   | <b>15,165</b> | <b>16,076</b> |
| <b>Liabilities and equity:</b>                       |                 |               |               |
| Credit from banks                                    | 2,788           | 1,865         | 1,502         |
| Accounts payable on credit card transactions         | 12,951          | 10,531        | 11,633        |
| Subordinated notes                                   | -               | 7             | 7             |
| Other liabilities                                    | 734             | 603           | 718           |
| <b>Total liabilities</b>                             | <b>16,473</b>   | <b>13,006</b> | <b>13,860</b> |
| Equity attributable to equity holders of the Company | 2,091           | 2,159         | 2,216         |
| <b>Total liabilities and equity</b>                  | <b>18,564</b>   | <b>15,165</b> | <b>16,076</b> |

## Condensed Interim Statement of Changes in Equity

|  | Paid-up<br>share<br>capital | Retained<br>earnings | Other<br>comprehensive<br>income (loss) | Total<br>equity |
|--|-----------------------------|----------------------|---|-----------------|
| In NIS millions  |                             |                      |   |                 |
| <b>For the three-month period ended September 30, 2022</b><br><b>(unaudited)</b> |                             |                      |   |                 |
| Balance as at July 1, 2022   | *-                          | <b>2,065</b>         | <b>(8)</b>                              | <b>2,057</b>    |
| Dividend   | -                           | (80)                 | -                                       | (80)            |
| Other comprehensive income, net, after tax effect                                | -                           | -                    | 5                                       | 5               |
| Net profit for the period  | -                           | 109                  | -                                       | 109             |
| <b>Balance as at September 30, 2022</b>  | <b>*-</b>                   | <b>2,094</b>         | <b>(3)</b>                              | <b>2,091</b>    |
| <b>For the three-month period ended September 30, 2021</b><br><b>(unaudited)</b> |                             |                      |   |                 |
| Balance as at July 1, 2021   | *-                          | <b>2,112</b>         | <b>(44)</b>                             | <b>2,068</b>    |
| Other comprehensive loss, net, after tax effect                                  | -                           | -                    | (1)                                     | (1)             |
| Net profit for the period  | -                           | 92                   | -                                       | 92              |
| <b>Balance as at September 30, 2021</b>  | <b>*-</b>                   | <b>2,204</b>         | <b>(45)</b>                             | <b>2,159</b>    |
| <b>For the nine-month period ended September 30, 2022</b><br><b>(unaudited)</b>  |                             |                      |   |                 |
| Balance as at January 1, 2022  | *-                          | <b>2,244</b>         | <b>(28)</b>                             | <b>2,216</b>    |
| Dividend   | -                           | (420)                | -                                       | (420)           |
| Other comprehensive income, net, after tax effect                                | -                           | -                    | 25                                      | 25              |
| Net profit for the period  | -                           | 270                  | -                                       | 270             |
| <b>Balance as at September 30, 2022</b>  | <b>*-</b>                   | <b>2,094</b>         | <b>(3)</b>                              | <b>2,091</b>    |
| <b>For the nine-month period ended September 30, 2021</b><br><b>(unaudited)</b>  |                             |                      |   |                 |
| Balance as at January 1, 2021  | *-                          | <b>1,973</b>         | <b>(43)</b>                             | <b>1,930</b>    |
| Other comprehensive loss, net, after tax effect                                  | -                           | -                    | (2)                                     | (2)             |
| Net profit for the period  | -                           | 231                  | -                                       | 231             |
| <b>Balance as at September 30, 2021</b>  | <b>*-</b>                   | <b>2,204</b>         | <b>(45)</b>                             | <b>2,159</b>    |
| <b>For the year ended December 31, 2020 (audited)</b>                            |                             |                      |   |                 |
| Balance as at January 1, 2021  | *-                          | <b>1,973</b>         | <b>(43)</b>                             | <b>1,930</b>    |
| Other comprehensive income, net, after tax effect                                | -                           | -                    | 15                                      | 15              |
| Net profit for the year  | -                           | 271                  | -                                       | 271             |
| <b>Balance as at December 31, 2021</b>   | <b>*-</b>                   | <b>2,244</b>         | <b>(28)</b>                             | <b>2,216</b>    |

\* Represents an amount of less than NIS 1 million.

## Condensed Consolidated Interim Statement of Cash Flows

|   | Three months ended |                | Nine months ended |                | Year ended     |
|---|--------------------|----------------|-------------------|----------------|----------------|
|   | September 30       |                | September 30      |                | December 31    |
|   | 2022               | 2021           | 2022              | 2021           | 2021           |
|   | (Unaudited)        |                | (Unaudited)       |                | (Unaudited)    |
| In NIS millions   |                    |                |                   |                |                |
| <b>Cash flows from operating activities:</b>                                  |                    |                |                   |                |                |
| Net profit for the period   | 109                | 92             | 270               | 231            | 271            |
| <b>Adjustments:</b>   |                    |                |                   |                |                |
| Company's equity in undistributed profits of associate                        | (1)                | (1)            | (2)               | (1)            | (2)            |
| Depreciation of buildings and equipment                                       | 25                 | 24             | 76                | 71             | 97             |
| Expenses (income) for credit losses   | 28                 | 1              | 54                | (18)           | (9)            |
| Realized gain on sale of securities   | (30)               | -              | (30)              | -              | -              |
| Deferred taxes, net   | 7                  | 13             | (121)             | 13             | 15             |
| Severance pay - increase (decrease) in excess of liability over funded amount | (1)                | 3              | (1)               | 2              | 1              |
| Dividend received from associate accounted for according to the equity method | -                  | -              | -                 | -              | 6              |
| <b>Net changes in current assets:</b>   |                    |                |                   |                |                |
| Accounts receivable on credit card transactions, net                          | (619)              | 4,502          | (1,129)           | 3,786          | 3,374          |
| Other assets  | 5                  | 25             | (12)              | (50)           | (23)           |
| Effect of exchange rate fluctuations on cash balances                         | *-                 | (*-)           | 1                 | (4)            | (4)            |
| <b>Net changes in current liabilities:</b>                                    |                    |                |                   |                |                |
| Accounts payable on credit card transactions, net                             | 1,035              | (845)          | 1,319             | (386)          | 715            |
| Other liabilities   | (15)               | 37             | 40                | 84             | 224            |
| <b>Net cash flows provided by operating activities</b>                        | <b>543</b>         | <b>3,851</b>   | <b>465</b>        | <b>3,728</b>   | <b>4,665</b>   |
| <b>Cash flows from investing activities:</b>                                  |                    |                |                   |                |                |
| Proceeds from sale of securities  | 57                 | -              | 57                | -              | -              |
| Acquisition of shares not held for trading                                    | -                  | -              | -                 | -              | (3)            |
| Credit to cardholders and merchants, net                                      | (340)              | (178)          | (1,191)           | (308)          | (796)          |
| Acquisition of buildings and equipment  | (72)               | (45)           | (179)             | (111)          | (204)          |
| <b>Net cash used in investing activities</b>                                  | <b>(355)</b>       | <b>(223)</b>   | <b>(1,313)</b>    | <b>(419)</b>   | <b>(1,003)</b> |
| <b>Cash flows from financing activities:</b>                                  |                    |                |                   |                |                |
| Dividend distributed to the shareholders                                      | (80)               | -              | (420)             | -              | -              |
| Short-term credit from banks, net   | (192)              | (3,622)        | 1,286             | (3,291)        | (3,654)        |
| Redemption of subordinated notes  | -                  | -              | (7)               | (7)            | (7)            |
| <b>Net cash flows provided by (used in) financing activities</b>              | <b>(272)</b>       | <b>(3,622)</b> | <b>859</b>        | <b>(3,298)</b> | <b>(3,661)</b> |

\* Represents an amount of less than NIS 1 million.

## Condensed Consolidated Interim Statement of Cash Flows (Continued)

|   | Three months ended |           | Nine months ended |           | Year ended  |
|---|--------------------|-----------|-------------------|-----------|-------------|
|   | September 30       |           | September 30      |           | December 31 |
|   | 2022               | 2021      | 2022              | 2021      | 2021        |
|   | (Unaudited)        |           | (Unaudited)       |           | (Audited)   |
|   | In NIS millions    |           |                   |           |             |
| Increase (decrease) in cash and cash equivalents          | <b>(84)</b>        | <b>6</b>  | <b>11</b>         | <b>11</b> | <b>1</b>    |
| Effect of exchange rate fluctuations on cash balances     | (*-)               | -         | (1)               | 4         | 4           |
| Cash and cash equivalents at the beginning of the period  | 151                | 61        | 57                | 52        | 52          |
| <b>Cash and cash equivalents at the end of the period</b> | <b>67</b>          | <b>67</b> | <b>67</b>         | <b>67</b> | <b>57</b>   |
| Interest received   | 182                | 153       | 528               | 416       | 566         |
| Interest paid   | (20)               | (6)       | (34)              | (20)      | (24)        |
| Dividend received   | *-                 | *-        | 1                 | 1         | 8           |
| Taxes on income received                                  | 1                  | 7         | 16                | 16        | 28          |
| Taxes on income paid                                      | (38)               | (28)      | (236)             | (81)      | (98)        |

\* Represents an amount of less than NIS 1 million.