

Discount Bank Announces Partnership with Gallatin Point Capital

Discount Bank has officially entered into an agreement with the American investment fund Gallatin Point Capital for the sale of approximately 15% of the equity of Israel Discount Bank of New York (IDBNY), in exchange for a \$150 million investment

Avi Levi, CEO of Discount Group remarked: "This is a significant strategic initiative for IDBNY. I am delighted with this successful collaboration and confident that Gallatin Point Capital's esteemed reputation and extensive experience in the American market will significantly contribute to the growth of IDBNY."

Matt Botein, Managing Partner and Co-Founder of Gallatin Point Capital, who will join the IDBNY Board of Directors, expressed: "We are honored to partner with Israel Discount Bank and to become a shareholder of IDBNY. For over 75 years, IDBNY has established a proud legacy as bridge between Israel and the United States, serving its customers with both profitability and prudence. We believe its best days are ahead, and we look forward to supporting its continued development."

The transaction received approval from Discount's Board of Directors, led by Chairman Danny Yamin, and was formally announced today (August 14th). This partnership is anticipated to fortify IDBNY's unique position in the U.S. market by leveraging Gallatin Point Capital's substantial network and deep knowledge of the American financial landscape. Gallatin Point Capital has a distinguished history of strategic investments in the financial sector, including in Israel, with a proven track record of delivering substantial strategic and economic value.

IDBNY, the largest Israeli-owned bank operating abroad, is a commercial bank providing a comprehensive range of banking services. It focuses on three primary areas: commercial banking, local private banking, and international private banking, operating through branches in New York, Florida, and California. Under the leadership of Ziv Biron, IDBNY concluded the first half of 2024 with a net profit of \$38 million, and as of June 30, 2024, the bank's total assets were valued at \$12.3 billion.

Gallatin Point Capital LLC is a private investment firm specializing in financial services founded by Matt Botein and Lee Sachs in 2017. Managing over \$4.5 billion across multiple funds, Gallatin Point Capital focuses on investments in financial services companies, including those involved in lending, insurance, asset management, fintech, real estate finance, banking, and capital markets.

The transaction was led by Barak Nardi, Executive Vice President and Head of Discount Holdings, Hila Himi, CEO of Discount Capital, and Adv. Tal Ravid Stern, Head of Legal Subdivision at Discount Bank.

Jefferies LLC acted as the Exclusive Financial Advisor, while Simpson Thacher & Bartlett LLP served as legal counsel to Israel Discount Bank Ltd. Davis Polk & Wardwell LLP represented Gallatin Point Capital LLC as legal counsel.

*It should be noted that the percentage of shares may increase to up to 20% depending on the amount of the dividend that will be distributed by IDBNY prior to the completion of the transaction. The closing of this transaction is subject to receiving approval from the Bank of Israel.