

# ISRAEL DISCOUNT BANK LTD.

Registration no.: 520007030

FAO: Israel Securities Authority  
[www.isa.gov.il](http://www.isa.gov.il)

FAO: The Tel Aviv Stock Exchange Ltd.  
[www.tase.co.il](http://www.tase.co.il)

T121 (Public)

Magna transmission date: January 30, 2022  
Reference No.: 2022-01-012664

## IMMEDIATE REPORT

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

### **Nature of the event: Immediate Report**

Reference numbers of previous reports relating to this topic: \_\_\_\_\_

We hereby announce that the Call Report (draft financial statement) of Israel Discount Bank of New York as at December 31, 2021 has been filed with the authorized agencies in the USA. As is customary, the aforesaid report is available to the public on the Internet site of the FDIC: <https://cdr.ffiec.gov/public/ManageFacsimiles.aspx> [Institution name: Israel Discount Bank of New York].

It should be noted that the aforesaid Report has not yet been approved by the authorized organs of the said subsidiary and certain changes may be made thereto. Filing of the above Call Report prior to its approval by the authorized organs is done as required by US reporting rules.

This Immediate Report is submitted according to the format agreed upon between the Banking Supervision Department and the Israel Securities Authority.

See Attachment - Enclosed is a Press Release published in connection with the above.

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

The date when the Corporation first learned of the event: January 30, 2022 at 08:00

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

	<b>Name of Signatory</b>	<b>Position</b>
<b>1</b>	Joseph Beressi	Other Senior Executive Vice President, Chief Accountant, Head of Accounting Division
<b>2</b>	Limor Henn	Other Manager of Regulation and Control Department, Accounting Division

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

The securities of the Corporation are listed for trade on the Tel Aviv Stock Exchange Date of updating structure of form: 31/12/2020

Abbreviated name: Discount

Address: 23 Yehuda Halevi St., Tel Aviv 6513601, Israel Tel: 972-3-5145582; 972-3-5145544; 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: Sokolov-Danoch, Michal Position: Corporate Secretary Name of Employing Company:

Address: 23 Yehuda Halevi St., Tel Aviv 6513601, Israel Tel: 972-3-5145582; Fax: 972-3-5171674 Email: [michal.sd@discountbank.co.il](mailto:michal.sd@discountbank.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.**

# IDBNY Announces FY 2021 Results

2021 NET INCOME OF \$92.3 MILLION AN INCREASE OF 59.7% YoY AND ROE OF 8.1%  
NET LOAN GROWTH OF 17.7% VS. 2020 AND 7.4% IN THE THREE MONTHS ENDING DEC. 31, 2021

**New York, NY (January 28, 2022)** – Israel Discount Bank of New York (“IDBNY”), the largest Israeli bank in the United States, today published a draft of its financial statements (Call Report) as of December 31, 2021.

Full year 2021 net income and the 8.1% ROE were driven by continued robust full year loan growth of 17.7%, and a further release of provisions for loan losses that led to improved profitability and growing diversification of IDBNY's business as compared with 2020. Ongoing focused execution of our strategy and the recovering economy were the main drivers of these solid results.

## Message from the CEO Ziv Biron



Today we report full year 2021 results culminating a strong year for IDBNY. In 2021, we achieved significant growth through the ongoing execution of our key strategic initiatives and long term strategy. Our growth came across all business areas with accelerated expansion in our Israeli related businesses, in High-Tech as well as in our traditional segments of CRE and C&I.

We look forward to building on the momentum generated in 2021 and continuing our success in 2022.

### Financial Highlights for FY 2021

- **Net Income** in FY 2021 was up 59.7% to \$92.3 million vs. \$57.8 million FY 2020.
- **ROE** was 8.1% in FY 2021, up from 5.2% in the corresponding period last year.
- **Total Income** increased 11.0% to \$343.8 million.
- **Release of Provisions for Loan Losses** for FY 2021 was \$5.1 million compared to a provision expense of \$37.5 million for FY 2020.
- **Total Non-Interest Expense** was 8.8% higher in 2021 compare with FY 2020 on account of an increase in employee compensation benefits and an increase in FDIC assessment since the Bank moved from being assessed as a small bank in 2020 to a large bank in 2021. 2021 included a non-recurring charge of \$5.9 million associated with exiting our former headquarters in 2021 and a similar, non-recurring charge of \$12.4 million was recorded in 2020.
- **Net Loan Balances** increased 17.7% in the past 12 months and 7.4% in the quarter ended December 31, 2021 reaching a total balance of to \$8.4 billion. The increase in the balance were across all sectors and geographies.
- **Total Assets and Total Equity** as at December 31, 2021 were \$13.0 billion and \$1.1 billion respectively.

### Financial Highlights for 4Q 21

- **Net Income** was \$29.9 million for 4Q21 compared to reported net income of \$27.3 million in the previous quarter and \$1.1 million in the fourth quarter of last year.
- **ROE** was 10.5% in 4Q21, up relative to 9.4% for 3Q21 and 0.4% in the corresponding year quarter.
- **Total Income** for the fourth quarter of 2021 was \$92.3 million versus \$85.5 million for the previous quarter, an increase of 7.9%. In comparison with the corresponding prior year quarter, total income increased 23.2%.
- **Release of Provisions for Loan Losses** for 4Q21 was \$4.8 million compared to \$9.2 million for the previous quarter and a provision for loan losses of \$10.1 million in the same quarter of 2020.
- **Total Non-Interest Expense** was \$54.5 million in 4Q21, compared with \$57.3 million in the previous quarter on account of decrease in salaries, and \$68.7 million in the 4Q20 mainly on account of a decrease in occupancy expenses.

## Financial Review and Commentary

2021 concludes a successful year of growth, recovery, renewal and solid execution of the Bank's growth strategy following the COVID-19 ravaged 2020. **Net income** for 2021 was \$92.3 million up 59.7% vs 2020. The strong results reflect how our industry expertise and solid, loyal customer base created momentum and delivered growth in Commercial Banking and the High-Tech segment. The high quality of our loan book, led to a reversal of provision for loan losses, strong capital ratios and ample liquidity allowing the bank to continue to grow. 2021 also saw the successful accomplishment of key milestones of our strategy particularly, expanding our private banking value proposition to new products and wealth management solutions, our move to the new Manhattan headquarters, the implementation of a hybrid work model, and improving our IT infrastructure.

The main factors that led the solid results were: continued robust net loan growth of 17.7% totaling \$8.4 billion as at the end of 2021, a release of provisions for loan losses totaling \$5.1 million, and continued strong non-interest income of \$86.7 million. This was partially offset by higher reported non-interest expenses of \$222.2 million 8.8% higher in FY 2021 vs. FY 2020 driven mainly by our continued strategic investments and higher compensation costs aligned with the US labor market.

**Reported ROE** of 8.1% was up significantly compared with ROE of 5.2% in FY2020. This profitability reflects IDB's strong underlying business continuing to enhance capital buffers paving the way to further execution of the strategic plan. Our **CET-1 ratio** of 12.5%, driven in large part by the improved ROE allowed the Bank to pay a dividend to shareholders of \$43 million that was distributed in 3Q 21.

**Loan growth** at the bank remained strong continuing recent trends, growing faster than our peers, and driven by the upward performance across all sectors and each of our regions: New York, Florida and California. Demand was strong with total loan book growth of 17.1% reaching over \$8.5 billion. This is reflected across all segments, with C&I up 23.2% and CRE up 13.0% vs. 2020.

**Deposit growth** continues to be a strength for the bank as maintaining liquidity remains a key focus for our customers. At the end of 2021, clients continued to save as we saw increase in deposits by 24.9% as compared with the end of 2020. Our loan to deposit ratio is 75.7% at the end of 2021, providing us with the required liquidity to continue to grow. Our customers moved from time deposits to shorter term money markets and demand accounts driving balances up and rates lower.

**NIM** declined 11 basis points in 2021 to 2.33% impacted largely by narrow yields on loans while the yield on deposits compressed somewhat improving our overall net interest income spreads.

in 2021, we expanded our wealth management value proposition through a variety of new products and services, most notably, our Joint Venture partnership with Lido Advisors that is pending regulatory approval. We continued investing in our technology infrastructure and we moved to our new, state-of-the-art, headquarters in Manhattan.

In summary, IDB Bank, the largest Israeli bank in the US, demonstrated solid growth in its core business, across all regions, and solid financial results that puts us in a great position to continue executing against our strategy to grow IDB Bank's business across all geographic areas, expand our presence, and continue to grow our loyal solid customer base while improving our IT and Operational infrastructure.

**Main highlights of P&L, Balance Sheet and Ratios**  
(\$ in millions USD)

**Main P&L data**

	4Q 2021	3Q 2021	4Q 2020	Change vs. 3Q21	Change vs. 4Q20	2021	2020	Change
Total Interest and Dividend Income	77.6	71.1	71.1	9.2%	9.1%	287.1	311.0	(7.7%)
Total Interest Expense	6.7	6.7	11.4	(0.1%)	(41.1%)	30.1	73.7	(59.2%)
Net Interest Income	70.9	64.4	59.8	10.1%	18.6%	257.1	237.3	8.3%
(Release) Provisions for Loan Losses	(4.8)	(9.2)	10.1	(47.2%)	n/a	(5.1)	37.5	( n/a
Total Non-Interest Income	21.4	21.2	15.1	1.1%	41.5%	86.7	72.5	19.6%
Total Income	92.3	85.5	74.9	7.9%	23.2%	343.8	309.8	11.0%
Total Non-Interest Expense	54.5	57.3	68.7	(4.9%)	(20.8%)	222.2	204.2	8.8%
Adjusted Total Non-Interest Expense	54.5	57.3	56.3	(4.9%)	(3.3%)	216.3	191.7	12.8%
Income before Taxes	42.7	37.4	(4.0)	14.1%	n/a	126.7	68.2	85.8%
Adjusted Income before Taxes	42.7	37.4	8.5	14.1%	404.4%	132.6	80.6	64.5%
Net Income	29.9	27.3	1.1	9.5%	n/a	92.3	57.8	59.7%
Adjusted Net Income	29.9	27.3	10.0	9.5%	199.3%	96.5	66.6	44.7%

**Main Balance Sheet data**

	As of Dec 31, 2021	As of Sept 30, 2021	As of Dec 31, 2020	Change vs. Sept 30, 2021	Change vs. Dec 31, 2020
Securities	2,824	2,706	2,739	4.3%	3.1%
Loans, net	8,421	7,840	7,155	7.4%	17.7%
Deposits	11,254	10,234	9,010	10.0%	24.9%
Total Equity	1,149	1,136	1,144	1.2%	0.5%
Total Assets	12,952	11,725	11,010	10.5%	17.6%

**Selected ratios**

	4Q 2021	3Q 2021	4Q 2020	2021	2020
Efficiency Ratio	59.0%	67.0%	91.8%	64.6%	65.9%
Adjusted Efficiency Ratio	59.0%	67.0%	75.2%	62.9%	61.9%
Return on Equity	10.5%	9.4%	0.4%	8.1%	5.2%
Adjusted Return on Equity	10.5%	9.4%	3.5%	8.4%	6.0%
Loan Loss Provision Ratio	(0.2%)	(0.5%)	0.6%	(0.1%)	0.5%
Common Equity Tier 1	12.5%	12.9%	14.0%	12.5%	14.0%
Allowance for Loan and Lease Losses as a % of Total Loans	1.1%	1.3%	1.6%	1.1%	1.6%

## About Israel Discount Bank of New York (“IDBNY” or “IDB Bank”)

IDB Bank is a New-York State-chartered commercial bank, a member of the FDIC, and a wholly owned subsidiary of Israel Discount Bank LTD., one of Israel's leading Banks. In addition to its Manhattan headquarters and branch offices in Brooklyn, N.Y, Staten Island, N.Y and Short Hills, N.J, the Bank maintains other full-service branches in South Florida and Southern California. The Bank provides a complete range of private banking and commercial banking services to U.S and international clients.

For 70 years IDB Bank has built its business by fostering deep relationships with its clients, rapid decision-making, and the ability to develop custom-tailored solutions for both its domestic and international clientele. To learn more about IDB Bank visit [www.idbny.com](http://www.idbny.com)

IDB Bank is a registered service mark of Israel Discount Bank of New York. MEMBER FDIC.

###

### Contact Information:

#### Media (Israel)

Ishai Wureit

+972 52 535 4979 | [ishai.wureit@dbank.co.il](mailto:ishai.wureit@dbank.co.il)

#### Media (US)

Karen Lichtenfeld

+1 (212) 551 8797 | [klichtenfeld@idbny.com](mailto:klichtenfeld@idbny.com)

#### Investor Relations

David Kaplan

+972 53 336 2699 | [david.kaplan@dbank.co.il](mailto:david.kaplan@dbank.co.il)