

# 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: May 1, 2019  
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## **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 March 31, 2019 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 N/A

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

The date when the Corporation first learned of the event: *May 1, 2019* at *08:00*

*The report has been signed on behalf of the Corporation pursuant to Regulation 5 of the Securities Regulations (Periodic and Immediate Reports), 5730-1970 by Mr. Joseph Beressi, Senior Executive Vice President and Chief Accountant, and Ms. Limor Chen of Group Accounting.*

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: 30/04/2019

Abbreviated name: Discount

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Prior names of the reporting entity:

Name of person making electronic report: Sokolov-Danoch, Michal Position: Corporate Secretary Name of Employing Company:  
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***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 – Call Report as of March 31, 2019**

IDB New York (“the Bank”), the largest Israeli bank in the United States, published a draft of its financial statements (Call Report) as of March 31, 2019. The quarter reflect the first fruits of the implementation of the strategic plan, with 4.6% growth in the credit portfolio and 7.4% growth in the balance of deposits, compared with December 31, 2018. The Bank continues to focus and grow in the sectors in which it has accumulated expertise, and is expanding into additional sectors (e.g., the high-tech sector) in which the Bank can offer know-how and experience to its customers.

Presented below are the main financial data:

- ⇒ **The Bank ended the first quarter of 2019 with net income of \$23.7 million**, a reduction of 21% compared to 1Q 2019. The reduction in net income was primarily on account of the change in credit loss expenses relative to the corresponding period last year where we reported a negative credit loss expense of \$4.9 million.
- ⇒ **The rate of return on the average equity in the first quarter of 2019 is 9.9%**, compared with a return of 13.3% in the corresponding quarter last year.
- ⇒ **Top line revenue of \$81 million, up 8.5% versus prior year Q1**, primarily driven by 7.8% growth in loan portfolio and 14.2% growth in non-interest revenue.
- ⇒ **The cost-to-income ratio in the first quarter of 2019 was 58%**, compared with 55% in the corresponding quarter last year. The change in the cost-to-income ratio reflects the bank's continued investment in front office staff and technology, as part of its 5 year strategic growth plan.
- ⇒ **Total assets as of March 31, 2019 amounted to \$9.5 billion**, a \$229 million (2.5%) increase compared with the total of \$9.2 billion as of December 31, 2018.
- ⇒ **The credit portfolio, net, as of March 31, 2019 amounted to \$6.4 billion**, a \$284 million (4.6%) increase compared with the total of \$6.1 billion as of December 31, 2018. The credit portfolio, net, constitutes 68% of the total assets, compared with 66% as of December 31, 2018.
- ⇒ **Total deposits as of March 31, 2019 amounted to \$8.0 billion**, a \$554 million (7.4%) increase compared with the total of \$7.5 billion as of December 31, 2018.
- ⇒ **Equity as of March 31, 2019 amounted to \$974 million**, a \$35 million (3.7%) increase compared with the total of \$939 million as of December 31, 2018.

The increase is after the effect of a dividend distribution during the first quarter of the year in a total amount of \$4.4 million to the parent company, Discount Bancorp.

- ⇒ **The total capital ratio as of March 31, 2019 stands at 14.70%**, compared with a ratio of 15.17% as of December 31, 2018, reflecting strong Q1 2019 loan growth.

IDBNY capital ratio continues to be well above the minimum Basel III requirement of 8%

**IDBNY is rated (BBB+) by the S&P rating agency and (A-) by the KROLL rating agency.**