

ISRAEL DISCOUNT BANK LTD.

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Registration Number: 520007030

To: Israel Securities Authority To: Tel Aviv Stock Exchange Ltd. Form Number: T081 (Public)
Sent via MAGNA: 14/08/2025 Israel Securities Authority Website: www.isa.gov.il Tel Aviv Stock Exchange Website: www.tase.co.il Reference: 2025-01-060422

Immediate Report on Cash Dividend Distribution for Securities

Regulation 37(a) of the Securities Regulations (Periodic and Immediate Reports), 1970

1. We hereby report that on the date 13/08/2025, it was decided to pay a dividend.
2. The record date (ex-date): 31/08/2025

Payment date: 09/09/2025

3. Payment details:
- Dividend distributed from an Israeli resident company (see section 7A for composition of dividend sources and tax rates)
 - Dividend distributed by a Real Estate Investment Trust (see section 7C for composition of dividend sources and tax rates)

Eligible Security Number	Security Name	Dividend Amount per Security	Dividend Amount Currency	Payment Currency	Representative Rate for Payment Date	Individual Tax %	Corporate Tax %
691212	Discount A	0.3638404	NIS	NIS	_____	25	0

- Dividend distributed from a foreign resident company (see section 7B for tax rates)

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Please note the dividend amount to be paid must be specified to a precision of up to 7 digits after the decimal point when the dividend amount currency is NIS, and up to 5 digits after the decimal point if the dividend amount currency is another currency.

4. The total amount of dividend to be paid is: 446,000,000 NIS _____.
5. The balance of the corporation's profits as defined in section 302 of the Companies Law, 1999, after the distribution subject of this report is: 27,285,300,000 NIS _____.
6. Dividend distribution approval process:

Approved by the bank's Board of Directors on August 13, 2025.

The above distribution is not subject to court approval according to section 303 of the Companies Law: No

The final dividend amount per share is subject to changes due to self-purchase of the bank's shares and exercise of convertible securities, if any.

The final dividend amount per share can be updated up to 2 trading days before the record date.

7. The following withholding tax rates are for the purpose of withholding tax by TASE members.

7A. Composition of dividend sources distributed from an Israeli resident company from shares and financial instruments, excluding REIT funds.

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	% of Dividend	Individuals	Companies	Foreign Residents
Income subject to corporate tax (1)	100	25%	0%	25%
Income originating overseas (2)	0	25%	23%	25%
Income from approved/preferred enterprise (3)	0	15%	15%	15%
Income from Irish privileged enterprise until 2013 (4)	0	15%	15%	4%
Income from Irish privileged enterprise from 2014 (5)	0	20%	20%	4%
Preferred income	0	20%	0%	20%
Income from approved agricultural/tourism enterprise (6)	0	20%	20%	20%
Income from approved/preferred enterprise that submitted waiver notice (7)	0	15%	0%	15%
Distribution classified as capital gain	0	25%	23%	0%
Distribution by Participating unit	0	0	0	0
Other	0	0	0	0

Explanation:

(1) Income subject to corporate tax - income from profit distribution or dividend originating from income produced or accrued in Israel, received directly or indirectly from another entity subject to corporate tax.

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- (2) Income originating overseas is income produced or accrued abroad and not taxed in Israel.
- (3) Including income from a preferred tourism enterprise with a selection/operation year up to 2013.
- (4) Irish privileged enterprise with a selection year up to 2013.
- (5) Irish privileged enterprise with a selection year from 2014 onwards.
- (6) Including income from a preferred tourism enterprise with a selection/operation year from 2014 onwards.
- (7) Approved or preferred enterprise that submitted a waiver notice by 30.6.2015, after corporate tax was deducted.

7B. Dividend distributed from a foreign resident company

	Individuals	Companies	Foreign Residents
Dividend from foreign resident company	25%	23%	0%

7C. Dividend distributed by a Real Estate Investment Trust

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	% of Dividend	Individuals (1)	Companies	Foreign Resident Companies	Exempt Trust Fund	Pension Fund (2)
From real estate appreciation, capital gain, and depreciation (3)	_____	25%	23%	23%	0%	0%
Other taxable income (e.g., rent)	_____	47%	23%	23%	23%	0%
From income-producing real estate for rental housing	_____	20%	20%	20%	0%	0%
Income taxed by the fund (4)	_____	25%	0%	25%	0%	0%
Extraordinary income	_____	70%	70%	70%	60%	70%
Other	_____	_____	_____	_____	_____	_____
Weighted withholding tax rate	100%	_____	0	_____	0	_____

(1) Individuals - including taxable trust fund income, foreign resident individuals. (2) Pension fund for retirement, provident, or compensation as defined in the Income Tax Ordinance, as well as a foreign pension fund resident in a reciprocating country. (3) From real estate appreciation or capital gain, except from the sale of real estate held for a short period, and from income in the amount of depreciation expenses. (4) Distribution from income taxed by the fund according to section 64A4(e).

8. Number of the corporation's dormant securities not entitled to dividend payment and for which a waiver letter must be provided to receive the dividend payment: 12,052,464

9. Effect of the dividend distribution on convertible securities:

- The company has no convertible securities
- The dividend distribution has no effect on the convertible securities
- The effect of the dividend distribution on the convertible securities is as follows:

Security Name	Security Number	Remarks
Discount Options 6/22	6910202	If the bank distributes profits (dividends) in cash to all its shareholders, and the record date for entitlement to this distribution falls after the grant date of the options but before their actual exercise date, the exercise price of each option not yet exercised before the above record date will be reduced by the full gross dividend amount per share (up to the par value of the share) distributed as stated.

10. Recommendations and decisions of the directors regarding the dividend distribution according to Regulation 37(a)(1) of the Securities Regulations (Periodic and Immediate Reports), 1970:
11. On August 13, 2025, the bank's Board of Directors approved a distribution of up to 50% of the profits for the second quarter of 2025, of which a cash dividend of approximately 446 million NIS will be paid on September 9, 2025, and the remainder through a self-purchase of shares up to 111.5 million NIS (implementation of stage D of the purchase plan reported by the bank on November 18, 2024, reference: 2024-01-616436, hereinafter: "the purchase plan").
12. The Board's approval is in accordance with the update to the bank's dividend distribution policy, approved on May 18, 2025, according to which the distribution policy will be up to 50% of the distributable net profit according to the consolidated financial statements for the elapsed quarter, instead of up to 40% (for more details, see immediate report dated May 19, 2025, reference: 2025-01-034806).
13. The Board determined that the distribution meets the distribution tests set forth in the Companies Law, 1999 (profit test and solvency test) and the provisions of 331 and 332 of Proper Banking Management Directives regarding restrictions on dividend distribution and self-purchase of shares: 3.1. Regarding the profit test - the profit balance as defined in section 302 of the Companies Law, before the distribution, is higher than the amount to be distributed and amounts to approximately 27,843 million NIS. The profit balance after the distribution will amount to approximately 27,285 million NIS (i.e., after the dividend distribution according to this immediate report, self-purchase of shares in the amount of approximately 114 million NIS carried out in stage A of the purchase plan, self-purchase of shares in the amount of approximately 104.6 million NIS carried out in stage B of the purchase plan, self-purchase of shares in the amount of approximately 103.6 million NIS carried out in stage C, and assuming completion of stage D of the purchase plan in the amount of approximately 111.5 million NIS). 3.2. Regarding the solvency test and regulation applicable to banking corporations - the Board examined the effect of the distribution on the capital structure, capital adequacy, leverage, and liquidity ratios, based, among other things, on the forecast for the coming year regarding the bank's results in the year following the dividend distribution, and according to which the capital adequacy, leverage, and liquidity ratios will not fall below the required levels. The Board determined that the distribution meets the conditions set in Proper Banking Management Directive 331 (dividend distribution by banking corporations) and Directive 332 (self-purchase by banking corporations), that the distribution has no material effect on the bank's financial position, and that there is no concern that the dividend distribution will prevent the bank from meeting its existing and expected obligations.
14. The above information includes forward-looking information as defined in the Securities Law, 1968. The bank's assessments regarding the results of its operations in the year

following the dividend distribution and the capital adequacy, leverage, and liquidity ratios during this period are based on an analysis of the bank's cash flow, existing obligations, and scenarios that may affect its existing and expected liabilities. These assessments may not materialize, in whole or in part, or may materialize in a materially different manner than expected, among other things due to changes in market conditions and the realization of one of the risks detailed in the Board of Directors' report as of December 31, 2024.

Authorized signatories on behalf of the corporation:

#	Signatory Name	Position
1	Yossi Barsi	Other: Senior Vice President, Chief Accountant
2	Ran Weisberg	Other: Head of GT Division, Financial Markets Division

Note: According to Regulation 5 of the Periodic and Immediate Reports Regulations (1970), a report submitted under these regulations must be signed by those authorized to sign on behalf of the corporation. Staff position on the matter can be found on the Authority's website: [Click here](#).

Note to Section 5: The balance of the corporation's profits after the distribution detailed in this section assumes full implementation of stage D of the self-purchase plan. This amount is rounded to millions of NIS.

Reference numbers of previous documents on the subject (the mention does not constitute incorporation by reference):

Securities of the corporation are listed for trading on the Tel Aviv Stock Exchange

Form structure update date: 15/07/2025

Short name: ISRAEL DISCOUNT BANK LTD.

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Previous names of the reporting entity:

Electronic signatory name: Ayelet Tenne Position: Attorney, General Secretary Employer company name:

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