

ISRAEL DISCOUNT BANK LTD

Registration Number: 520007030

To: Israel Securities Authority
To: Tel Aviv Stock Exchange Ltd.
Form Number: T081 (Public)
Sent via MAGNA: 27/08/2025
Reference: 2025-01-064035

Supplementary report to the report submitted on 14/08/2025, reference number: 2025-01-060422

Main details added/completed:

Following the bank's repurchase of its own shares under a buyback program approved by the Board of Directors on 17.11.2024, and the conversion of the repurchased shares into dormant shares, as well as the issuance of shares due to the exercise of employee options, the final dividend per share amount was updated to 0.3638163 NIS in section 3 of the form, and the number of dormant shares not entitled to dividend payment was updated to 12,787,464 shares in section 8 of the form.

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 13/08/2025 it was decided to pay a dividend.
2. Record date (ex-date): 31/08/2025

Payment date: 09/09/2025

3. Payment details:
 - Dividend distributed by 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)

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Security Number	Security Name	Dividend per Security	Dividend Currency	Payment Currency	Representative Rate Date	Individual Tax %	Corporate Tax %
691212	Discount A	0.3638163	NIS	NIS	_____	25	0

- Dividend distributed by a foreign resident company (see section 7b for tax rates)

Section 2 (empty fields for foreign securities)

Note: The dividend amount to be paid must be specified with up to 7 decimal places when the currency is NIS, and up to 5 decimal places if the currency is other.

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

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

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

The final dividend per share is subject to changes due to _____.

Note: The final dividend 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 by an Israeli resident company from shares and financial instruments, excluding REITs

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Source of Income	% of Dividend	Individuals	Companies	Foreign Residents
Income subject to corporate tax (1)	100	25%	0%	25%
Income originating abroad (2)	0	25%	23%	25%
Approved/benefited enterprise income (3)	0	15%	15%	15%
Benefited Irish enterprise income until 2013 (4)	0	15%	15%	4%
Benefited Irish enterprise income from 2014 (5)	0	20%	20%	4%
Preferred income	0	20%	0%	20%
Approved tourism/agricultural enterprise income (6)	0	20%	20%	20%
Approved/benefited 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.
- (2) Income originating abroad is income produced or accrued abroad and not taxed in Israel.

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- (3) Including income from a benefited tourism enterprise with a selection/operation year up to 2013.
- (4) Benefited Irish enterprise with a selection year up to 2013.
- (5) Benefited Irish enterprise with a selection year from 2014 onwards.
- (6) Including income from a benefited tourism enterprise with a selection/operation year from 2014 onwards.
- (7) Approved or benefited enterprise that submitted a waiver notice by 30.6.2015, after corporate tax was deducted.

7b. Dividend distributed by a foreign resident company

	Individuals	Companies	Foreign Residents
Dividend distributed by a 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	_____

Explanation:

(1) Individuals - including taxable trust fund income, foreign resident individuals.

(2) Pension fund for pension, 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 under 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: 12,787,464

9. Effect of the dividend distribution on convertible securities:

- The company has no convertible securities
- The dividend distribution has no effect on convertible securities
- The effect of the dividend distribution on 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 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 13 August 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 9 September 2025, and the remainder through a buyback of shares up to 111.5 million NIS (implementation of stage D of the buyback program reported by the bank on 18 November 2024, reference: 2024-01-616436, hereinafter: "the buyback program").
12. The Board's approval is in accordance with the update to the bank's dividend distribution policy, approved on 18 May 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 19 May 2025, reference: 2025-01-034806).
13. The Board determined that the distribution meets the distribution tests set out in the Companies Law, 1999 (profit test and solvency test) and the provisions of 331 and 332 of the Proper Banking Management Directives regarding restrictions on dividend distribution and share buybacks: 3.1. Regarding the profit test - the retained earnings as defined in section 302 of the Companies Law, before the distribution, exceed the amount to be distributed and total approximately 27,843 million NIS. The retained earnings after the distribution will total approximately 27,285 million NIS (i.e., after the dividend distribution according to this immediate report, share buybacks totaling approximately 114 million NIS in stage A of the buyback program, approximately 104.6 million NIS in stage B, approximately 103.6 million NIS in stage C, and assuming completion of stage D of the buyback program totaling approximately 111.5 million NIS). 3.2. Regarding the solvency test and banking regulation - the Board examined the impact 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 (share buybacks 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 its results 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 could 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 31 December 2024.

Authorized signatories on behalf of the corporation:

#	Name	Position
1	Morris Dorfman	Other: Deputy CEO, Head of Strategy, Finance and Holdings Division
2	Ran Weisberg	Other: Head of GT Department, 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 corporation's retained earnings after the distribution detailed in this section are based on the assumption of full implementation of stage D of the buyback program. This amount is rounded to millions of NIS.

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

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

Form structure update date: 15/07/2025

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Previous names of the reporting entity:

Electronic signatory name: Tenna Eilat

Position: Attorney, General Secretary

Employer company name:

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