

Immediate Report on Cash Dividend Distribution for Securities

Israel Discount Bank Ltd. ("the Bank")

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To:

- Israel Securities Authority (www.isa.gov.il)
- Tel Aviv Stock Exchange Ltd (www.tase.co.il)

Immediate Report on Cash Dividend Distribution for Securities

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

- We hereby report that on the date 16/11/2025 a decision was made to pay a dividend.
- Record date (ex-date): 02/12/2025
- Payment date: 11/12/2025
- Payment Details:

Eligible Security Number	Security Name	Dividend per Security	Currency of Dividend Amount	Payment Currency	Representative Exchange Rate Date	Individual Tax %	Corporate Tax %
691212	Discount A	0.4631435	ILS	ILS	-	25	0

Dividend distributed by an Israeli resident company (see section 7A for composition and tax rates)

Total dividend to be paid: 566,500,000 ILS

Company's retained profits after this distribution (per section 302 of Companies Law, 1999): 27,851,800,000 ILS

Dividend approval process: *Approved by the Bank's Board of Directors on November 16, 2025.*

This distribution does not require court approval under section 303 of the Companies Law.

Note: The final dividend amount per share is subject to change due to the conversion of convertible securities, if any.

It is possible to update the final dividend amount per share up to 2 trading days before the record date.

Details regarding withholding tax rates for use by TASE members

7A. Distribution composition for dividend from Israeli resident company (shares and financial instruments, excluding REIT):

Source of dividend income	% of dividend	Individuals	Companies	Foreign residents
Corporate taxable income	100	25%	0%	25%
Overseas-origin income	0	25%	23%	25%
Approved/preferred enterprise income	0	15%	15%	15%
Preferred Irish enterprise income (until 2013)	0	15%	15%	4%
Preferred Irish enterprise income (from 2014)	0	20%	20%	4%
Preferred income	0	20%	0%	20%
Approved agricultural/tourism enterprise income	0	20%	20%	20%
Approved/preferred enterprise waiving status (till 30.6.2015)	0	15%	0%	15%
Capital gains distribution	0	25%	23%	0%
Participating unit	0	0%	0%	0%
Other	0	0%	0%	0%

Explanations:

- 1. Corporate taxable income - Income from distribution of profits or dividends originating from income produced in Israel, received directly or indirectly from another entity subject to corporate tax.
- 2. Overseas-origin income - Income produced abroad, not taxed in Israel.
- 3. Approved/preferred enterprise includes, among others, preferred tourism enterprises with selection/activation year until 2013.
- 4. Preferred Irish enterprise: selection year until 2013.
- 5. Preferred Irish enterprise: selection year from 2014 onward.
- 6. Includes preferred agricultural/tourism enterprise as of 2014.
- 7. Approved/preferred enterprise waiving status supplied notification by 30.6.2015, after corporate tax was withheld.

7B. Dividend distributed by a foreign resident company:

	Individuals	Companies	Foreign residents
Dividend from a foreign company	25%	23%	0%

7C. Dividend distributed by real-estate investment fund (REIT):

	% of dividend	Individuals	Companies	Foreign resident companies	Exempt Mutual Fund	Pension Fund
From real estate capital gains, capital gain, depreciation	-	25%	23%	23%	0%	0%
Other taxable income (e.g. rent)	-	47%	23%	23%	23%	0%
Income from real estate for rental housing	-	20%	20%	20%	0%	0%
Income already taxed by the fund	-	25%	0%	25%	0%	0%
Extraordinary income	-	70%	70%	70%	60%	70%
Other	-	-	0	-	0	-

8. Number of the Corporation’s dormant securities not entitled to dividend payment and for which a waiver letter for receipt of such payment must be provided: 15,545,816

9. Effect of dividend distribution on convertible securities

The dividend distribution affects the convertible securities as follows:

Security Name	Security Number	Remarks
Discount Warrants 6/22	6910202	If the Bank distributes profits (dividends) in cash, and the record date for eligibility falls after the grant date but before actual exercise, the exercise price of each warrant yet to be exercised before the record date will be reduced by the full gross dividend per share (up to the par value of the share), as distributed.

10. Board recommendations and resolutions regarding dividend distribution (per Regulation 37(a)(1) of the Securities Regulations (Periodic and Immediate Reports), 1970):

1. On November 16, 2025, the Bank's Board of Directors approved a cash dividend at a rate of 50% of the net profits for the third quarter of 2025, totaling approximately ILS 566.5 million, to be paid on December 11, 2025.
2. The approval follows an updated dividend policy approved on May 18, 2025, according to which the distribution rate set at up to 50% of net distributable profit per the consolidated financial statements for the preceding quarter, replacing a former rate of up to 40%. (See immediate report dated May 19, 2025, reference: 2025-01-034806).
3. The Board determined the distribution satisfies the Companies Law tests (profit test and solvency test) and the Bank of Israel Proper Conduct Directive 331 on restrictions of dividend distributions.
 - i. **Profit test:** Retained profits, per section 302 of the Companies Law, before the distribution, exceed the distributed amount and are approx. ILS 28,418 million. After the distribution, will remain approx. ILS 27,851 million (after this dividend and a share buy-back of approx. ILS 433.7 million completed on October 12, 2025).
 - ii. **Solvency test & banking regulation:** The Board reviewed the effect of the dividend on the capital structure, capital adequacy, leverage and liquidity ratios, and—based on forecasts for the year ahead and most recent results—determined that the ratios will not fall below regulatory requirements. The Board confirmed the distribution meets the conditions of Proper Conduct Directive 331, does not materially affect the Bank’s financial position, and there is no concern that the distribution would impair the Bank's ability to meet its obligations.
4. This report contains forward-looking information as defined by the Securities Law, 1968. The Bank's estimates for next year's performance, capital adequacy, leverage and liquidity ratios are based on cash flow analysis, the Bank’s existing obligations, and scenarios that may affect future obligations. These estimates may not materialize, in whole or in part, or may differ materially, inter alia due to market changes and realization of risks as described in the Board of Directors’ report for December 31, 2024.

Authorized Signatories for the Corporation:

#	Name	Title
1	Yossi Barsi	Senior Deputy CEO, Chief Accountant
2	Elad Fischer	Deputy CEO, Head of Financial Markets Division

Note: Under Regulation 5, reports under these regulations must be signed by authorized signatories. For more on staff positions, see [ISA guidance](#) (Hebrew).

Additional Details

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- Securities registered on the Tel Aviv Stock Exchange
- Electronic reporter: Ayelet Tenne (Attorney, General Secretary)
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Previous corporate names: none listed.
