

# Immediate Report on Dividend Distribution in Cash for Securities

## ISRAEL DISCOUNT BANK LTD.

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### To:

- Israel Securities Authority ([www.isa.gov.il](http://www.isa.gov.il))
- The Tel Aviv Stock Exchange Ltd. ([www.tase.co.il](http://www.tase.co.il))

### Supplementary Report to the report submitted on 17/11/2025 (Proof Number: 2025-01-087866)

**Main details added / completed:**  
Following the issuance of shares due to the exercise of employee warrants, the final dividend amount per share has been updated to 0.4631012 NIS in section 3 of the form.

## Immediate report on the distribution of cash dividend for securities

[Regulation 37(a) to the Securities Regulations (Periodic and Immediate Reports), 1970]

- We hereby report that on 16/11/2025, a decision was made to pay a dividend.**
- The record date (Ex Date): 02/12/2025**
- Payment date: 11/12/2025**

3. Dividend Payment Details:

Dividend distributed from an Israeli resident company (composition of dividend sources and tax rates in section 7a)

Security Number	Security Name	Dividend Amount Per Security	Currency of Dividend	Payment Currency	Representative Rate Date	Individual Tax %	Corporate Tax %
691212	Discount A	0.4631012	NIS	NIS	_____	25	0

Dividend distributed from a Real Estate Investment Fund (composition of sources and tax rates in section 7c)

4. The total dividend to be paid is: 566,500,000 NIS

5. The remaining profits of the corporation as defined in section 302 of the Companies Law, 1999, after this distribution are: 27,851,800,000 NIS

6. Dividend Distribution Approval Process:

Approved by the Board of Directors on November 16, 2025.

This distribution is **NOT** subject to court approval pursuant to section 303 of the Companies Law.

The final dividend amount per share is subject to changes due to \_\_\_\_\_.  
Note: The final dividend amount per share can be updated up to 2 trading days before the record date.

7. Withholding Tax Rates for Members of the Stock Exchange

7a. Composition of dividend sources from an Israeli resident company (except REIT):

Income Category	% of Dividend	Individuals	Companies	Foreign Residents
Corporate taxable income (1)	100	25%	0%	25%
Income from abroad (2)	0	25%	23%	25%
Income from an approved/privileged enterprise (3)	0	15%	15%	15%
Privileged Irish enterprise up to 2013 (4)	0	15%	15%	4%
Privileged Irish enterprise from 2014 (5)	0	20%	20%	4%
Preferred income	0	20%	0%	20%
Approved agricultural/tourism enterprise (6)	0	20%	20%	20%
Approved/privileged enterprise that filed a waiver (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

Explanations:

- 1. Corporate taxable income - Income from profit distribution or dividends originating from income produced or accrued in Israel, received directly or indirectly from another corporate entity subject to corporate tax.
- 2. Income from abroad - Income produced or accrued abroad and not taxed in Israel.
- 3. Inclusive of income from a privileged tourism enterprise and whose year of selection/operation is up to 2013.
- 4. Privileged Irish enterprise, year of selection up to 2013.
- 5. Privileged Irish enterprise, year of selection from 2014 onwards.
- 6. Inclusive of income from a privileged tourism enterprise and whose year of selection/operation is from 2014 onwards.
- 7. Approved or privileged enterprise that filed a waiver by 30/06/2015, after corporate tax was deducted.

**7b. Dividend distributed from a foreign resident company:**

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

**7c. Dividend distributed by a Real Estate Investment Trust (REIT):**

This is an unofficial AI generated translation of the official Hebrew version and has no binding force. The only binding version is the official Hebrew version. For more information, please review the legal disclaimer.

Income Category	% of Dividend	Individuals (1)	Companies	Foreign Resident Companies	Exempt Trust Fund	Provident Fund (2)
Real estate appreciation, capital gain, depreciation (3)	_____	25%	23%	23%	0%	0%
Other taxable income (e.g., rent)	_____	47%	23%	23%	23%	0%
From income-producing real estate for residential renting	_____	20%	20%	20%	0%	0%
Income taxed at the fund's (REIT) hands (4)	_____	25%	0%	25%	0%	0%
Extraordinary income	_____	70%	70%	70%	60%	70%
Other	_____	_____	0	_____	0	_____
Weighted withholding tax in source %	100%	_____	0	_____	0	_____

- (1) Individuals - including taxable trust funds, foreign individuals.
- (2) Pension, provident, and compensation funds as defined by the Income Tax Ordinance, and recognized foreign pension funds.
- (3) Capital gain from real estate, except short-term real estate sales, and depreciation expense income.
- (4) Distribution from income taxed at fund's hand as per section 64A4(e).

**8. Number of dormant securities of the corporation not eligible for dividend payment and for which a waiver letter must be furnished: 15,545,816**

**9. Impact of the dividend distribution on convertible securities:**

- The distribution of the dividend **does** affect convertible securities as follows:

Security Name	Security Number	Remarks
Discount Warrants 6/22	6910202	If, after the grant date of the warrants but before their exercise date, the bank distributes profits (dividends) in cash to all its shareholders, the exercise price of any warrant not yet exercised before said record date will be reduced by the full gross dividend per share (up to the share's par value) distributed as aforesaid.

**10. Directors' recommendations and decisions regarding the dividend distribution as per Regulation 37(a)(1):**

1. On November 16, 2025, the board approved a cash dividend distribution amounting to 50% of Q3 2025 earnings, about 566.5 million NIS, to be paid on December 11, 2025.
2. Board approval aligns with the updated dividend policy (approved on May 18, 2025), allowing distribution of up to 50% of distributable net profit by latest consolidated quarterly report, replacing the previous up to 40% policy (see report dated May 19, 2025, Proof No. 2025-01-034806).
3. The board determined that the distribution meets the relevant tests in the Companies Law, 1999 (profit and solvency tests) and Banking Supervision Directive 331 regarding dividend distribution restrictions. 3.1 Regarding the profit test: Retained earnings as defined in section 302, before the distribution, are higher than the amount to be distributed (approx. 28,418 million NIS). After distribution, the retained earnings will be approx. 27,851 million NIS (i.e., after distribution and a buyback of shares of about 433.7 million NIS completed on 12 October 2025). 3.2 Regarding the solvency/regulatory test: The board reviewed the impact on the bank’s capital structure, capital adequacy, leverage, and liquidity, including forecasts for the next year after the distribution, confirming these ratios will not fall below required minimums. The board determined there is no material impact on the bank’s financial position and no concern that the bank will fail to meet its obligations due to this distribution.
4. The above contains forward-looking statements as defined in the Securities Law, 1968. The bank's forecasts regarding post-dividend activity, capital adequacy, and liquidity are based on the bank’s cash flow, commitments, and risk scenarios. These forecasts may not be realized, or may be materially different due to market conditions and risks described in the Board report as of December 31, 2024.

## Authorized Signatories for the Corporation:

#	Name	Role
1	Yossi Barsi	Senior VP, Chief Accountant
2	Elad Fischer	VP, Head of Financial Markets

*Explanation: According to Regulation 5, a report submitted under these regulations must be signed by the persons authorized to sign on behalf of the corporation. For guidance, see [ISA staff position](#)*

- Securities of the corporation are listed for trading on the Tel Aviv Stock Exchange
- Short Name: Discount
- Address: Discount 1, Rishon LeZion, 7574602
- Phone: 03-9439111; Fax: 03-5171674
- Email: [michal.sd@dbank.co.il](mailto:michal.sd@dbank.co.il)

**Electronic reporter name:** Tenne Eilat

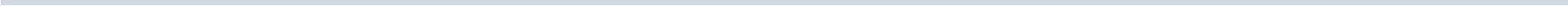
**Position:** Attorney, General Secretary

**Reporting Company:**

**Address:** Discount 1, Rishon LeZion 7574602

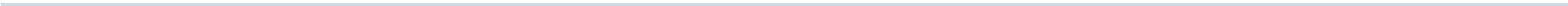
**Phone:** 076-8058862, Fax: 03-5171674

**Email:** [ayelet.tenne@dbank.co.il](mailto:ayelet.tenne@dbank.co.il)



**Previous Names of Reporting Entity:**

**Document structure update date:** 21/10/2025



**Note:** If there were any images in the source, please include them along with their alt text as specified in the task instruction. (No images found in the source document.)