

First International Bank of Israel Ltd.

Central Management

To:
Israel Securities Authority
www.isa.gov.il

To:
The Tel-Aviv Stock Exchange Ltd.
www.tase.co.il

16 November 2025

Re: Immediate report regarding dividend distribution

Further to the content in the Capital and Capital Adequacy chapter of the Board of Directors’ Report of First International Bank of Israel Ltd. (the Bank) as of September 30, 2025, and with reference to the letters from the Supervisor of Banks dated November 12, 2023, March 5, 2024, and May 16, 2024 regarding capital planning and profit distribution policy, the Bank is pleased to update that on November 16, 2025, the Bank’s Board of Directors decided to approve a cash dividend distribution to the Bank’s shareholders in a total amount of NIS 436 million (gross), comprising approximately 50% of the net profit for the third quarter of 2025 and an additional amount from retained earnings available for distribution, in consideration of the Bank’s policy and the aforementioned letters from the Supervisor of Banks.

Below is a summary regarding the Board of Directors’ review made when approving the dividend distribution and the main arguments for the distribution:

- 1 The distribution meets the tests for distribution set forth in the Companies Law, 1999 (the profits test and the solvency test).
 - 2 The distribution complies with the conditions of the control permit granted to the Bank’s controlling shareholders by the Bank of Israel on August 27, 2003, stating that no dividend will be distributed from profits accrued by the Bank before March 31, 2003.
- As of September 30, 2025, the Bank has a retained earnings balance according to the Companies Law of NIS 13,670 million.
- In light of the abovementioned limitation in the control permit, the Bank has a distributable retained earnings balance of NIS 11,279 million.
- 3 The Board found that the distribution meets regulatory restrictions as set by the Supervisor of Banks, including Proper Banking Management Directive No. 331 regarding restrictions on distribution and those regarding capital, leverage, and other limitations.
 - 4 Distribution of dividends in accordance with the relevant policy was incorporated as part of the quantitative working assumptions in the Bank’s multi-year strategy and, accordingly, in the Bank’s work plan. Accordingly, the dividend distribution is not expected to affect the capital structure, or the fulfillment of capital adequacy requirements, leverage and liquidity ratios, and the strategic plan of the Bank.
 - 5 There is no concern that the dividend distribution will prevent the Bank from meeting its existing and expected obligations.

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6. The dividend distribution is a way to share the Bank's profits and positive results of its activities with shareholders.

The Board of Directors' decision was based on forward-looking information as defined in the Securities Law, 1968. The Bank's assessments may not be realized, in whole or in part, or may be realized in a materially different manner than anticipated, among other things, due to changes in market conditions, geopolitical changes, and the materialization of any of the risks detailed in the Bank's reports for the third quarter of 2025 published to the public.

6 The dividend distribution is a way to share the Bank's profits and positive results of its activities with shareholders.

The Board of Directors' decision was based on forward-looking information as defined in the Securities Law, 1968. The Bank's assessments may not be realized, in whole or in part, or may be realized in a materially different manner than anticipated, among other things, due to changes in market conditions, geopolitical changes, and the materialization of any of the risks detailed in the Bank's reports for the third quarter of 2025 published to the public.

Respectfully yours,
First International Bank of Israel Ltd.

Nachman Nitzan, Executive Vice President and CFO, Head of Chief Accounting Division
Aviad Biller, Adv., Bank Secretary