

## Head Office

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March 10, 2026

To  
Tel Aviv Stock Exchange Ltd.  
[www.tase.co.il](http://www.tase.co.il)

To  
Israel Securities Authority  
[www.isa.gov.il](http://www.isa.gov.il)

### **Subject: Immediate Report regarding Dividend Distribution**

Further to the "Capital and Capital Adequacy" chapter of the Board of Directors Report of The First International Bank of Israel Ltd. ("the Bank") as of December 31, 2025, the Bank is pleased to update that on March 9, 2026, the Bank's Board of Directors decided to approve a cash dividend distribution to the Bank's shareholders in a total amount of **512 million NIS** (gross), reflecting a distribution of **approx. 50%** of the earnings of the fourth quarter of 2025 (approx. 256 million NIS, less an amount of approx. 10 million NIS to be used for the purpose of a buyback. See report dated 10.3.26 (Reference No. 2026-01-020997) and an additional distribution (266 million NIS) from distributable capital surplus.

Below are details regarding the examination conducted by the Bank's Board of Directors at the time of approving the dividend distribution and the main reasons of the Board for the distribution:

1. The distribution meets the distribution tests set forth in the Companies Law, 5759 - 1999 (the profits test and the solvency test).
2. The distribution complies with the terms of the control permit granted to the controlling shareholders in the Bank by the Bank of Israel on August 27, 2003, which stipulated that no dividend shall be distributed from profits accumulated in the Bank before March 31, 2003. As of December 31, 2025, the Bank has a surplus balance according to the Companies Law totaling **13,746 million NIS**. In light of the aforementioned restriction in the control permit, the Bank has a surplus balance permitted for distribution totaling **11,355 million NIS**.
3. The Board found that the distribution complies with regulatory restrictions set by the Supervisor of Banks, including Proper Conduct of Banking Business Directive No. 331 regarding restrictions on distribution, as well as capital, leverage and other restrictions.
4. Dividend distribution in accordance with the relevant policy was integrated as part of the quantitative work assumptions in the Bank's multi-year strategy and derived therefrom in the Bank's work plan. Accordingly, the dividend distribution is not expected to affect the capital structure, or compliance with capital adequacy requirements, leverage and liquidity ratios and the Bank's strategic plan.
5. There is no concern that the dividend distribution will prevent the Bank from meeting its existing and expected liabilities.
6. The dividend distribution is a way to share the Bank's profits and the positive results of its activities with the shareholders.

The Board of Directors' decision was based on forward-looking information as defined in the Securities Law, 1968. The Bank's estimates may not materialize, in whole or in part, or may materialize in a materially different manner than anticipated, among other things, due to changes in market conditions, geopolitical changes, and the realization of one of the risks detailed in the Bank's reports for the year 2025 that were published to the public.

Sincerely,

**The First International Bank of Israel Ltd.**

Nachman Nitzan, EVP CFO  
Head of Chief Accounting Division

Aviad Biller, Adv.  
Bank Secretary