

ISRAEL DISCOUNT BANK LTD.

Registration no.: 520007030

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

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

T121 (Public) Magna transmission date: November 27, 2019
Reference No.: 2019-01-115444

IMMEDIATE REPORT

Explanation: This form is not to be used if a form exists that is suitable for the reported event

Nature of the event: Dividend Policy Update

Reference numbers of previous reports relating to this topic: _____

See Attachment _____

The Company *is not* a shell company as defined in the TASE Code

The date when the Corporation first learned of the event: *November 26, 2019* at *17:30*

The Report has been signed on behalf of the Corporation, in accordance with Regulation 5 of the Securities Regulations (Periodic and Immediate Reports), 5730-1970, by Ziv Biron, Executive Vice President, Head of Planning, Strategy and Finance Division and Assaf Pasternak, Executive Vice President, Head of Financial Markets Division.

Reference numbers of previous documents relating to this topic (their mention does not constitute their inclusion by way of reference):

The securities of the Corporation are listed for trade on the Tel Aviv Stock Exchange Date of updating structure of form: 29/10/2019

Abbreviated name: Discount

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Email: michal.sd@discountbank.co.il

Prior names of the reporting entity:

Name of person making electronic report: Sokolov-Danoch, Michal Position: Corporate Secretary Name of Employing Company:

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Israel Discount Bank's Immediate Reports are published in Hebrew on the website of the Israel Securities Authority and the Tel Aviv Stock Exchange.

The English translation is prepared for convenience purposes only.

In the case of any discrepancy between the English and Hebrew versions, the Hebrew will prevail.



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November 27, 2019

For the attention of:
Israel Securities Authority
www.isa.gov.il

For the attention of:
The Tel-Aviv Stock Exchange Ltd.
www.tase.co.il

Re. Dividend Policy Update

Further to that stated in the 2019 Third Quarter Report (pages 172-173) of Israel Discount Bank Ltd. (“**the Bank**”); regarding the Bank’s dividend policy, the Bank is pleased to make the following announcement:

- A. On November 26, 2019, the Bank’s Board of Directors updated the dividend policy of the Bank, whereby – with effect from the third quarter of 2019 – the Bank will be able to distribute a quarterly dividend of up to 30% of its distributable net profit as presented in its consolidated financial statements for the past quarter, instead of a distribution rate of up to 15%.
- B. The update to the dividend policy was approved in light of the Bank’s compliance with its capital configuration, and the constant improvement in the Group’s business results, and after having received approval from the Supervisor of Banks for the aforesaid dividend policy.
- C. It is hereby clarified that this policy should not be considered as a commitment by the Bank to make a dividend distribution and that any actual distribution will be subject to the approvals required pursuant to the law, including the Board of Directors’ specific approval for making the distribution in accordance with its judgment, and subject to complying with the provisions of the law that apply to a dividend distribution, inter alia, in accordance with the Companies Law and the directives of the Bank of Israel.
- D. It should also be noted that the actual distribution is subject to attaining the capital adequacy goals prescribed by the Bank of Israel and the internal capital goals set, and to be set, by the Bank’s Board of Directors.
- E. The Board of Directors may, from time to time, examine the dividend policy and may decide, at any time, taking into account business considerations and the statutory and regulatory provisions to which the Bank is subject, to make changes to the dividend policy, including the rate of the dividend to be distributed, and may also decide not to distribute any dividend at all.

Your sincerely,

Israel Discount Bank Ltd.

The report has been signed by:

Ziv Biron, Executive Vice President, Head of Planning, Strategy and Finance Division

Assaf Pasternak, Executive Vice President, Head of Financial Markets Division