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Additional Regulatory Disclosures

Updated



This report is a translation from the Hebrew and has been prepared for convenience only. In case of any discrepancy the Hebrew will prevail.

Updated as of: September 9, 2024

Table 2a - A description of the principal features of issued regulatory capital instruments

No.	Item	(1) Ordinary share capital	(2) Ordinary shares issued by a subsidiary of the banking corporation to third party investors	(3) Subordinated debt notes - Series "F" (tier 2 capital) - Manpikim	(4) Subordinated debt notes - Series "G" (tier 2 capital) - Manpikim	(5) Subordinate debt notes Series "H" (tier 2 Capital) - Manpikim	(6) Subordinate debt notes Series "I" (tier 2 Capital) - Manpikim	(7) Subordinate debt notes Series "J" (tier 2 Capital) - Manpikim
1	The legal entity of the issuer	The Bank	ICC	Discount Manpikim Ltd.	Discount Manpikim Ltd.	Discount Manpikim Ltd.	Discount Manpikim Ltd.	Discount Manpikim Ltd.
2	Unique feature - Security No.	691212	-	748197	7480247	7480312	1191246	1211069
3	The legal framework/frameworks applying to the instrument	The laws of the State of Israel	The laws of the State of Israel	The laws of the State of Israel	The laws of the State of Israel	The laws of the State of Israel	The laws of the State of Israel	The laws of the State of Israel
4	The Tier to which the instrument belongs during the transitional period of Basel III and which is being gradually cancelled	Not relevant	Not relevant	Not relevant	Not relevant	Not relevant	Not relevant	Not relevant
5	The Tier to which the instrument belongs in accordance with the Basel III instructions, regardless of the transitional instructions	Common equity tier 1	Common equity tier 1	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital
6	Is the instrument qualified as a regulatory capital component on a standalone basis, the banking group or on a standalone basis and the banking group	The component is qualified as a regulatory capital component on a banking group basis	The banking group	The banking group	The banking group	The banking group	The banking group	The banking group



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7	Type of instrument	Ordinary share capital	Ordinary shares issued by a subsidiary of the banking corporation to third party investors	Debt notes issued by a subsidiary company of the banking corporation to investors being a third party	Debt notes issued by a subsidiary company of the banking corporation to investors being a third party	Subordinate debt notes issued by a subsidiary company of the banking corporation to investors being a third party	Subordinate debt notes issued by a subsidiary company of the banking corporation to investors being a third party	Subordinate debt notes issued by a subsidiary company of the banking corporation to investors being a third party
577	The amount recognized as regulatory capital (in NIS millions) ¹¹ as of the most recent reporting date)	6,248	480	1,331	1,546	577	835	0
9	The par value of the instrument (in NIS millions)	123	Less than NIS 1 million (NIS 31)	Approx. 1,331	Approx. 1,514	573.1	844.5	Approx. 335.1
10	Accounting classification	Shareholders' equity	Non-controlling interests in a consolidated subsidiary	Liability – computed on the basis of amortized cost	Liability – computed on the basis of amortized cost	Liability – computed on the basis of amortized cost	Liability – computed on the basis of amortized cost	Liability – computed on the basis of amortized cost
11	Original date of issue	The Bank was established in 1935. Its shares have been issued at different dates since then.	Different dates	October 29, 2019 January 7, 2020	June 22, 2020 April 22, 2021	November 29, 2021	November 28, 2022 June 15, 2023	September 9, 2024
12	Perpetual or dated	Perpetual	Perpetual	Dated	Dated	Dated	Dated	Dated
13	Original redemption date	No redemption date	No redemption date	One payment on October 29, 2030	One payment on July 1, 2031	One payment on November 29, 2032	One payment on November 30, 2033	One payment on November 30, 2035
14	Available for early	No	No	Yes	Yes	Yes	Yes	Yes

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	redemption at the option of the issuer, with a prior approval of the Supervisor of Banks							
15	The earliest possible date of early redemption at the option of the issuer, date of exercise of an early redemption option conditional upon the occurrence of a certain event, and the amount of redemption			Redemption in full may not be made before October 29, 2025 and not later than November 29, 2025.	Redemption in full may not be made before July 1, 2026 and not later than August 1, 2026.	Redemption in full may not be made before November 1, 2027 and not later than December 1, 2027.	Redemption in full may not be made before November 30, 2028 and not later than December 30, 2028.	Redemption in full may not be made before November 30, 2030 and not later than December 30, 2030.
16	Existence and frequency of later early redemption dates			No	No	No	No	No
	Interest/dividend coupons	-	-					
17	Fixed or variable Interest/dividend coupons	-	-	Fixed	Fixed	Fixed	Fixed	Fixed
18	The rate of the interest coupon and any linkage terms to a certain index	-	-	Fixed annual interest of 1.46% for the first period. Following the end of six years, the interest rate shall be increased or decreased by the difference in	Fixed annual interest of 2.42% for the first period. Following the end of six years, the interest rate shall be increased or decreased by the difference in	Fixed annual interest of 0.2% for the first period. Following the end of about six years, the interest rate shall be increased or decreased by the difference in	Fixed annual interest of 3.17% for the first period. Following the end of about six years, the interest rate shall be increased or decreased by the difference in	Fixed annual interest of 3.32% for the first period. Following the end of about six years, the interest rate shall be increased or decreased by the difference in



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				respect of the base interest at date of change in the interest rate.	respect of the base interest at date of change in the interest rate.	respect of the base interest at date of change in the interest rate.	respect of the base interest at date of change in the interest rate.	respect of the base interest at date of change in the interest rate.
19	Any dividend stopper condition applying to ordinary shareholders	-	-	No	No	No	No	No
20	Subject to full discretion, partial discretion or free of discretion	-	-	Is not subject to discretion	Is not subject to discretion	Is not subject to discretion	Is not subject to discretion	Is not subject to discretion
21	Existence of interest step-up terms or other redemption incentives	-	-	No	No	No	No	No
22	The instrument is accruing or non-accruing as regards interest/dividend	-	-	Not relevant	Not relevant	Not relevant	Not relevant	Not relevant
23	The instrument is convertible or non-convertible	-	-	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, what are the exercise point/points	-	-	Not relevant	Not relevant	Not relevant	Not relevant	Not relevant
25	If convertible, is it in full or in part	-	-	Not relevant	Not relevant	Not relevant	Not relevant	Not relevant
26	If convertible, what is the conversion ratio	-	-	Not relevant	Not relevant	Not relevant	Not relevant	Not relevant
27	If convertible, is conversion optional or mandatory	-	-	Not relevant	Not relevant	Not relevant	Not relevant	Not relevant
28	If convertible, what would	-	-	Not relevant	Not relevant	Not relevant	Not relevant	Not relevant

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	be the Tier of the instrument received after conversion							
29	If convertible, state the issuer of the instrument received after conversion	-	-	Not relevant	Not relevant	Not relevant	Not relevant	Not relevant
30	Does a feature exist requiring a write-down of the instrument	-	-	Yes	Yes	Yes	Yes	Yes
31	Where a write-down feature exists, what are the exercise point/points	-	-	The Supervisor's decision regarding a trigger event of non-viability and/or of the common equity tier 1 ratio having fallen below 5% (Appendix D of Directive No.202)	The Supervisor's decision regarding a trigger event of non-viability and/or of the common equity tier 1 ratio having fallen below 5% (Appendix D of Directive No.202)	The Supervisor's decision regarding a trigger event of non-viability and/or of the common equity tier 1 ratio having fallen below 5% (Appendix D of Directive No.202)	The Supervisor's decision regarding a trigger event of non-viability and/or of the common equity tier 1 ratio having fallen below 5% (Appendix D of Directive No.202)	The Supervisor's decision regarding a trigger event of non-viability and/or of the common equity tier 1 ratio having fallen below 5% (Appendix D of Directive No.202)
32	Where a write-down feature exists, is it in part or in full	-	-	Full or partial	Full or partial	Full or partial	Full or partial	Full or partial
33	Where a write-down feature exists, is the write-down permanent or temporary	-	-	Temporary	Temporary	Temporary	Temporary	Temporary
34	Where a temporary write-down feature exists, describe the mechanism of the write-up	-	-	At the discretion of the Bank and after the Bank's common equity	At the discretion of the Bank and after the Bank's common equity	At the discretion of the Bank and after the Bank's common equity	At the discretion of the Bank and after the Bank's common equity	At the discretion of the Bank and after the Bank's common equity



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				tier 1 ratio has risen above the minimum capital ratio prescribed by the Supervisor	tier 1 ratio has risen above the minimum capital ratio prescribed by the Supervisor	tier 1 ratio has risen above the minimum capital ratio prescribed by the Supervisor	tier 1 ratio has risen above the minimum capital ratio prescribed by the Supervisor	tier 1 ratio has risen above the minimum capital ratio prescribed by the Supervisor
35	Position in subordination hierarchy in liquidation – Noting the immediate preceding instrument to this instrument in the subordination hierarchy.	Subordinate debt notes Series "F" to "H" (tier 2 Capital) - (columns 3 to 6).	Subordinate debt notes Series "F" to "H" (tier 2 Capital) - (columns 3 to 6).	Not relevant, unless the instrument is not written-off in accordance with its terms at the time of liquidation – credit to the public and bonds issued by the Bank and Manpikim	Not relevant, unless the instrument is not written-off in accordance with its terms at the time of liquidation – credit to the public and bonds issued by the Bank and Manpikim	Not relevant, unless the instrument is not written-off in accordance with its terms at the time of liquidation – credit to the public and bonds issued by the Bank and Manpikim	Not relevant, unless the instrument is not written-off in accordance with its terms at the time of liquidation – credit to the public and bonds issued by the Bank and Manpikim	Not relevant, unless the instrument is not written-off in accordance with its terms at the time of liquidation – credit to the public and bonds issued by the Bank and Manpikim
36	Are there components matching the definition of regulatory capital due only to non-compliant transitioned features	No	No	No	No	No	No	No
37	If so, these components should be noted	-	-	Not relevant	Not relevant	Not relevant	Not relevant	Not relevant

Additional details - table 2b - descriptions of terms, conditions and additional relevant information

(1) Ordinary share capital

The Bank's ordinary share capital had been issued on different dates in the past. The Bank's ordinary share capital complies with criteria detailed in Appendix "A" of Directive 202, and as such is qualified to serve as tier 1 capital in accordance with the instructions of Basel III.

On March 30, 2022, the Bank completed a process of issuing shares to the public, comprising 72,994,300 shares of a par value of NIS 0.1 each, in total consideration for approx. NIS 1,428 million.

(2) Ordinary shares issued by a subsidiary of the banking corporation to third party investors

The ordinary share capital of Israel Credit Cards Ltd. ("ICC"), a consolidated subsidiary of the Bank, had been issued on different dates in the past. Had the ordinary share capital of ICC held by the First International Bank (minority interests) been issued by the Bank, it would have complied with all criteria detailed in Appendix "A" of Directive 202, and as such is qualified to serve as tier 1 capital in accordance with the instructions of Basel III, subject to the terms prescribed in the Directive.

For details regarding debt notes issued by Mercantile Discount Bank, see the Internet site of that bank.