



הודעה לעיתונות
PRESS RELEASE

Discount Bank completes issue of NIS 350 million of Hybrid Tier I Capital in a private placement

Dorit Ben-Simon, Head of the Finance Division: "This is a private placement increasing the Hybrid Tier I capital base, and accordingly the Tier II capital of the Bank, by an overall amount of NIS 525 million. This step improves the Bank's capital adequacy ratio by about 0.4%."

Last week, Discount Bank completed an issue of NIS 350 million of Hybrid Tier I Capital notes in a private placement of a new series (Series B), with the Israeli insurance company, Migdal Insurance.

The notes were issued for a period of 97 years with the possibility of early redemption after 13 years, and bear 8.7% interest.

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Hybrid Tier I capital instruments are popular amongst banks worldwide and are issued in accordance with the guidelines of the International Committee on Banking Supervision (Basel). Their advantage is in those features which make it possible to increase Tier I capital without issuing shares and without **immediately** diluting existing shareholders.

The capital issue is part of the Bank's program to improve its regulatory capital adequacy ratio, in accordance with the policy published by the Bank.

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