

BANK HAPOALIM LTD ("the Bank")

Immediate report regarding approval of a share repurchase program

Form T880 (Public) Transmitted via MAGNA: 20/11/2025 Reference: 2025-01-089489

To:

- Israel Securities Authority (www.isa.gov.il)
- Tel Aviv Stock Exchange Ltd (www.tase.co.il)

Registered number: 520000118

Type of Purchaser: The Company (The Bank)

Identification:

- Holder ID Type: Registrar of Companies
- Holder ID Number: 520000118
- Country of incorporation/registration: Israel

Type of security subject of the repurchase plan: Ordinary Shares

- Securities number on TASE: 662577

Scheduled date for commencement of the program: 23/11/2025

Estimated timing of future purchases:

"On trading days on the stock exchange during the period set for the execution of the program and according to its terms, as detailed in the report below."

Period set for execution of the program:

23/11/2025 to 05/11/2026

Board approval date: 19/11/2025

Board's rationale for executing the repurchase program:

1. The repurchase program will allow the Bank to manage its capital more efficiently and will not materially adversely affect the Bank's ability to continue and pursue its business strategy. For details regarding the Bank's dividend policy, see Note 9 to the Q3 2025 condensed financial statements.
2. In approving the program, the Board considered, among other things, the following: The Bank's solid financial position versus various capital requirements and significant excess capital; market conditions; investor preferences regarding the allocation between dividend distribution, share buybacks, or a combination; and, in light of the Supervisor of Banks' directives on total distribution rate in view of geopolitical circumstances. The Board intends to consider these factors also when discussing the next stages of the program and their scope. Among its considerations before approving each stage, the Board will also review the Bank's latest published (or about to be published) Core Tier 1 Capital Ratio and will not approve progression to the next stage unless this ratio reflects a safety margin above the internal capital target (11%).
3. As of the approval date of the program, the Bank has distributable retained earnings of NIS 55,439 million (NIS 54,060 million after deduction of declared dividends upon approval of the financial statements); the Bank's equity as of 30.09.2025 stands at about NIS 63,745 million, and the average liquidity coverage ratio in Q3 2025 is 124%, compared to a 100% regulatory target. The share buyback will not impair the Bank's ability to meet its existing and expected obligations upon maturity, nor materially alter this ratio.
4. The Bank meets the regulatory limitations calculated based on capital (such as leverage ratio, borrower/group of borrowers limits), and the share buyback will not impair compliance with these limitations.
5. The buyback plan meets the "Safe Harbor" mechanism for securities repurchase by a corporation as per ISA Legal Position 199-8 ("the Authority's Position").
6. The plan was approved by the Supervisor of Banks and complies with the conditions of Proper Conduct of Banking Business Directive 332; regulatory approval was obtained on 17.11.25, subject to the total distribution amount (buybacks and cash dividend) in each quarter being set in consideration of geopolitical circumstances, the Supervisor's position thereon, the Bank's financial position, actual capital ratios, and required capital buffers under various scenarios. The approval is also subject to Board approval (granted 19.11.2025), compliance with limitations and conditions specified in the program, and compliance with any law.

Total estimated cost of the repurchase program: Up to NIS 1 billion

Or the quantity of securities to be repurchased under the plan: _____

Tax implications for the company and securities holders:

According to the Israel Tax Authority's Income Tax Circular No. 2/2018 regarding self-acquisition of shares under the Companies Law, share purchases under the program are not expected to generate a tax event for the Bank or for shareholders who do not sell their shares. The above does not address the tax implications for shareholders who do sell shares to the Bank under this plan—these are determined by the specifics of each share sale transaction and by applicable tax laws, and every shareholder should examine the personal effect on them.

The program is NOT financed by a loan

Sources of financing for the repurchase program:

"The program will be financed from sources available to the Bank, which fulfill the conditions for distribution as set out in Section 302 of the Companies Law, 1999, as well as the distribution conditions set in Proper Conduct of Banking Business Directive no. 331."

Method of executing the repurchase program: Other

"Purchases will be made within trading on the Tel Aviv Stock Exchange, or outside the exchange via an external and independent TASE member acting under an irrevocable power of attorney, in accordance with the Safe Harbor mechanism under the Authority's Position. The maximum total amount for purchases under the program shall not exceed NIS 1 billion, and the total number of shares purchased shall not exceed 39 million. The program will be executed in four separate, irrevocable stages in accordance with the terms of the Safe Harbor mechanism. Each stage will be considered a separate and independent repurchase plan, and the Bank will ensure all Safe Harbor conditions are met for each stage. Purchases will be made during each stage until either the pre-defined financial cap for that stage is reached or the last set date for that stage ends, whichever occurs first. Additional execution details appear below."

Details of repurchase programs resolved in the three years preceding this report:

- On 10.3.2024, the Board approved a bond buyback program up to NIS 1 billion (see immediate report dated 10.3.2024, Ref: 2024-01-024057). The Bank fully utilized this program, repurchasing 185,730,743 par value of Series 203 BONDS and 787,091,207 par value of Series 200 BONDS for a total of approx. NIS 1 billion (see immediate report dated 14.3.2024, Ref: 2024-01-026133).
- On 20.3.2024, the Board approved an additional bond buyback up to NIS 2 billion (till end of 2024; see immediate report dated 20.3.2024, Ref: 2024-01-028794). Under this plan, in Q2 2024, the Bank repurchased BONDS worth about NIS 1.146 billion (see p. 48 of the 2024 Directors' and Management Report).
- On 12.8.2024, the Board approved a share buyback up to NIS 1 billion, in four separate quarterly stages from 15.8.2024 through 5.8.2025 or upon full utilization. This buyback was completed as of 8.7.2025 (21,865,034 ordinary shares, about 1.63% of issued and paid-up capital; total cost: NIS 1 billion). See Q3 2025 financial statements, Note 9.b.

The buyback program relates to shares or securities convertible into shares: Yes

Corporate profits under Section 302 of the Companies Law: NIS 55,439 million

Will the buyback program materially affect the ownership percentage in the capital and voting rights of interested parties (controlling shareholders, etc.): No

Further Details

Corporate profits mentioned above are in millions of NIS, i.e., the profit as defined in Section 302 is: NIS 55,439,000,000.

Further details of the execution method:

- **Stage A:** Begins one trading day after publication of the Q3 2025 financials (i.e., 23/11/2025), ends on the earliest of: (1) 20.2.2026; or (2) NIS 276 million worth of share purchases.
- **Stage B** (subject to Board decision): Begins after Y/E 2025 financials are published, ends on the earliest of: (1) 5.5.2026; or (2) share purchases not exceeding 20% of the total current distribution approved by the Board for that quarter.
- **Stage C** (subject to Board decision): Begins after publication of Q1 2026 financials, ends on the earliest of: (1) 2.8.2026; or (2) share purchases not exceeding 20% of the total current distribution approved for that quarter.
- **Stage D** (subject to Board decision): Begins after Q2 2026 financials are published, ends on the earliest of: (1) 5.11.2026; or (2) share purchases not exceeding the lesser of 20% of the total current distribution approved for that quarter or the balance of NIS 1 billion cap after previous stages.

For each stage, the amount to be purchased will be set upon decision to proceed and included in the relevant report (adoption of the plan and/or dividend distribution noting the amount allocated to buybacks). Execution of any subsequent stage is subject to a separate, irrevocable Board decision and compliance with all Safe Harbor rules. If the Bank elects not to proceed to the next stage, this will be reported immediately.

Authorized Signatories:

Name	Position
Ram Gab	Other (Head of Financial Division - CFO)
Ron Meiri	Other (Head of Assets & Liabilities Management Div.)

Previous document references on the topic:

- [2024-01-024057](#)
- [2024-01-026133](#)
- [2024-01-028794](#)

TASE Ticker Short Name: POALIM

Address: 50 Rothschild Blvd, Tel Aviv 6688314

- **Phone:** 03-5673800 | **Fax:** 03-5674576
- **Email:** gilad.bloch@poalim.co.il
- **Website:** <http://www.bankhapoalim.co.il>

Name of electronic signatory: Gilad Bloch (Bank Secretary)

Alternate Address: 63 Yehuda Halevi St, Tel Aviv - Jaffa 6578109

- **Phone:** 03-5673800 | **Fax:** 03-5674576
- **Email:** gilad.bloch@poalim.co.il

Securities of the corporation are traded on the Tel Aviv Stock Exchange.

This translation omits any images as none appear in the source.