



**Harel Insurance Investments and Financial Services Ltd.**  
**(“the Company”)**

September 19, 2025

To:

The Tel Aviv Stock Exchange

[www.isa.gov.il](http://www.isa.gov.il)

To:

Israel Securities Authority

[www.tase.co.il](http://www.tase.co.il)

Re.: **Signing of a binding agreement - joint venture with Union Group for the acquisition of all the holdings of Israel Discount Bank Ltd. in Israel Credit Cards Ltd.**

Further to the Company's Immediate Reports dated May 7, 2025 (Ref.: 2025-01-031844) and September 4, 2025 (Ref.: 2025-01-045672), the Company is pleased to announce that on September 19, 2025 a binding agreement (“the Agreement”) was signed between the Company, Union Investments and Development Ltd. (“Union”, and together with the Company – “the Buyers”) and Israel Discount Bank Ltd. (“IDB” or “the Seller”), to acquire all the holdings of IDB in Israel Credit Cards Ltd. (“CAL”). These holdings account for 71.83% of the rights to profits and 79% of the voting rights in CAL. As noted in the previous reports, the First International Bank of Israel Ltd. (FIBI) has a right to tag-along in the transaction, in which case the acquisition will be 100% of the issued capital of CAL.

As part of the agreement, the Buyers will acquire the CAL shares by way of a direct purchase from IDB. The Company will acquire CAL shares that grant it 10% of the voting rights and 19.99% of the rights to profits, and Union will acquire the outstanding shares (including the shares held by FIBI, should FIBI join the transaction) and it will become the controlling stakeholder in CAL.

The total consideration for the shares payable by the Buyers (in terms of acquiring 100% of the issued share capital of CAL) is NIS 3,750 million and it will be paid in full at the time of completion of the transaction (“the Consideration”). The Agreement also stipulates a performance-linked payment based on CAL's results in each of the years 2027 and 2028, to be paid by the Buyers and which could reach NIS 125 million for each of those years (in terms of the purchase of 100% of CAL's issued share capital) and subject to meeting the defined targets, so that the total consideration could reach up to NIS 4,000 million.

Allocation of payment of the consideration among the Buyers shall be pro rata to their portion of the acquired shares which grant rights to profits (so that in the event of a full purchase, the Company will bear 19.99% of the total consideration, and in the event of a purchase from IDB only, the Company will bear 27.83% of the total consideration).

The Company intends to finance its share of the consideration from independent sources.

Completion of the transaction is subject to meeting suspensive conditions, including obtaining the approval of the Commissioner of Competition for the merger between CAL and Union; obtaining a permit to control CAL from the Bank of Israel from the controlling shareholders in Union as well as obtaining a

permit to hold CAL for the controlling shareholders in the Company, third-party approvals, including international credit companies and financing banks.

A period of six months from the date of signing the agreement was set for meeting the suspensive conditions, with an option for three one-month extensions, a fourth extension of forty-five days, as well as an option for an additional extension of 90 days exclusively for IDB.

Based on agreements between the Company and Union, the Company will be entitled to appoint one director (out of ten) to the Board of Directors of CAL.

There is no certainty that the transaction will actually be completed, including due to an inability to obtain the regulatory approvals or a failure to meet the other suspensive conditions.

For key data about CAL, see Appendix A to the Report.

Yours Faithfully,

Harel Insurance Investments & Financial Services Ltd.

By: Gilad Shapiro, Chief Legal Counsel

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## Appendix A: Key data about Israel Credit Cards Ltd. (CAL)

CAL is a private company that was incorporated in Israel in 1979. CAL provides credit card services and also develops payment solutions and financial products, and it is active in two principal operating segments: the issue of credit cards (including financing for private individuals) and the settlement of credit card transactions (including providing commercial credit). CAL issues and services credit cards associated with Mastercard, Visa and Diners (on an exclusive basis) and it also clears Isracard cards.

CAL's financial reports are issued to the public and are prepared in accordance with the instructions and directives of the Supervisor of Banks which in principle, adopt Generally Accepted Accounting Principles in the US (US GAAP).

### Key data from the Consolidated Financial Statements of CAL as published by it (in NIS M):

Data	For the six months ended June 30, 2025	For the year ended December 31, 2024
Total income	1,549	2,936
Net profit attributable to shareholders of the Company	170	300
Data	June 30, 2025	December 31, 2024
Total assets	21,559	22,089
Total liabilities	18,733	19,433
Equity	2,826	2,656

For additional information about CAL's activity and its full financial statements, see:

CAL's financial statements at December 31, 2024:

<https://www.cal-online.co.il/media/5pyjyryr/100232424.pdf>

CAL's financial statements at June 30, 2025:

<https://www.cal-online.co.il/media/1rfd2sug/100232522.pdf>