ISRACARD GROUP

Investor presentation

Financial Reports for December 31st 2020

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This translation is meant to be used as a reference only. In case of any contradiction or incompatibility between the Hebrew and the English versions, the Hebrew version shall prevail.

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This presentation includes planes, targets, estimations, assessments and other information referring to future events, inter alia, information of future actions and liquidity. Such aforesaid information constitutes forward-looking information, as such is defined in the Securities Law, 5728-1968, and may not materialize, in its entirety or in part, or may materialize fundamentally different than forecasted.

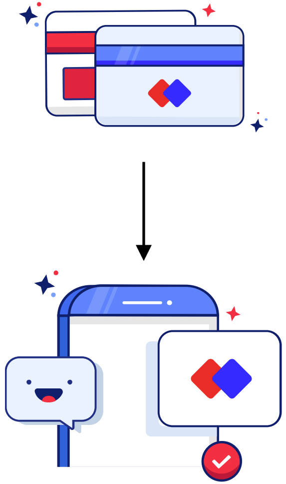
This forward-looking information is based on the Company’s subjective assessment, on the basis of facts and data regarding the current position of the Group’s businesses as such are known to the Company as of the date of preparation of this presentation, as well as on macro-economic facts and data, on which the Company relies without being able to verify them, inter alia, reports and publications made by various external entities, such as: the Bank of Israel and agents operating in the payments market (including credit card companies and other acquirers).

Materialization or lack thereof of the forward-looking information shall be affected, inter alia, by developments in the payments and credit market in Israel or outside of Israel, by changes in the Group’s working plan, by changes in market terms and external entities which affect the Group’s activity, by consumers behavior in Israel and the world in general, by the presence or absence of different resources available to the Group, by the actions of entities and agents in the payments and credit markets in Israel or outside of Israel, by decisions made by various international entities and organizations with which the Group engages or by which the Group is influenced, by changes in volumes of activity and the number of holders of cards of the Group, including regulatory changes, accounting changes and taxation law changes, changes in the terms of competition, technological developments, economic changes, changes in terms of financing, and the materialization of all or some of the risk factors characterizing the Group’s activity. Moreover, it may be affected by the uncertainty surrounding the duration, the impact and the direct and indirect effects of the Coronavirus pandemic on the market position, the Group’s costumers, and the various fields of activity in which the Group operates.

The Company does not undertake to update or change any such assessment or information such that they reflect events or circumstances to occur subsequent to the date of preparation of this presentation.

ISRACARD IN THE NEW WORLD

From a traditional "credit card" company



To a data-based platform and HUB to a variety of services and financial solutions offered to the customer in an omnichannel world according to his needs.

ISRACARD GROUP – 2020

138 million NIS Pretax Income and 93 million NIS Net Income

(252 million NIS Pretax Income and 181 million NIS Net Income excluding one-time item*)

ISSUANCE TRANSACTION VOLUME

158.6
Billion NIS

~(5%)
Decrease in issuance volumes compared to previous period

REVENUES

2,052
Million NIS

~(9%)
Decrease in revenues compared to previous period

Including NIS 155 attributed to outbound & inbound tourism activities

CONSUMER CREDIT PORTFOLIO

4.1
Billion NIS

~2%
Growth in Consumer credit portfolio in compare to 31.12.2019

~47%
Increase in provision for credit losses compare to previous year

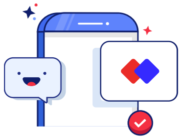
EXPENSES
(Excluding one-time events* and Provisions for losses)

1,553
Million NIS

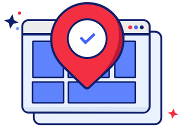
~(7%)
Decrease in expenses compared to previous period

* One-time items in 2020 amounted to a total of 114 million NIS (approx. – 88 million NIS after tax): One-time expense in the amount of 45 million NIS (approx. – 35 million after tax) due to efficiency plan including reduction in workforce (voluntary retirement) and one-time expense in the amount of 69 million NIS (approx. – 53 million after tax) due to termination of a technological project – Customer & credit management system. Calculated rates of change from corresponding period are net of an expense of the bonus granted to company's employees due to separation from Bank Hapoalim in the amount of approx. 68 million NIS (52 million NIS after tax) in 2019.

DATA DRIVEN COMPANY



Isracard is a financial HUB which includes a variety of activities with a **higher level of synergy.**



A significant advantage in the worlds of DATA, based on dominant market share in the fields of issuing and acquiring.
Everyday interactions with customers > the transaction as a sales opportunity and to deepen usage.

In-depth familiarity with customers and their needs – "Maximum Data"

Personal, initiating and continuous interaction with the customer

Utilizing potential from every customer/merchant

Isracard is focused on developing 5 growth engines while integrating a key supportive process – THE SUPER-APP

SUPER-APP

A direct digital connection to the customer and support in the growth engines

INSURANCE DISTRIBUTION

A data-based objective and digital agent

ADVERTISING AND MARKETING FOR BUSINESSES

A data-based designated activity

CONSUMER CREDIT

Continued acceleration with an emphasis on digitization

PAYMENTS AND CREDIT SERVICES FOR MERCHANTS

Credit and added-value services in the world of payments

INVESTMENTS IN EXTERNAL COMPANIES AND M&A OPORTUNITIES

Gain added value and accelerate business activities

THE WORLD OF PAYMENTS

Issuing and Acquiring

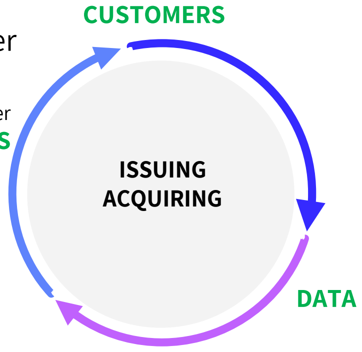
CONSUMER CREDIT

- Balances of over NIS 4 billion with an annual CAGR growth of about 30% in the years 2017-2019
- The average interest rate of the portfolio is ~9%
- Based on issuing activity with the highest market share in the industry.
- An existing market share of about 2% of consumer credit in Israel*

*Non housing debt, source: bank of Israel, Knesset research and information center

CREDIT AND PAYMENT SERVICES FOR MERCHANTS

- Potential for growth in non-banking business credit
- Over 100 thousand merchants processing with Isracard
- A diverse range of payment products for merchants including: online payment, online shop, 360, and more… growing penetration rate of about 25% among merchants



INSURANCE DISTRIBUTION

- Scope of revenues from insurance distribution in Israel – NIS 10 billion annually**
- Working within the objective agent model
- Data-based digital activity
- Designated activity. launch H2/21

**source: Capital Market, Insurance and savings Authority - Annual report, 2018

TARGET – ADVERTISING AND MARKETING FOR BUSINESSES

- Data-based digital advertising and marketing activity for businesses
- Isracard is post an extensive pilot, in-depth POC and millions of NIS revenues in 2020
- Growing market – scope of revenues from digital advertising is Israel – NIS 1.5 billion annually***

***source- https://www.themarker.com/advertising/.premium-1.9501035

CONCLUSION

- Maintaining dominance in the field of issuing and acquiring
- Executing reorganization and efficiency processes
- Consumer & Business non-banking credit – Potential for further growth in market share
- Insurance and TARGET – New growth engines
- Data leveraging and transactions for up-sale & cross-sale
- Strengthening leadership and innovation in the world of advanced payment solutions
- Leveraging synergy between the activities

THE WHOLE IS GREATER THAN THE SUM OF ITS PARTS

ISRACARD GROUP – OVERLOOK 2020

138 million NIS Pretax Income and 93 million NIS Net Income

(252 million NIS Pretax Income and 181 million NIS Net Income Excluding one-time item*)

Maintaining stability in profit during the Coronavirus pandemic

Market Share
Maintaining the highest market share in the industry

Stability
Of Consumer credit portfolio

High Coverage Ratios
(Allowance to credit losses)

Efficiency

Liquidity
High level of liquidity and diversification of finance resources
Aa2** Rating

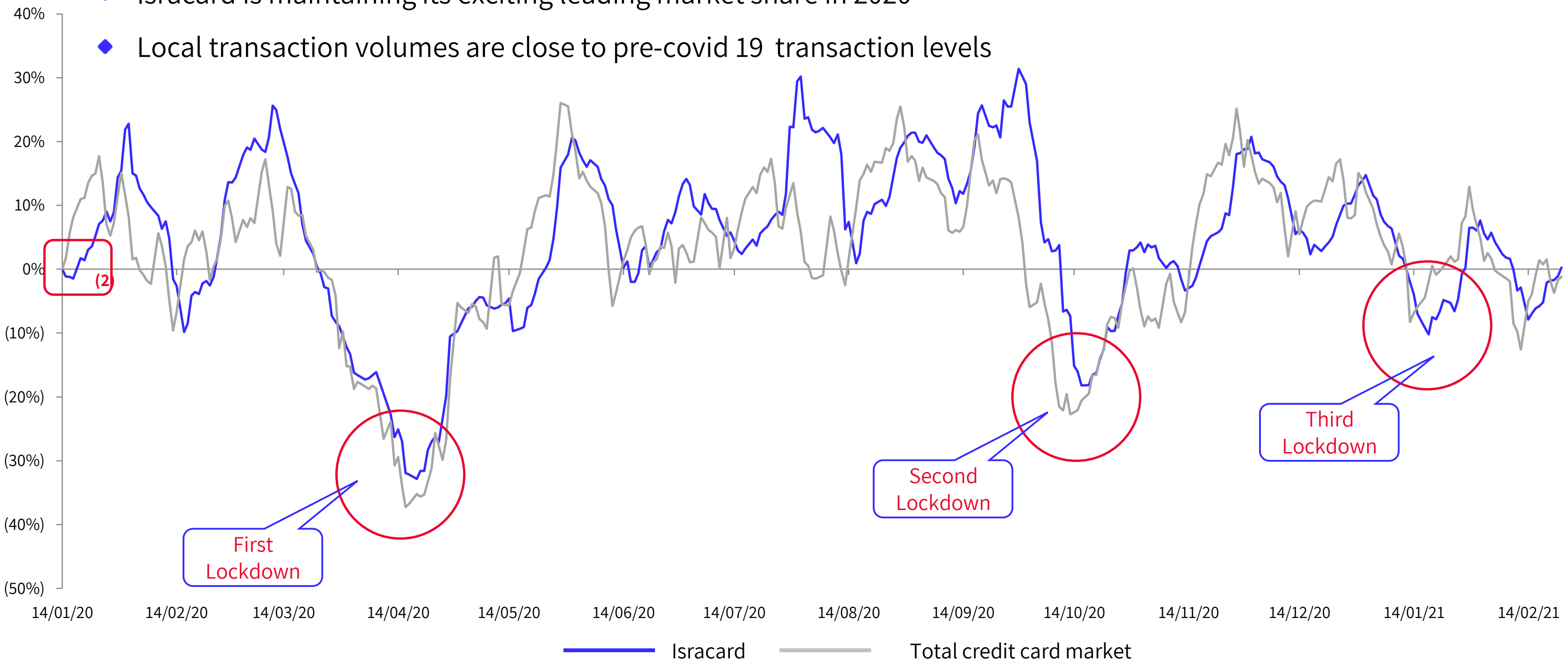
Business continuity
Solutions for remote working and protect employees health

*One-time items amounted to a total of 114 million NIS (approx. – 88 million NIS after tax): One-time expense in the amount of 45 million NIS (approx. – 35 million after tax) due to efficiency plan including reduction in workforce (voluntary retirement) and one-time expense in the amount of 69 million NIS (app – 53 million after tax) due to termination of a technological project – Customer & credit management system.
**As updated by Midroog rating report on 14.02.2021.

Credit card Transaction Volumes in Israel[1] –

Isracard's transaction volumes Vs credit card market transaction volumes[2]

- Isracard is maintaining its exciting leading market share in 2020
- Local transaction volumes are close to pre-covid 19 transaction levels



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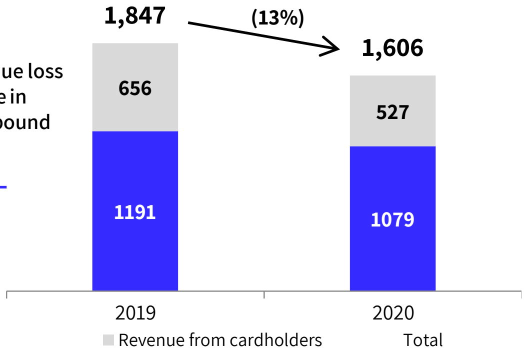
(1) According to Bank of Israel report, based on ABS (Automated Banking Services) data as of 24.02.2021
(2) Daily rate of change of domestic transaction volumes compared with average transaction volumes in the first two weeks of January 2020 (14-day moving average))

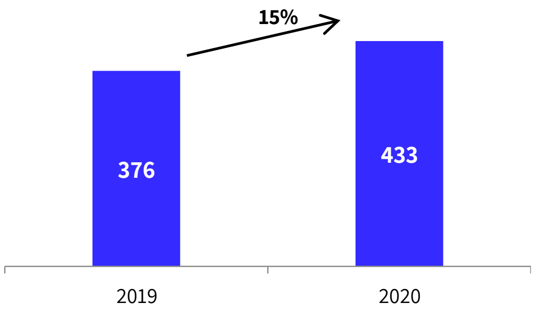
MAIN FINANCIAL DATA (million NIS)

Revenues from credit card activities (Issuing and Acquiring) (1,2)

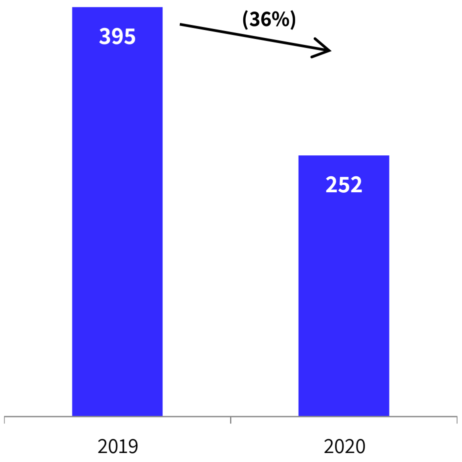
2020 includes 155M NIS revenue loss due to decrease in inbound & outbound tourism(2).



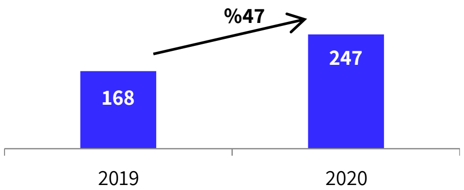
Interest income, net



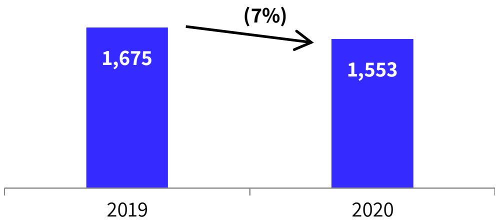
Pretax income(3,4)



Provision for credit losses



Total Expenses exclude Provision for credit losses



(1) Pursuant to the application of the Shtrum Law and the updated settlement with Bank Hapoalim, certain fees received from the bank's customers are not presented as of the settlement's date (February 1, 2019) as revenues in 2019, and accordingly, the bank's share thereof is not presented. Such fees amounted to a total of approx. 17 million NIS in January 2019.

(2) Outbound and inbound tourism activities may continue to be affected during 2021 as the Coronavirus pandemic continues.

(3) Net of a one-time expense in the amount of 45 million NIS (approx. – 35 million after tax) due to efficiency plan including reduction in workforce (voluntary retirement) and one-time expense in the amount of 69 million NIS (approx. – 53 million after tax) due to termination of a technological project – Customer & credit management system.

(4) Net of an expense of the bonus granted to the Company's employees due to separation from Bank Hapoalim in the amount of approx. 68 million NIS (52 million NIS after taxes) in 2019.

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Consumer Credit [1]

Credit Balance [2] (NIS millions)

2%

Growth in consumer credit balances

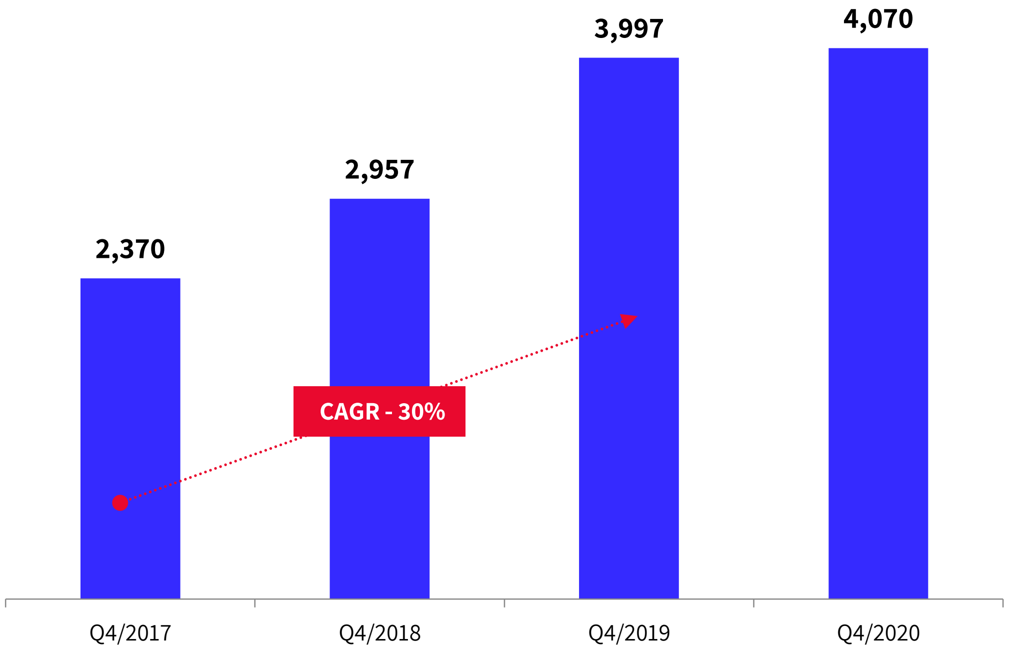
Consumer Credit Portfolio maintained stable during the COVID-19 crisis

16%

Growth in average consumer credit balances in 2020 compared with 2019

9.0%

Average annual interest rate on consumer credit portfolio as of 31/12/2020



Isracard adopted Bank of Israel framework and deferred 160 million NIS.
As of annual financial report date, immaterial amount of the deferred loan repayments has not yet ended.

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(1) Unsecured lines of credit by banks (excluding purchases)
(2) Including vehicle credit in the amount of NIS 206 million

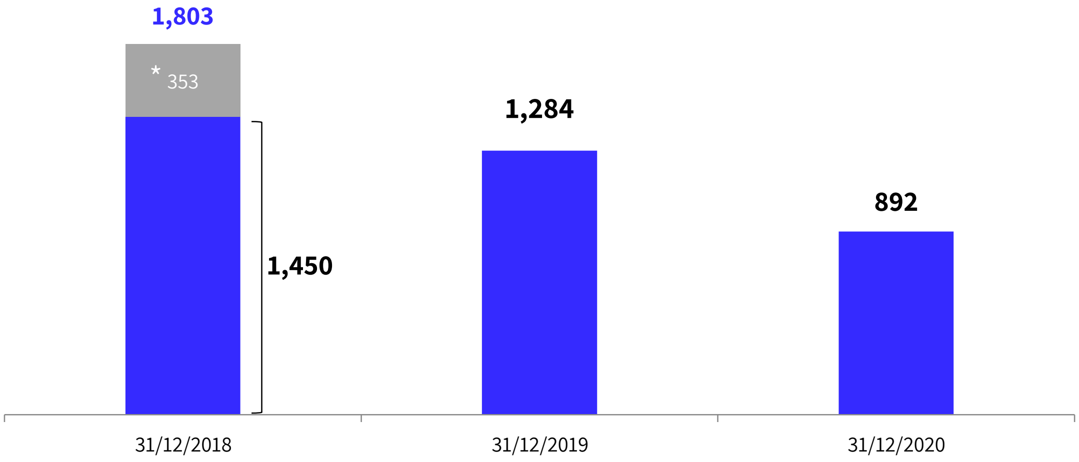
Commercial Credit

Credit balance (NIS millions)

(31%)

Decrease in Commercial Credit balance since the beginning of the year

The group is examining opportunities for growth in non-banking commercial credit segment aligned with the group's strategy and the macroeconomic environment



Isracard adopted Bank of Israel framework and deferred 114 million NIS.
As of annual report date, immaterial amount of the deferred loan repayments has not yet ended.

* This amount includes advance payments for merchants. As of third quarter of 2019 advance payments settlement (replacing advance payment solution) are presented as debtors in respect of credit card activity and not as creditors in respect of credit card activity.

Provisions for Credit losses

(millions NIS)

2020

Adjustment of Collective allowance rates to the uncertain economic environment due to the Coronavirus pandemic

47%

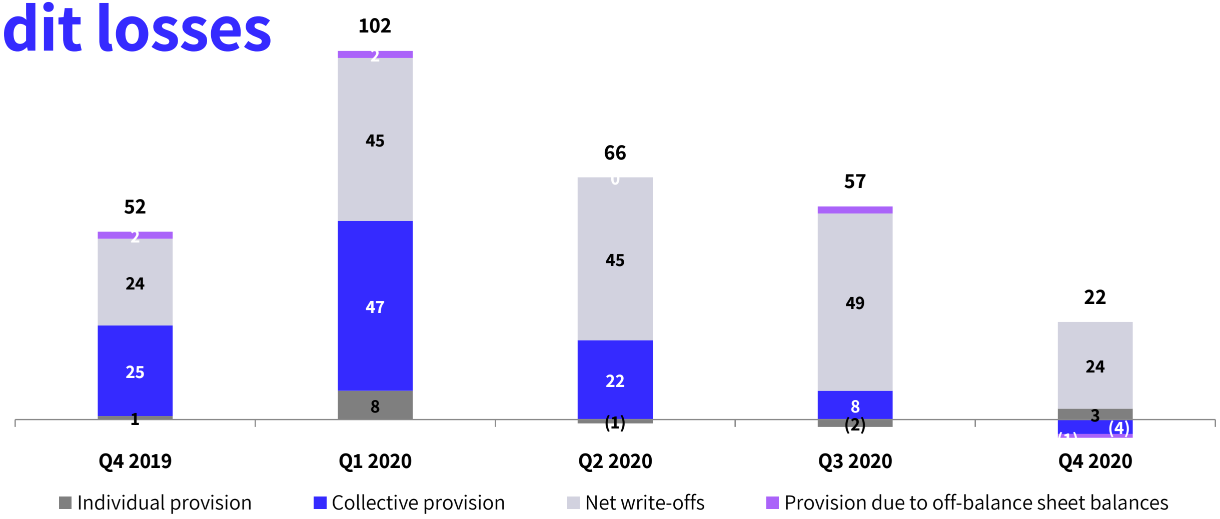
Increase in the provisions as compared with 2019

73 million NIS

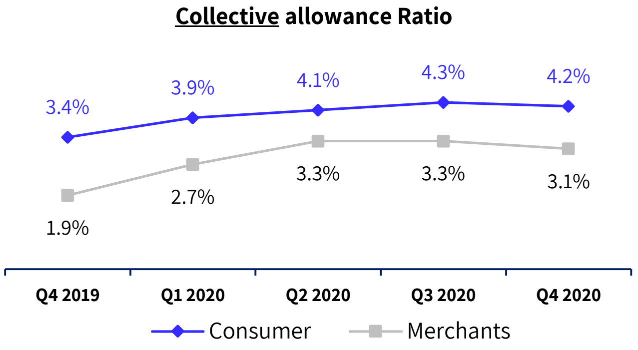
Increase in provision for collective credit losses since the beginning of the year in spite of stability in non-banking credit portfolio

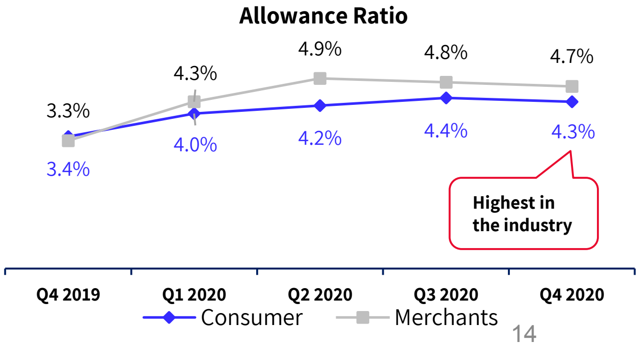
40%

The total of written-off debts collected in 2020, increased from 38 million NIS to 53 million NIS, ~40% increase, most of the increase during Q4



Coverage Ratio - Allowance for credit losses from an average balance of receivables due to credit cards (Company's responsibility)





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Expenses - Efficiency and Alignment to revenue levels - 2020

(Million NIS)

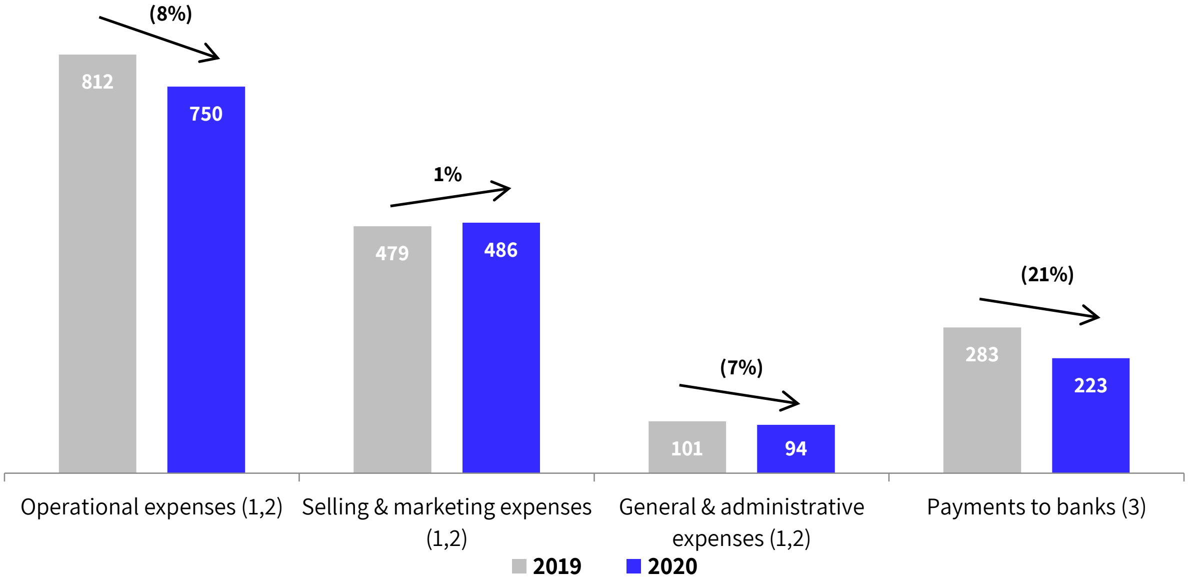
(7%)

Decrease compared to 2019

The Group operates to reorganize the business expenses by re-examining purchase agreements, employment contracts, long-term agreements and other activities.

Isracard announced a reduction in company's workforce to be completed in 2021.
Estimated annual savings of 44-56 million NIS pre-tax (after completion)

Consistent decrease in expenses rates (excluding provision for credit losses in the amount of 247 million NIS) compared to the decline in transaction volumes throughout the COVID-19 crisis



1) Net of a one-time expense in the amount of 69 million NIS due to termination of a technological project – Customer & credit management system.
2) Net of a one-time expense in the amount of 45 million NIS due to efficiency plan including reduction in workforce (voluntary retirement)
3) Net bonus granted to the Company's employees due to separation from Bank Hapoalim in the amount of approx. 68 million NIS during 2019
4) Pursuant to the application of the Shtrum law and the settlement with Bank Hapoalim, certain fees from the bank's customers are not presented as of the settlement's date (February 1, 2019) as revenues, and accordingly, the bank's share thereof is not presented. Such fees amounted to a total of approx. 17 million NIS during January 2019.

Capital Adequacy Ratio (as of December 31, 2020)

14.3%
Total capital ratio
(regulatory minimum requirement 11.5%)

13.3%
Capital Ratio Level 1
(regulatory minimum requirement 8%)

About - **2.4** (NIS billion – 31.12.2020)
Equity attributable to shareholders

Net Income*, basic and diluted to regular share attributable to Company's shareholders (in NIS)
1-12/2020 **0.91**

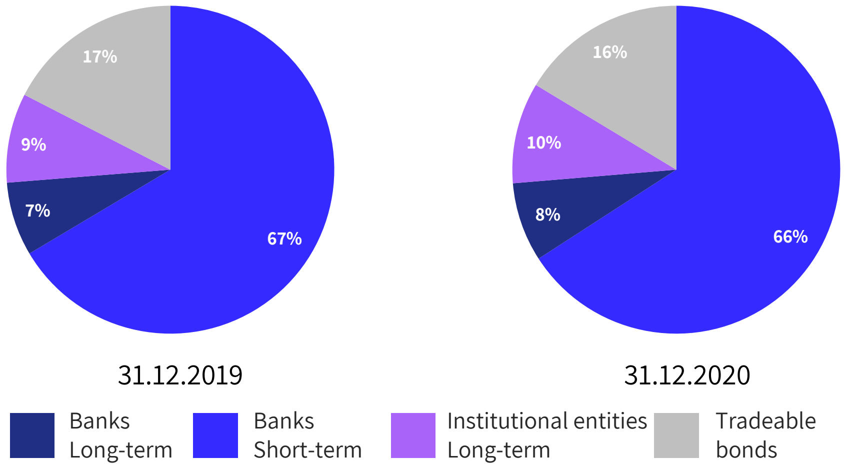
7.4% 1-12/2020
Return on average Equity*

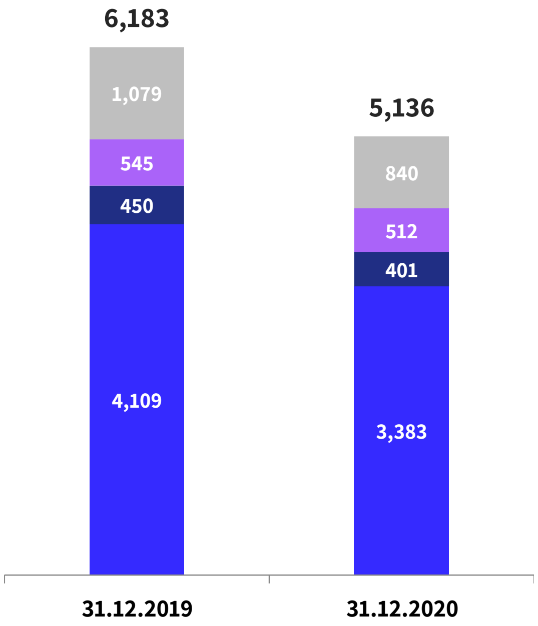
* Excluding one-time expense in the amount of 45 million NIS (approx. – 35 million after tax) due to efficiency plan including reduction in workforce (voluntary retirement) and one-time expense in the amount of 69 million NIS (approx. – 53 million after tax) due to termination of a technological project – customer & credit management system.

Financing Resources Balances – Banks and Others As of December 31, 2020 (million NIS)

Diversity of credit lines enabled the Company redundancy in liquidity levels during the pandemic

- In 2020 the group expanded and diversified financing sources, updated agreements and signed new agreements to receive credit lines in a total amount of NIS 2.5 Billion.
- Proactive decrease of credit lines from Bank Hapoalim in a similar amount.





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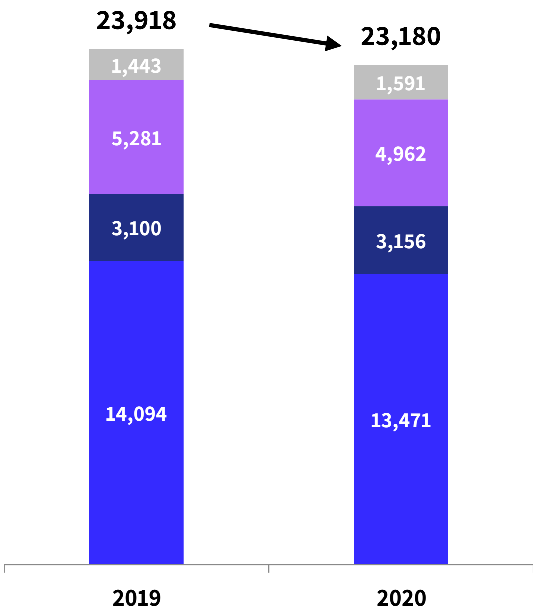
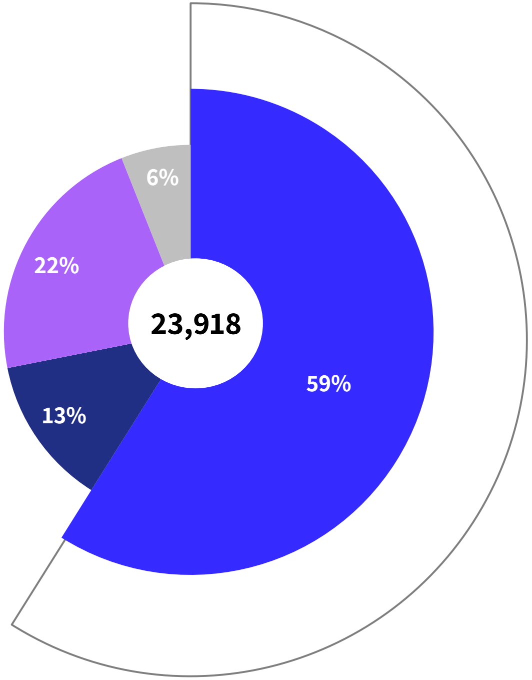
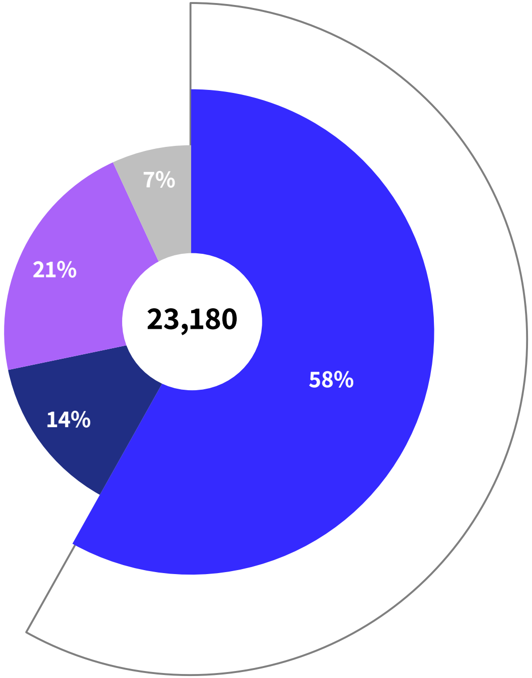
Receivables due to credit card activity - main asset in the balance sheet (Million NIS)





31.12.2019



31.12.2020

Credit card companies and international organizations

Credit – interest bearing operations (credit and loans)

Non-bank credit card (non interest bearing operations)

bank credit card (non interest bearing operations)

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The decrease is mainly due to decrease in issuing volume during December 2020 as compared with volumes during December 2020 due to the effects of the Coronavirus pandemic.

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Appendices

Statement of profit as presented in the group's financial statements

Million NIS	[4] 1-12 2019	[4] 1-12 2020	10-12 2019	[4] 10-12 2020
Revenue				
Revenue from merchants, net	1,191	1,079	289	267
Revenue from credit card holders	[1]656 [673]	527	167	140
Interest income, net	376	433	103	105
other incomes	15	13	2	4
Total revenue	**2,238** [2,255]	**2,052**	**561**	**516**
Expenses				
Provision for credit losses	168	247	52	22
Operational expenses	[2]812 [850]	[3,4]750 [844]	195	[3,4]203 [297]
Sales and marketing expenses	[2]479 [498]	[4]486 [503]	137	[4]141 [158]
General and Administrative expenses	[2]101 [112]	[4]94 [97]	26	[4]28 [31]
Payments to banks	[1]283 [300]	223	70	56
Total expenses	**1,843** [1,928]	**1,800** [1,914]	**480**	**450** [564]
Profit before taxes	395 [327]	252 [138]	81	66 [(48)]
Provision for taxes on profit	[2]103 [87]	[3,4]76 [50]	21	[3,4]20 [(6)]
Company share in profit of associates	4	5	1	-
Net Profit	296	181	61	46

(1) Pursuant to the application of the Shtrum Law and the settlement with Bank Hapoalim, certain fees from the bank's customers are not presented as of the settlement's date (February 1, 2019) as revenues, and accordingly, the bank's share thereof is not presented. Such fees amounted to a total of approx. 17 million NIS during January 2019.
(2) Net of bonus granted to the Company's employees due to separation from Bank Hapoalim in the amount of approx. 68 million NIS (52 million NIS after taxes) in 2019.
(3) Net of a one-time expense in the amount of 69 million NIS (53 million NIS after taxes) due to termination of a technological project – customer & credit management system in 2020.
(4) Net of a one-time expense in the amount of 45 million NIS (approx. – 35 million after tax) due to efficiency plan including reduction in workforce (voluntary retirement) in 2020.

Balance Sheet as of December 31, 2020

Million NIS	31.12.2019	31.12.2020
Assets		
Cash and deposits in banks	206	125
Receivables due to credit card activity, net	23,918	23,180
Allowance to credit losses	(301)	(382)
Receivables due to credit card activity, net	**23,617**	**22,798**
Securities	63	69
Investments in associated companies	11	17
Buildings and equipment	363	363
Other assets	460	545
Total assets	**24,720**	**23,917**
Liabilities		
Credit from banks and others	5,104	4,296
Creditors due to credit card activity	15,549	15,630
Tradeable bonds	1,079	840
Other liabilities	561	705
Total liabilities	**22,293**	**21,471**
Equity attributable to Company shareholders	**2,427**	**2,446**
Total Liabilities and Equity	**24,720**	**23,917**

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THANK YOU