Investor Presentation

Financial Reports for September 30, 2021

ISRACARD GROUP

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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 Group – 30.9.2021

Q3	Net Profit	Pretax Profit
	99 M NIS *(+62%)	136 M NIS *(+60%)

1-9	Net Profit	Pretax Profit
	286 M NIS *(+112%)	389 M NIS *(+109%)

Transaction volumes from credit cards issued by the Group

Issuance Transaction Volumes 1-9/2021

135.9B NIS

~15.7% Increase compared to 1-9/2020

~8.6% Increase compared to 1-9/2019

Issuance Transaction Volumes Q3/2021

48.7B NIS

~14.7% Increase compared to Q3/2020

~9.0% Increase compared to Q3/2019

Consumer Credit Portfolio

30.9.2021

4.0B NIS

- Increase in Consumer Credit Portfolio during 7-9/2021
- Decrease in Collective Allowance Ratio

* Compared to same period last year

Isracard Group – Highlights 30.9.2021

	Net Profit	Pretax Profit		Net Profit	Pretax Profit
Q3	99 M NIS	136 M NIS	1-9	286 M NIS	389 M NIS

- Continued improvements in economic conditions – An increase in credit card transaction volumes.
- During Q3/21 an increase in Consumer Credit Portfolio to ~ NIS 4B. Increase in demand for consumer credit.
- The launch of Apple Pay digital wallet in Israel, and the expected launch of Google Pay during Q4/21 will scale up the use of credit cards as a leading payment method.
- Launch of insurance activity in Q4/21.
- Enhance Isracard's growth strategy of investment and funding through Isracard X:
  - ✓ Signed an agreement to form a partnership that will offer credit for consumers to purchase goods and services through *BNPL programs.
  - ✓ Entered as an anchor investor in Moneta Capital II, a VC specializing in Fintech.

* BNPL-Buy Now Pay Later

Isracard Group – Overview - 30.9.2021

Q3	Net Profit	Pretax Profit	1-9	Net Profit	Pretax Profit
	99 M NIS	136 M NIS		286 M NIS	389 M NIS

Increase in transaction volumes and demand for credit during the 3rd quarter of 2021, despite a fourth wave of Covid-19 and intensive holiday period

Transaction Volumes
Growth in Transaction Volumes Vs 2020 also Vs 2019.

Credit Portfolio
In Q3/21 for the first time since March 2020, an increase in Credit Portfolio along with growth in sales of Consumer Credit.

High Coverage Ratios
Update in Allowance for Credit Losses as a result of improvement in economic indicators while sustaining high Coverage Ratios.

Efficiency
Maintaining Operational Efficiency Ratios along with the implementation of the announced Efficiency Plan.

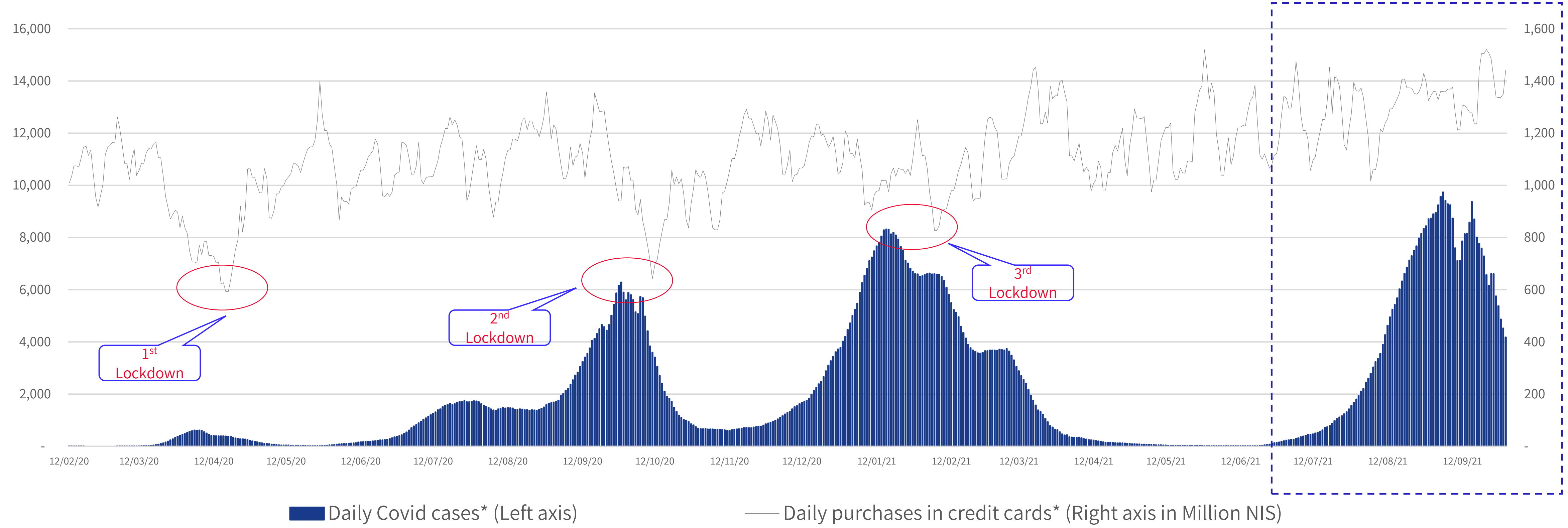
Dividend
- Dividend payment in the amount of 27.8M NIS of company's 2020 net profit
- Annual Dividend Policy - Distribution of 35% of net profit*.

* Under Bank of Israel directives and limitations in respect to dividend distribution by Banking institutions and credit card companies, in accordance with proper conduct of banking business directive 250.

Credit card Transaction Volumes in Israel(1)

Vs Covid-19 pandemic waves(2)

- Increase in transaction volumes in the first 9 months of 2021 and during the 3rd quarter of 2021, despite the growth in Covid-19 cases.
- 14.7% increase in Q3/21 Vs Q3/20, 9% increase Vs Q3/19, pre-pandemic.
- 15.7% increase in 1-9/21 Vs 1-9/20, 8.6% increase Vs 1-9/19, pre-pandemic.



*7-day moving average

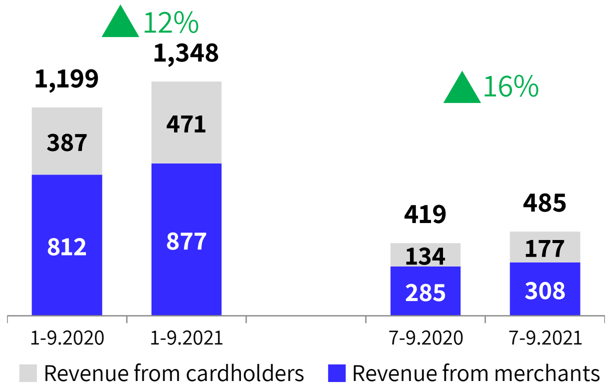
(1) According to Bank of Israel report, based on ABS (Automated Banking Services) data as 7/10/2021

(2) From Ministry of Health website (State of Israel) "Israel Covid19 data tracker -Cases and deaths dashboard"

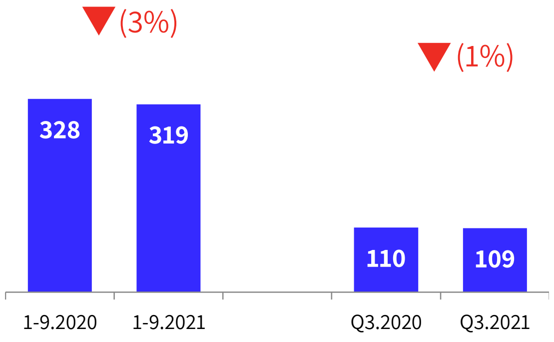
ISRACARD GROUP

Main Financial Data (NIS Million)

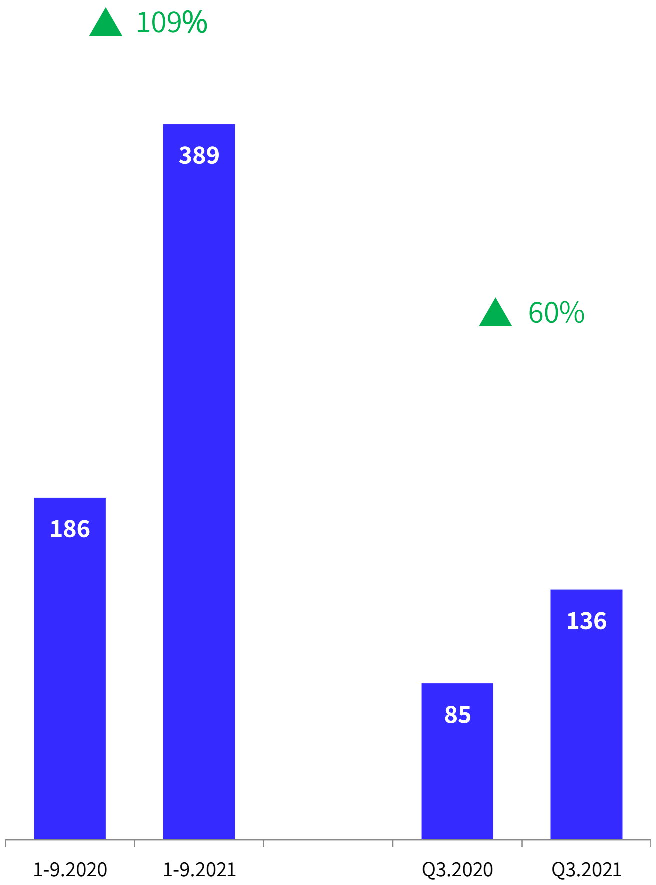
Income from credit card activities (Issuing and Acquiring)



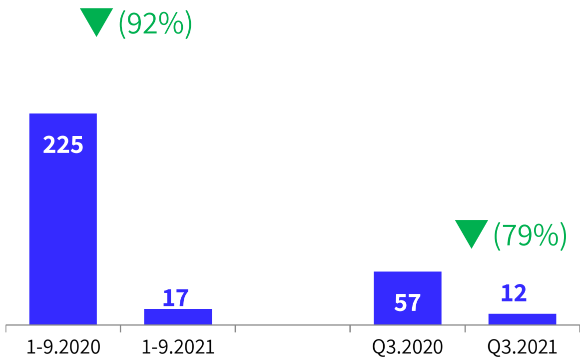
Interest Income, net



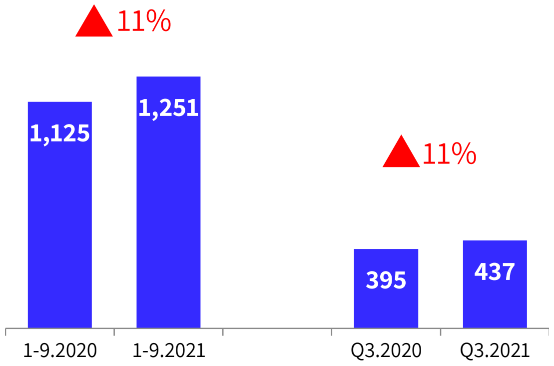
Pretax Income



Provisions for Credit Losses



Total Expenses excluding Provisions for Credit Losses*



*Increase of ~**11%** in expenses (excluding provision for credit losses) in 1-9/2021 Vs 1-9/2020, while transaction volumes from credit cards issued by the group grew **16%** in 1-9/2021 Vs 1-9/2020

Consumer Credit[1,2] (NIS Millions)

Credit Portfolio

Continue to modify our technological & organizational infrastructure in order to execute company's plans in consumer credit segment.

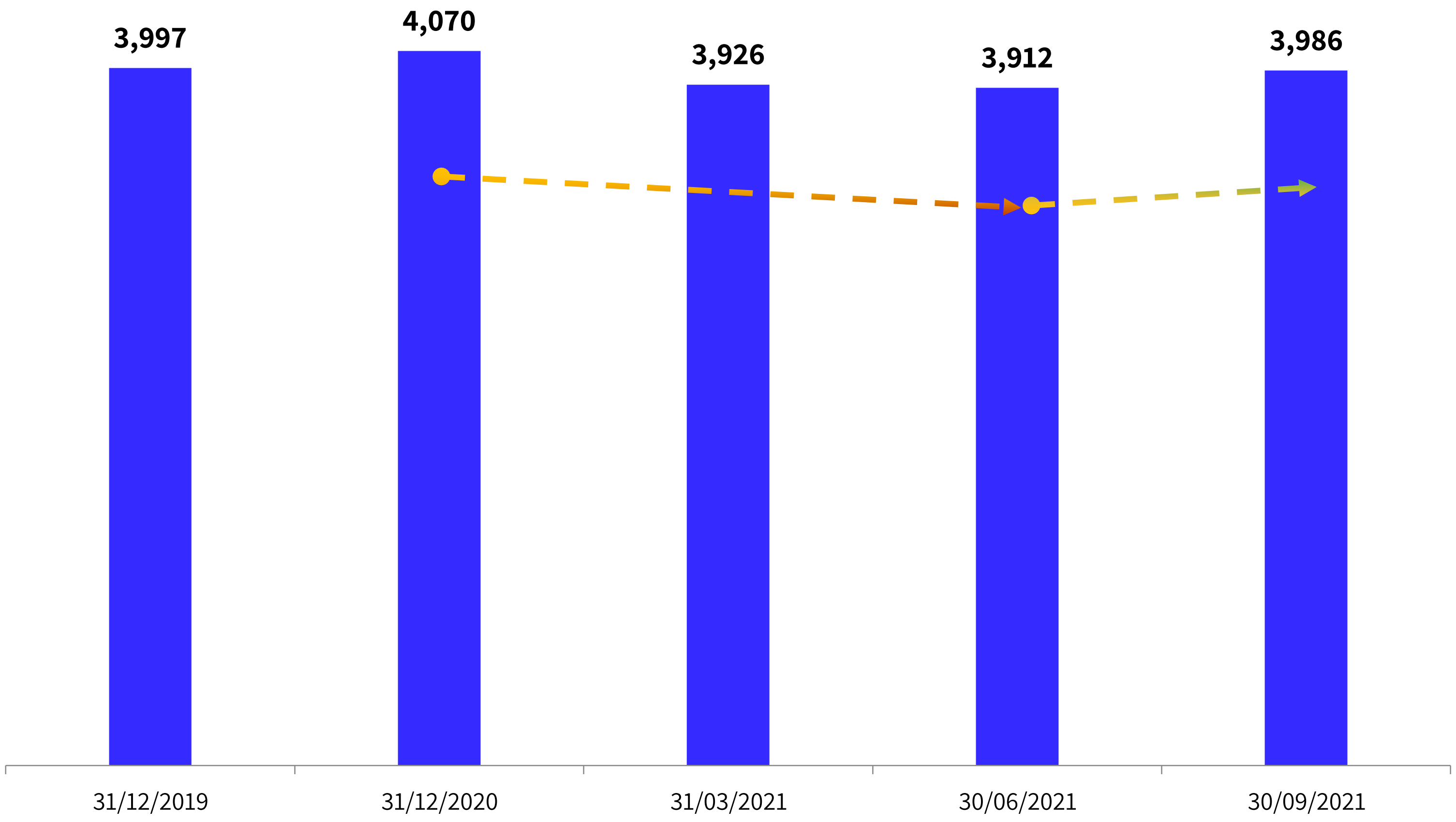
9.2%

Average annual interest rate on consumer credit portfolio as of 30.9.2021.

Deferred Loans

No deferred loan repayments, in accordance with Bank of Israel Covid-19 framework, as of 30.9.2021.

From May 2021 until October 2021 a recovery was felt in demand for Consumer Credit, along with an increase in Consumer Credit Reserves



(1) Credit not under bank guarantee (excluding purchases)
(2) Includes credit to acquire vehicle amounting to NIS 152 Million as of 30.9.2021

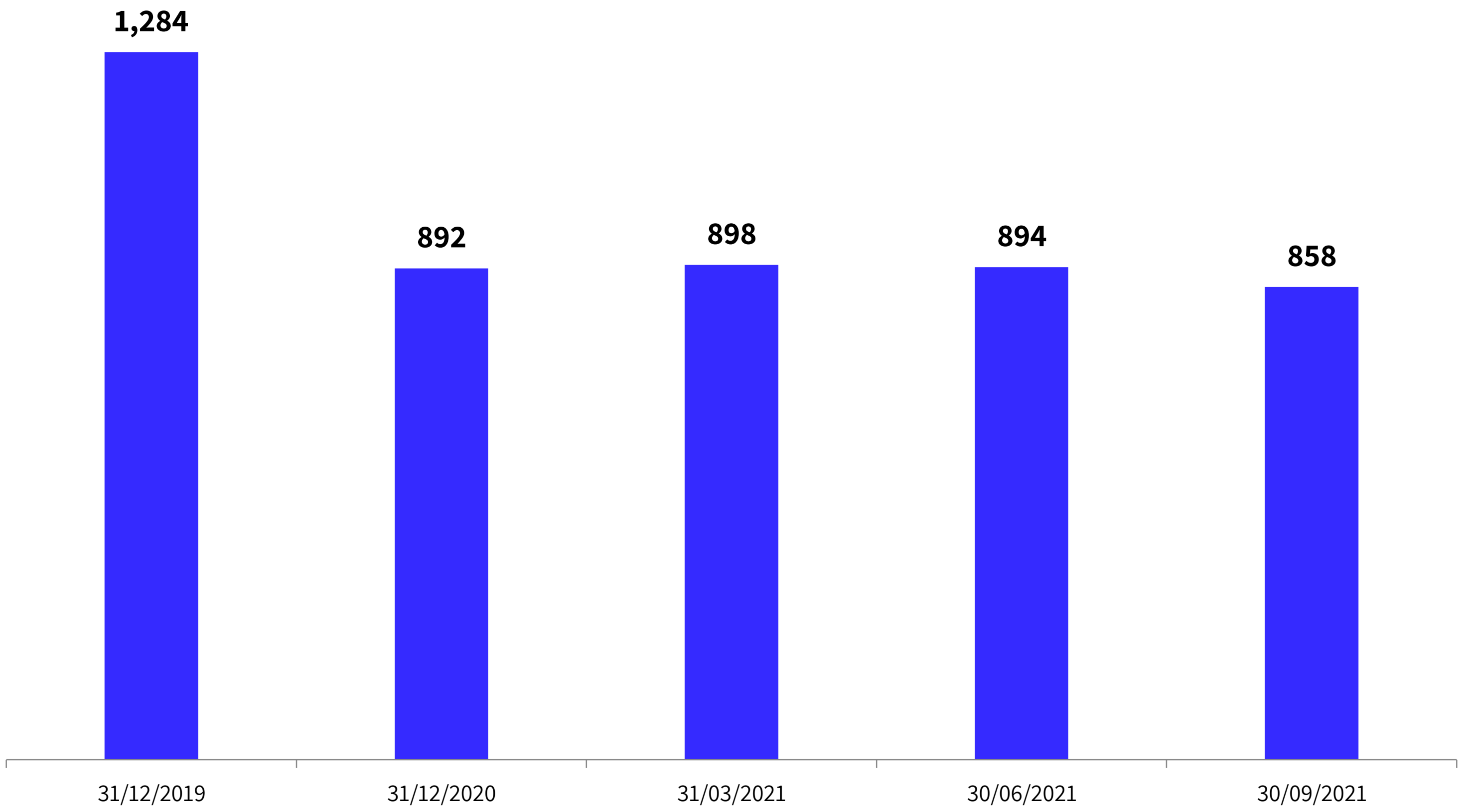
Commercial Credit (NIS Millions)

Credit Balance

Maintaining stability in commercial credit portfolio

6.0%

Average annual interest rate on commercial credit portfolio as of 30.9.2021.



Provisions for Credit Losses (Millions NIS)

Q3.2021

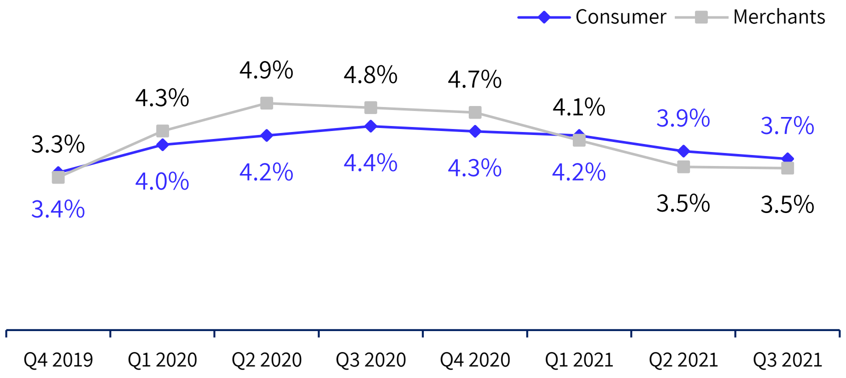
- A decrease in Collective Allowance Ratio, following previous quarter decrease.
- Maintaining High Coverage Ratios.

(56%)

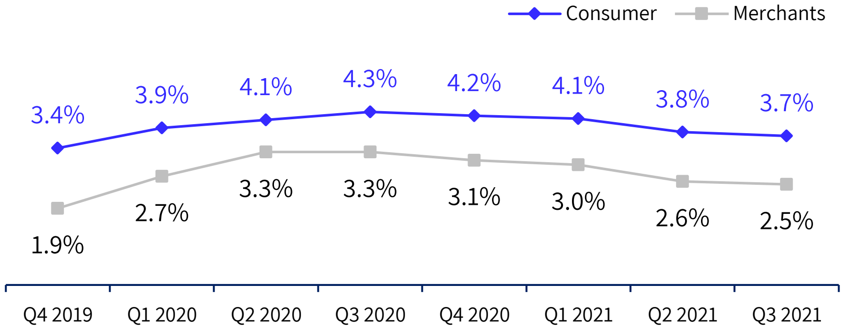
Decrease in total written-offs debts collected in 1-9/2021 compared to 1-9/2020.

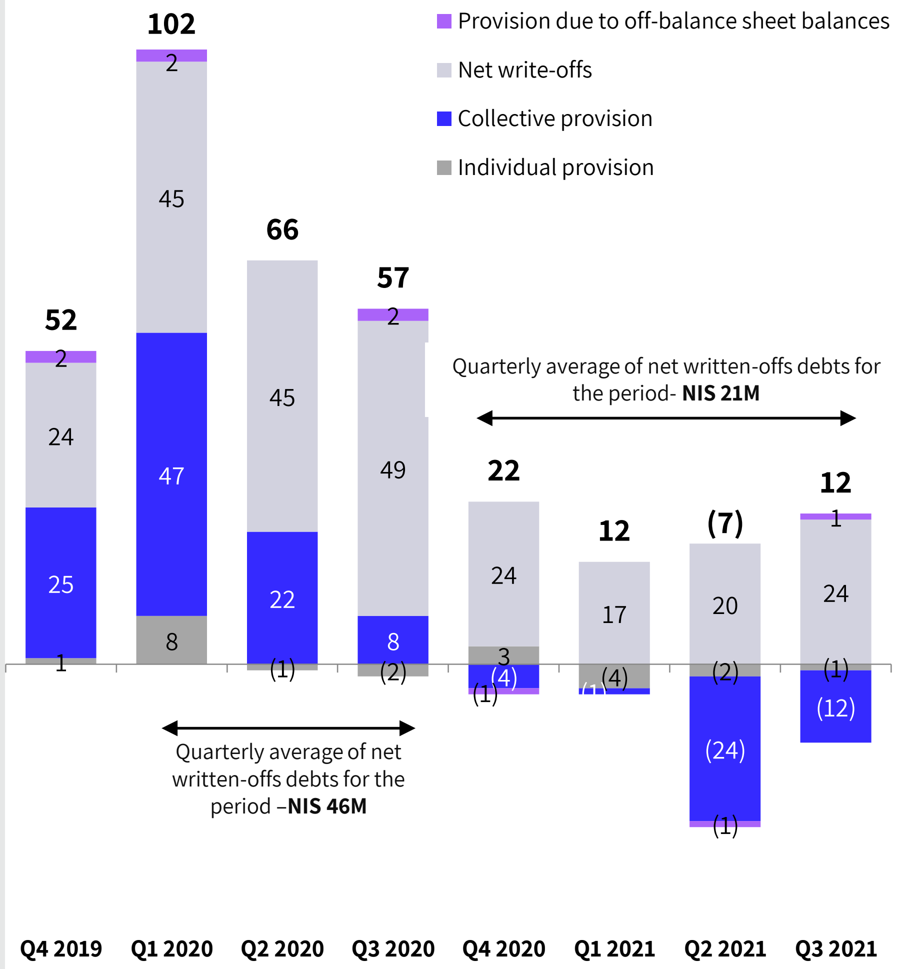
Coverage Ratio - Allowance for credit losses from balance of receivables due to credit cards (Company's responsibility)

Allowance Ratio



Collective Allowance Ratio





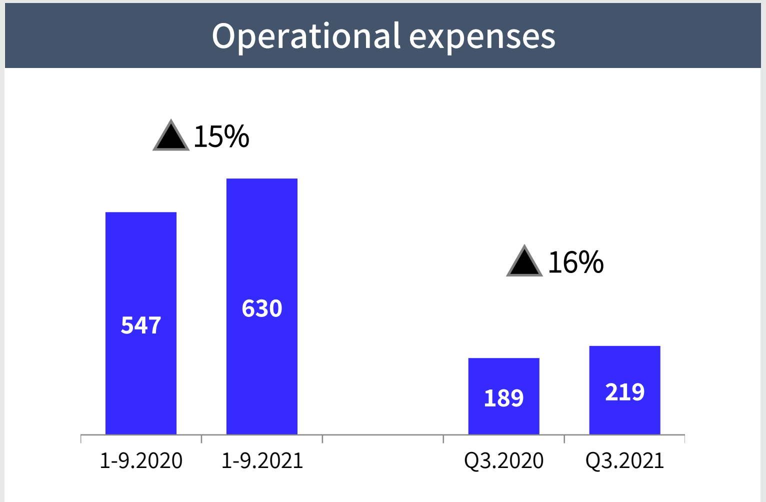
Expenses (Excluding provisions for Credit losses) - (Million NIS)

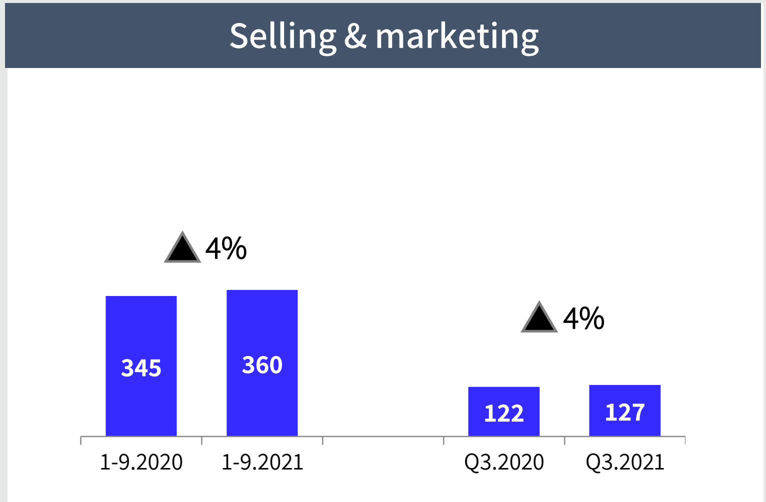
Total Expenses

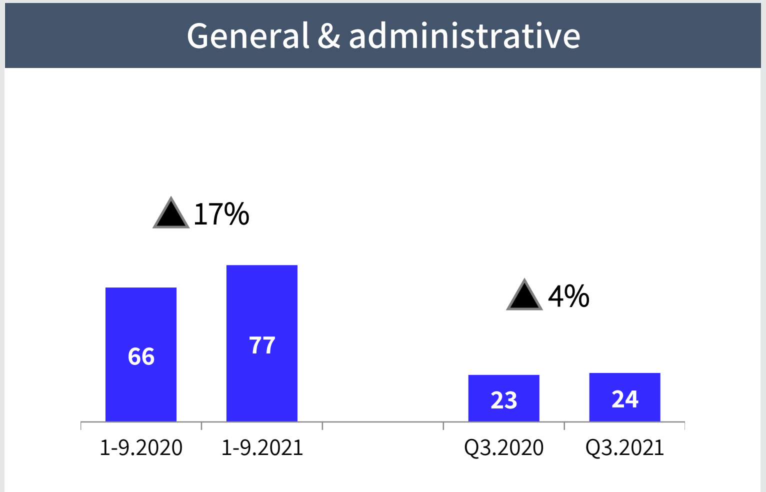
(Excluding provision for credit losses)

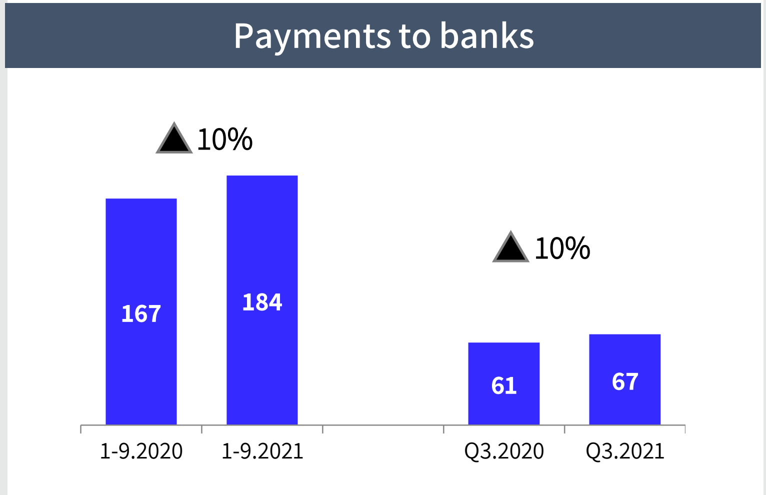
Despite a one-time decrease in expenses in **Q2/2020** as a result of Covid-19 pandemic, expenses rate (excluding provisions for credit losses) in 1-9/2021 grew up **11%** in compare to the same period last year and relatively to an increase of **16%** in transaction volumes from credit cards issued by the Group.

Continue to implement Efficiency Plan as announced at the end of 2020.









Capital Adequacy Ratio and Return on equity (as of September 30th, 2021)

Total Capital Ratio

16.4%

(Regulatory min Requirement 11.5%)

Capital Ratio Level 1

15.3%

(Regulatory min Requirement 8%)

Dividend declared and paid during 1-9.2021

~27.8 M NIS

(*30% of 2020 Net Profit)

Equity Attributed to Company's Shareholders

~2.7

NIS Billion

EPS

Net Income basic and diluted to regular share attributable to Company's shareholders

1.43

(NIS) 1-9/2021

0.50

(NIS) 7-9/2021

Return on Average Equity

On a yearly basis

15.1%

1-9/2021

15.6%

7-9/2021

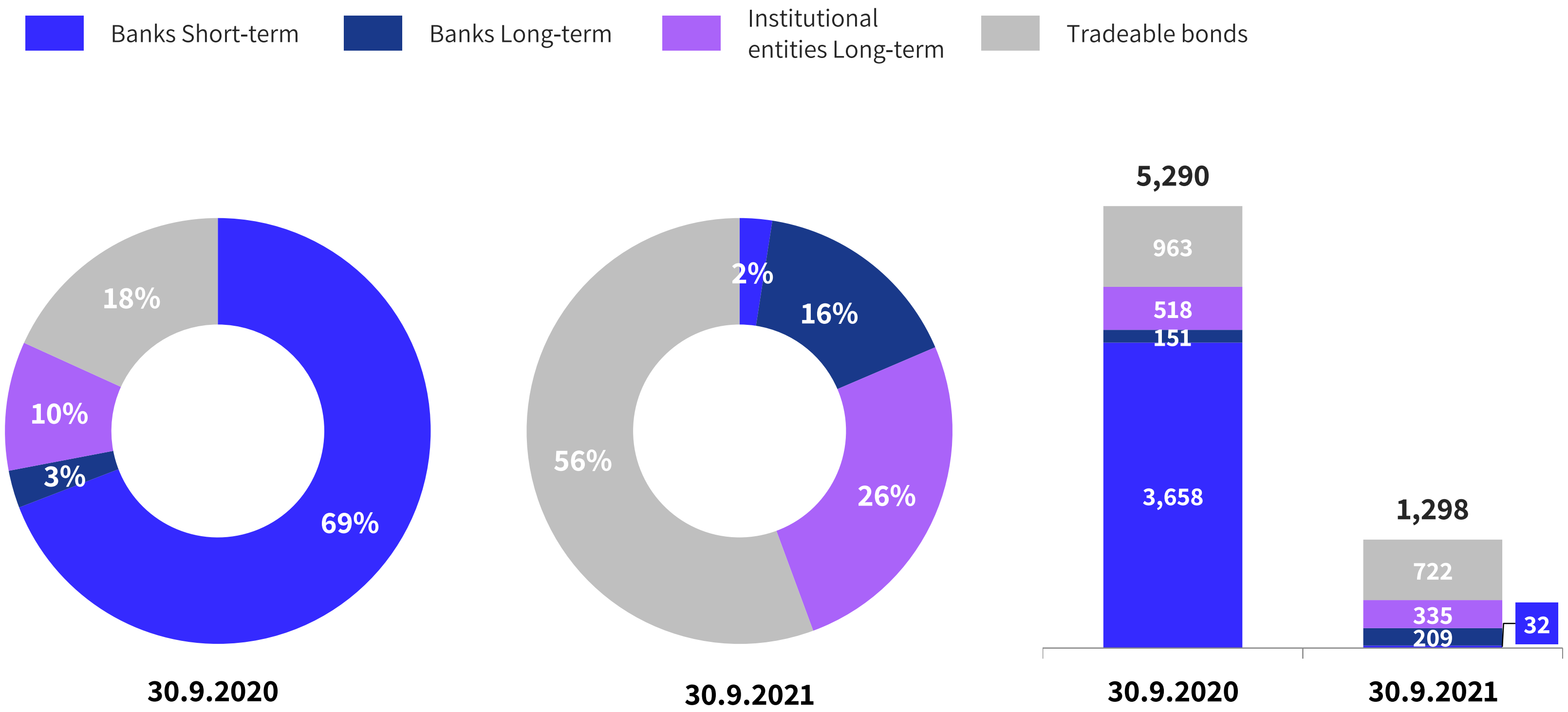
* Under Bank of Israel directives and limitations in respect to dividend distribution by Banking institutions and credit card companies, in accordance with proper conduct of banking business directive 250.

Financing Resources Balances[1] – Banks and Others

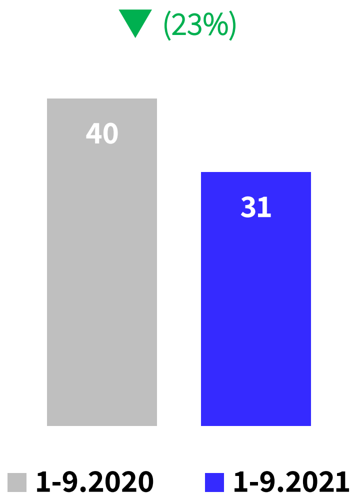
As of September 30, 2021 (Million NIS)

Decrease of ~23% in financial expenses in the first 9 months of 2021 compared to the same period last year, mainly as result of:

- Diversification of funding resources and creating a competitive climate among the funding sources.
- Due to applying proper conduct of banking business directive 470 and the entry into effect of payment and settlement directive on 1.7.2021 combined with the competition commissioner directive regarding immediate payments between issuer and acquirer, at this stage, company's cash reserves grew significantly to a total of NIS 4B.

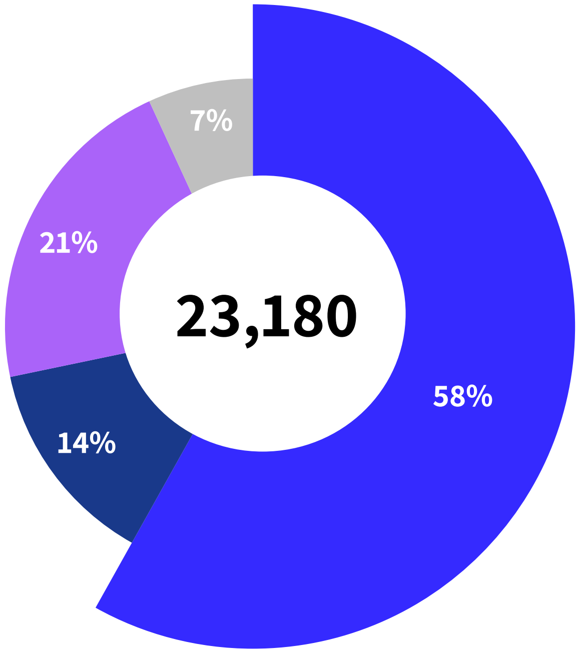


Financial Expenses

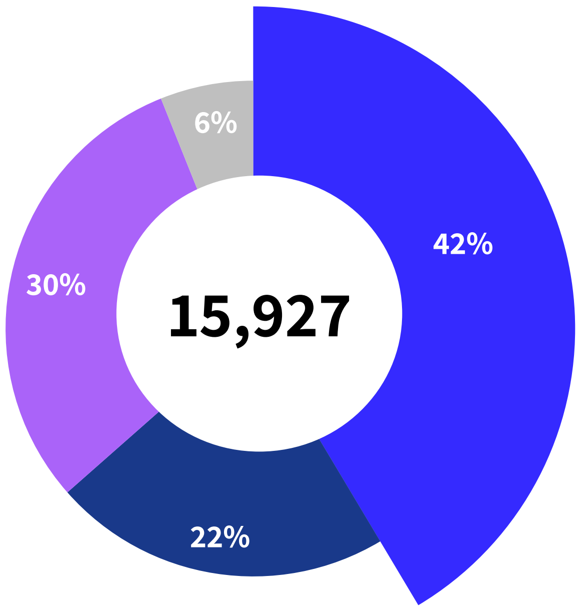


(1) Including Interest Payable

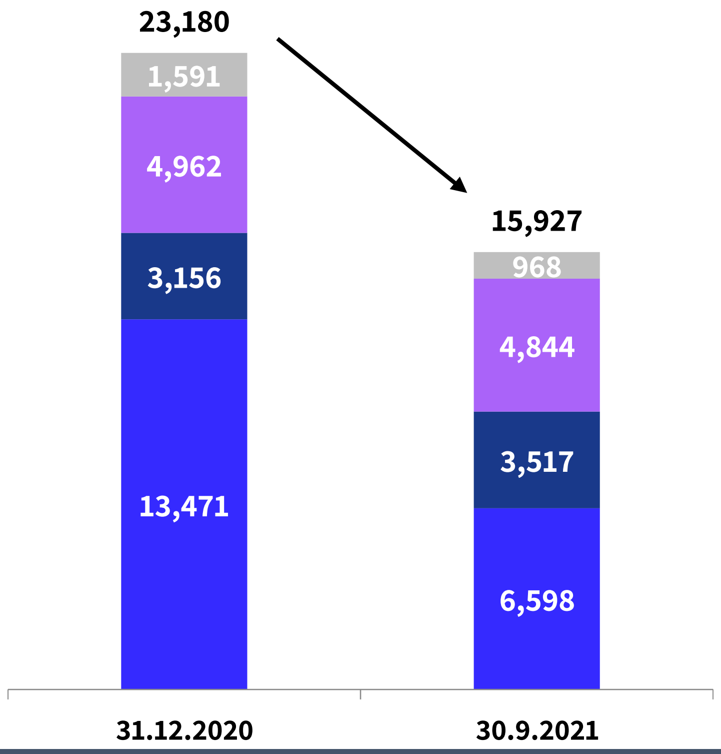
Receivables due to credit card activity – main asset in the Balance Sheet (Million NIS)



31.12.2020



30.9.2021



The decrease in Liabilities is mainly due to applying proper conduct of banking business directive 470 and the entry into effect of payment and settlement directive on 1.7.2021 combined with the competition commissioner directive regarding immediate payments between issuer and acquirer.

Isracard Group – Wrapping Up – 1-9/2021

- 8.6% increase in transaction volumes from credit cards issued by the group Vs same period in 2019, while maintaining highest market share in the sector
- Increase in consumer credit reserves during the 3rd quarter of 2021, for the first time since pandemic started
- Decrease in Collective Allowance Ratio, in the Q2 and Q3 of 2021 along with High Coverage Ratio enabling going forward flexibility
- The efficiency plan is being carried out
- Net Income in 1-9/2021 totaled NIS 286 M, (ROE of *15.1%), Q3 Net Income totaled NIS 99 M (ROE of *15.6%)
- Formed partnerships and carried out investments through “Isracard X”
- In the midst of a strategic process with BCG International Consulting Company of sharpening the group’s business development and growth engines
- Mr. Ran Oz will step into his role as CEO on November 28th 2021

*On a yearly basis

Appendices

ISRACARD GROUP

Statement of Profit and Loss

Million NIS	7-9.2021	7-9.2020	1-9.2021	1-9.2020	2020*		2019*	
Income								
Income from merchants, net	308	285	877	812	1,079		1,191	
Income from credit card holders	177	134	471	387	527		(1)656	[673]
Interest income, net	109	110	319	328	433		376	
other incomes (expenses)	(9)	8	(10)	9	13		15	
Total income	**585**	**537**	**1,657**	**1,536**	**2,052**		**2,238**	[2,255]
Expenses								
Provision for credit losses	12	57	17	225	247		168	
Operational expenses	219	189	630	547	(3,4)750	[844]	(2)812	[850]
Sales and marketing expenses	127	122	360	345	(4)486	[503]	(2)479	[498]
General and Administrative expenses	24	23	77	66	(4)94	[97]	(2)101	[112]
Payments to banks	67	61	184	167	223		(1)283	[300]
Total expenses	**449**	**452**	**1,268**	**1,350**	**1,800**	[1,914]	**1,843**	[1,928]
Profit before taxes	**136**	**85**	**389**	**186**	252	[138]	395	[327]
Provision for taxes on profit	39	25	108	56	(3,4)76	[50]	(2)103	[87]
Company share in profit of associates	2	1	5	5	5		4	
Net Profit	**99**	**61**	**286**	**135**	**181**	[93]	**296**	[244]

* [as presented in the group's financial statements for 2020 & 2019]

(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 income, and accordingly, the bank's share thereof is not presented. Such fees amounted to a total of approx. NIS 17 Million during January 2019.
(2) Net of bonus granted to the Company's employees due to separation from Bank Hapoalim in the amount of approx. NIS 68 Million (NIS 52 Million after taxes) in 2019.
(3) Net of a one-time expense in the amount of NIS 69 Million (NIS 53 Million 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 NIS 45 Million (approx. NIS 35 Million after tax) due to efficiency plan including reduction in workforce (voluntary retirement) in 2020.

Balance Sheet as of September 30, 2021

	30.9.2021	30.9.2020	31.12.2020
Assets			
Cash and deposits in banks	3,960	137	125
Receivables due to credit card activity	15,927	22,707	23,180
Allowance to credit losses	(338)	(383)	(382)
Receivables due to credit card activity, net	**15,589**	**22,324**	**22,798**
Securities	65	68	69
Investments in associated companies	35	16	17
Buildings and equipment	375	419	363
Other assets	521	569	545
Assets held for sale	*68	-	-
Total assets	**20,613**	**23,533**	**23,917**
Liabilities			
Credit from banks and others	576	4,327	4,296
Creditors due to credit card activity	15,857	15,074	15,630
Tradeable bonds	722	963	840
Other liabilities	734	684	705
Total liabilities	**17,889**	**21,048**	**21,471**
Equity attributable to Company shareholders	**2,724**	**2,485**	**2,446**
Total Liabilities and Equity	**20,613**	**23,533**	**23,917**

* According to company's estimations, estimated profit from sale, less expenses and after tax, as expected to appear in company's financial statement, upon delivery of the holding in the property, is expected to range from 38 to 45 million NIS.

Thank you

Financial Reports for
September 30, 2021

ISRACARD GROUP