



Responsible Growth in a Complex Reality

Investor Deck | 2023 Results Summary

This version is an English translation of the official and original version of the presentation published on the Tel Aviv Stock Exchange website on MAR 20th 2024, as drafted in Hebrew. 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.

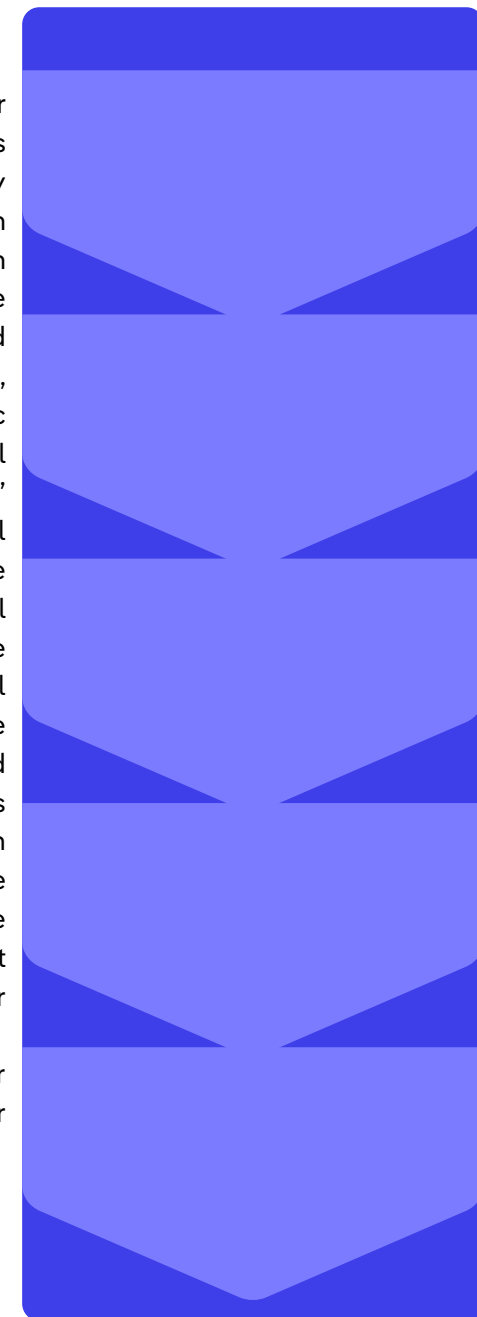
Forward Looking Information

This presentation, about Isracard Ltd. ("the Company") and its consolidated companies (jointly: "the Group"), is intended to be concise for convenience and does not exhaust all the data about the Group and its activities, nor does it replace the need to review the Company's 2023 and Q4/23 financial statements as well as its current reports, (jointly: "the Reports") and it should be read together with the Reports. The information included in this presentation could include data presented in a different manner, preparation or segmentation to those in the Reports. This presentation does not constitute an offer or solicitation to acquire the Company's securities and its content contains nothing to constitute a recommendation or an opinion or alternative to the investor's consideration.

This presentation contains programs, objectives, evaluations, assessments and information that relate to future events, including information regarding the Group's assets, future operations and liquidity. The aforementioned information constitutes "forward-looking information" as defined in the Securities Law, 5728 – 1968 and may not eventuate, either wholly or partially or could eventuate materially differently to that expected. Forward-looking information is based on the Company's subjective estimate, inter alia, on facts and data regarding the Group's current business status, the state of payment and credit markets, and the state of the market known to the Company when preparing this presentation. It is also based on macro-economic facts and data, on which the Company relies without any ability to verify them, including reports and publications by various external entities, such as: Bank of Israel data and entities operating in the payments market (including credit card companies and other acquirers). The eventuation or non-eventuation of the forward-looking information is, inter alia, affected by developments in the Israeli and foreign payments and credit market, changes in the Group's workplan, changes in market conditions and in external factors that have an effect on the Group's

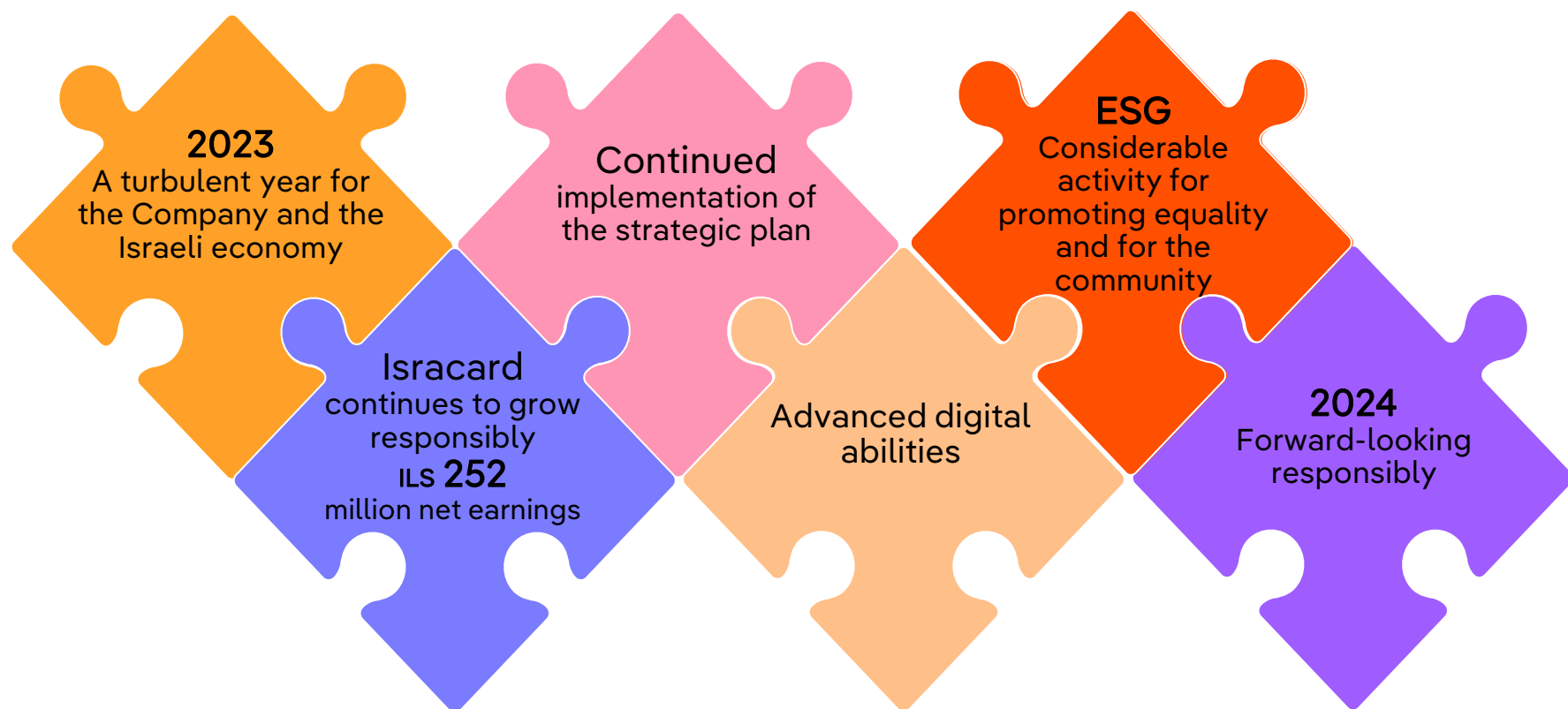
operations; by global and Israeli consumer conduct, the presence or absence of various resources in the Group, by the activities of entities and players in the Israeli and foreign payments and credit markets, by decisions made by various international entities and organizations with which the Group operates or those whose decisions have an effect on the Group, by changes in the volumes of activity and the number of the Group's cardholders, regulatory changes, accounting changes and changes in the taxation rules, changes in competitive conditions, technological developments, economic changes, macroeconomic changes, including changes in the inflation and interest rates in Israel and/or overseas and recession, the manner in which the "Iron Swords" War develops, its nature, duration, expansion and its local and global implications, by the ongoing progress of government actions and the Knesset for legislative changes, inter alia in relation to the judicial system and their implications, should there be any; by changes in the geopolitical situation, including the implications of the local and global political and security conflicts, changes in financing conditions and the effects and implications of all or some of these on the Group and changes in other areas that are likely to have an impact on the Group's operations and the corporate environment in which it operates, which are not under the Group's control and, which are likely to result in the full or partial non-eventuation of the assessments and/or changes in the business plan of the Company and/or to their eventuation in a different and even material manner from that forecast and eventuation of all or some of the risk factors that characterize the Group's operations.

The Company does not undertake to update or revise any estimation or information as aforementioned in order to reflect events or circumstances that occur after this presentation's preparation date.





Growth with Responsibility



2023

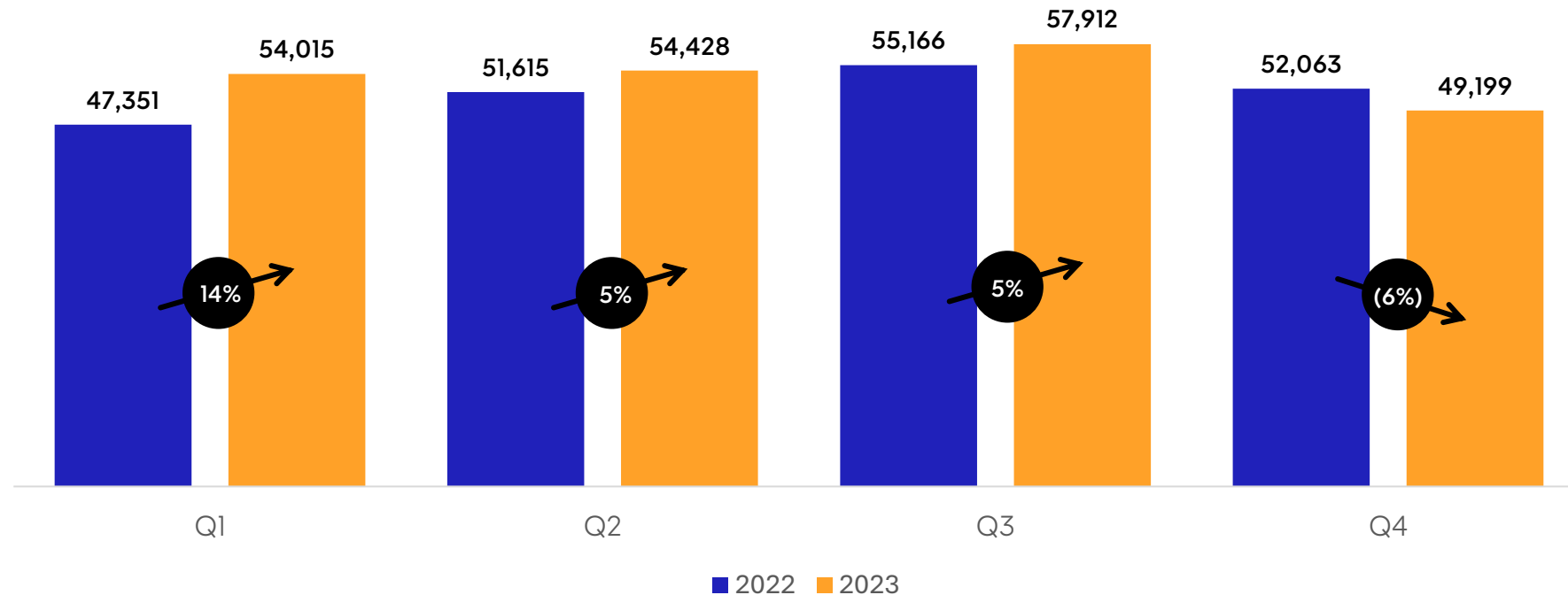
Despite a complex year for the Israeli economy, Isracard continues to realize growth forecasts based on firm foundations, realizing the strategy and ongoing growth throughout the year. All this, with utmost responsibility and by adjusting the risk level to the state of the economy





Israel 2023: A Slowdown in the Economy's Growth Rate Alongside a Trend Change in View of the “Iron Swords” War

Credit cards transactions turnover⁽¹⁾, in a quarterly segmentation (ILS millions)



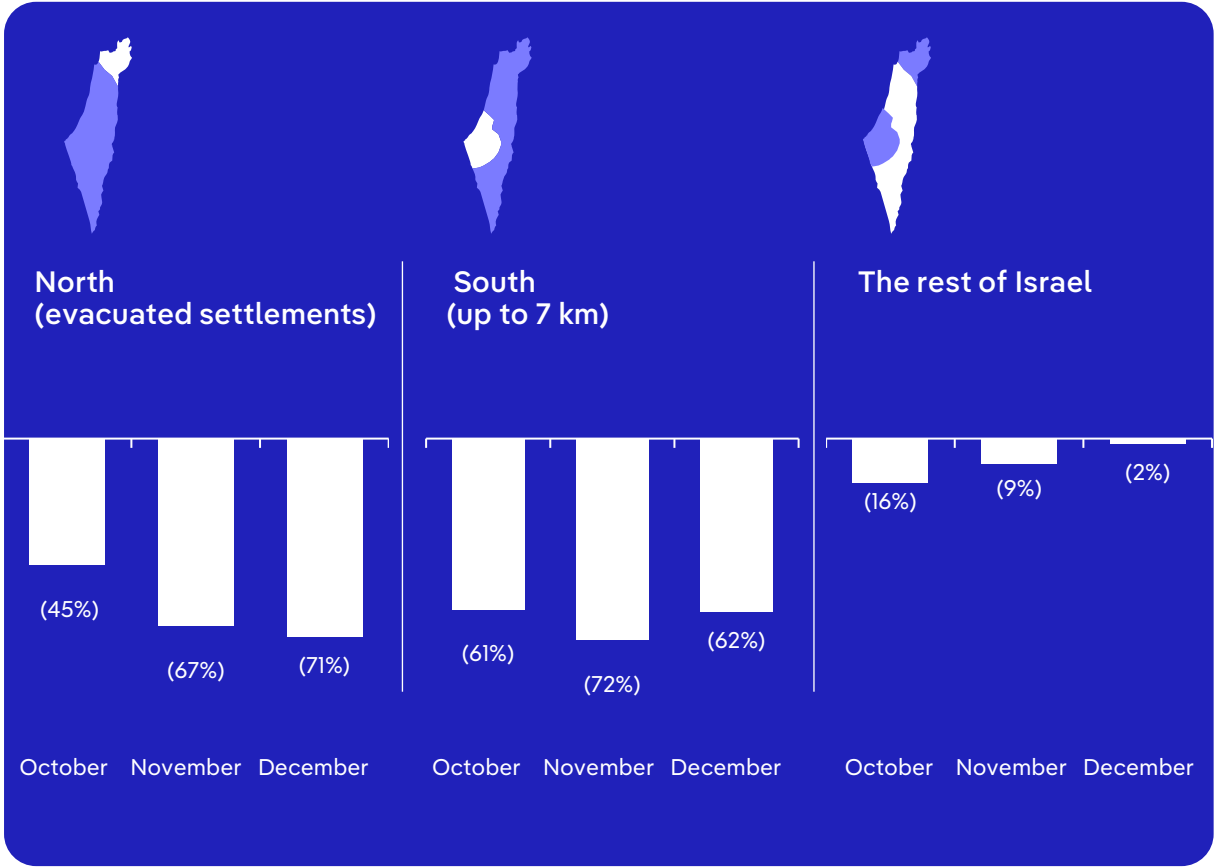
(1) Taken from the data regarding credit cards issued by the Isracard Group transactions turnover.



In View of the War – A Significant Change in the Volume of Credit Card Activity during Q4/23

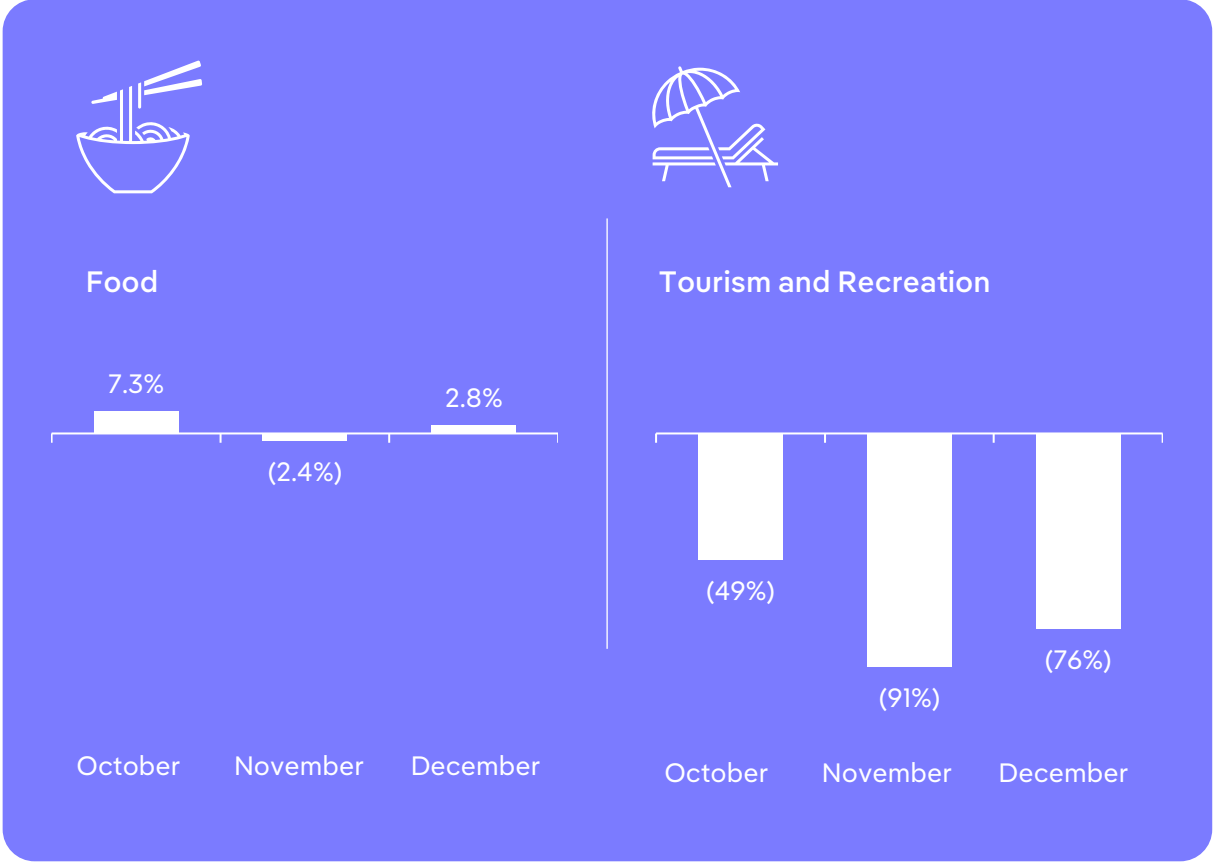
The war’s considerable impact on merchants activity⁽¹⁾

The change in October-December in relation to the average Q1-Q3 monthly turnovers



A change in the credit card purchases mix in view of “Iron Swords”

The change in October-December in relation to the average Q1-Q3 monthly turnovers



(1) Taken from Isracard’s data, according to acquiring data



Q1-Q3/23 Isracard is Realizing its Strategy and Growing with Responsibility

Consumer Credit

ILS **1,468M**

Increase in the credit balance in the first 9 months of the year

+25%

Growth in the credit portfolio in the first 9 months of the year

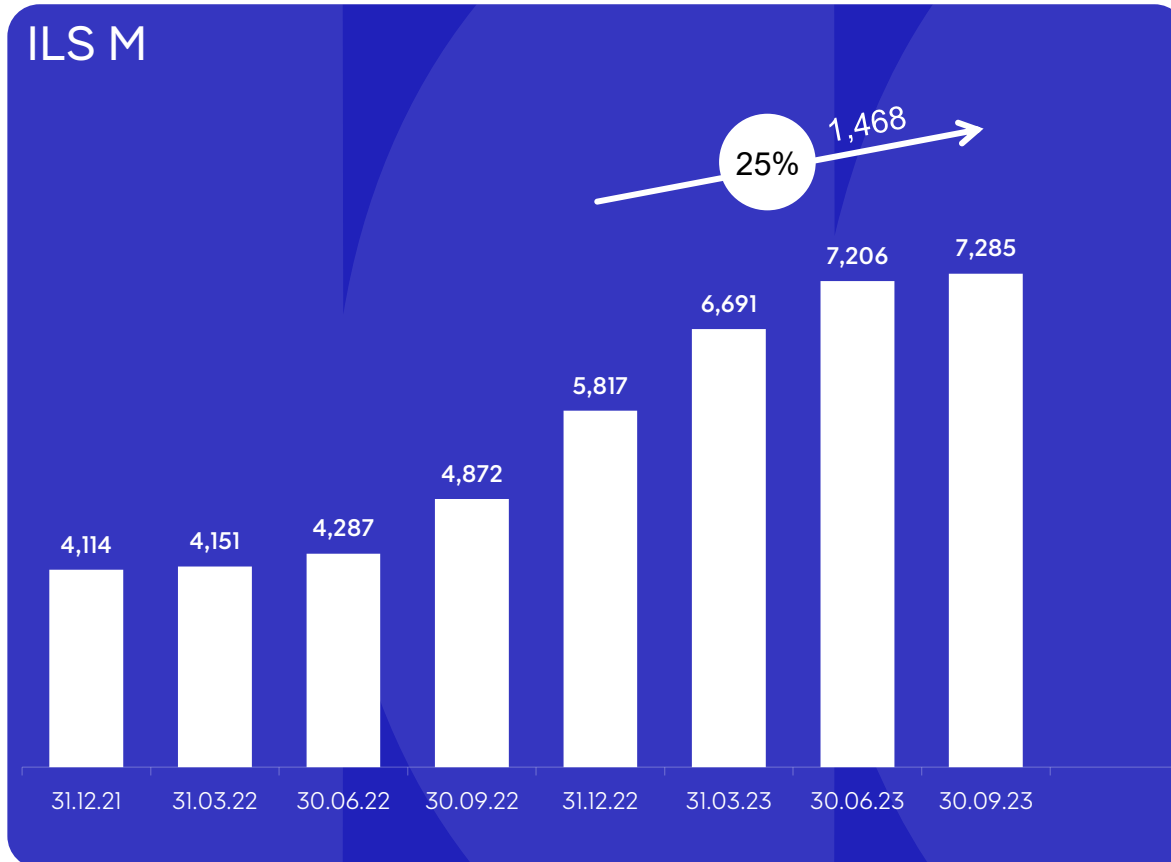
Commercial Credit

ILS **443M**

Increase in the credit balance in the first 9 months of the year

+30%

Growth in the credit portfolio in the first 9 months of the year





Q4/23: Isracard Has Responded Responsibly to Changes in View of the War and Has Adjusted the Growth Rate to Risk

Consumer Credit

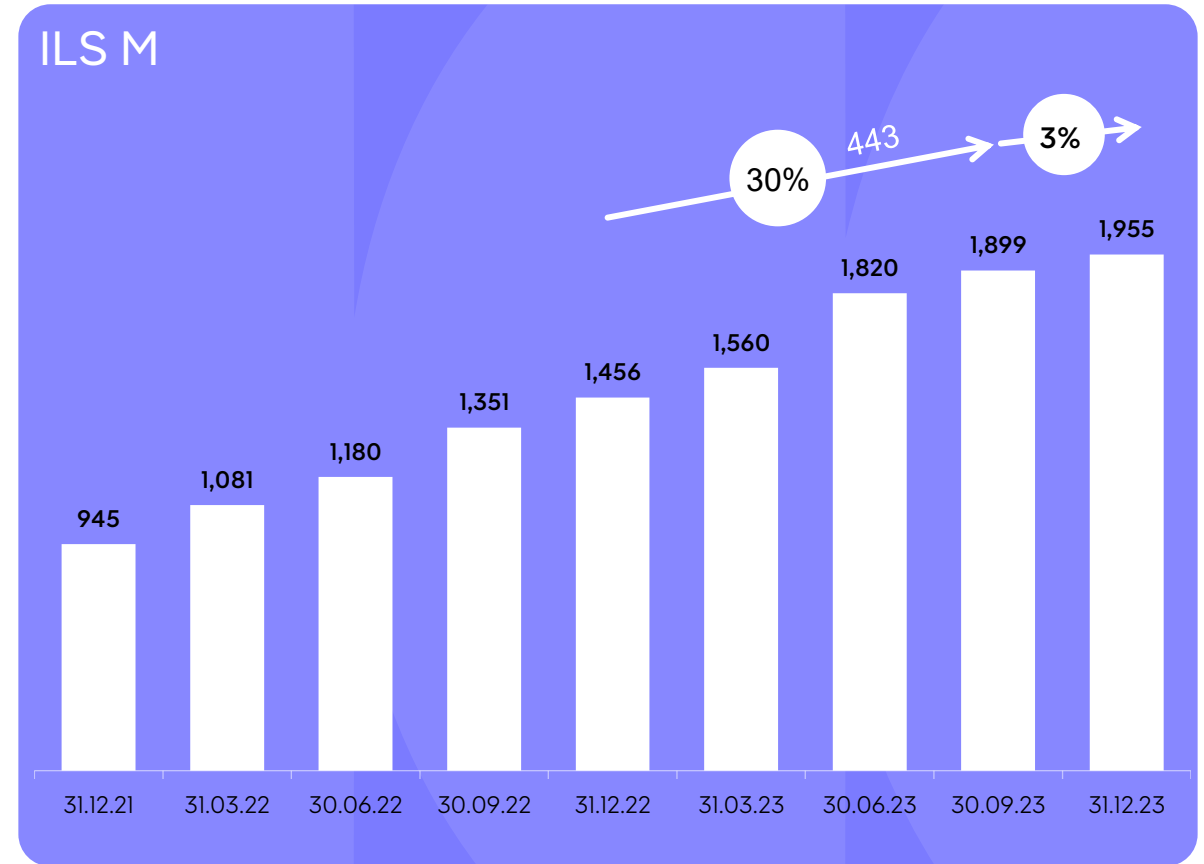
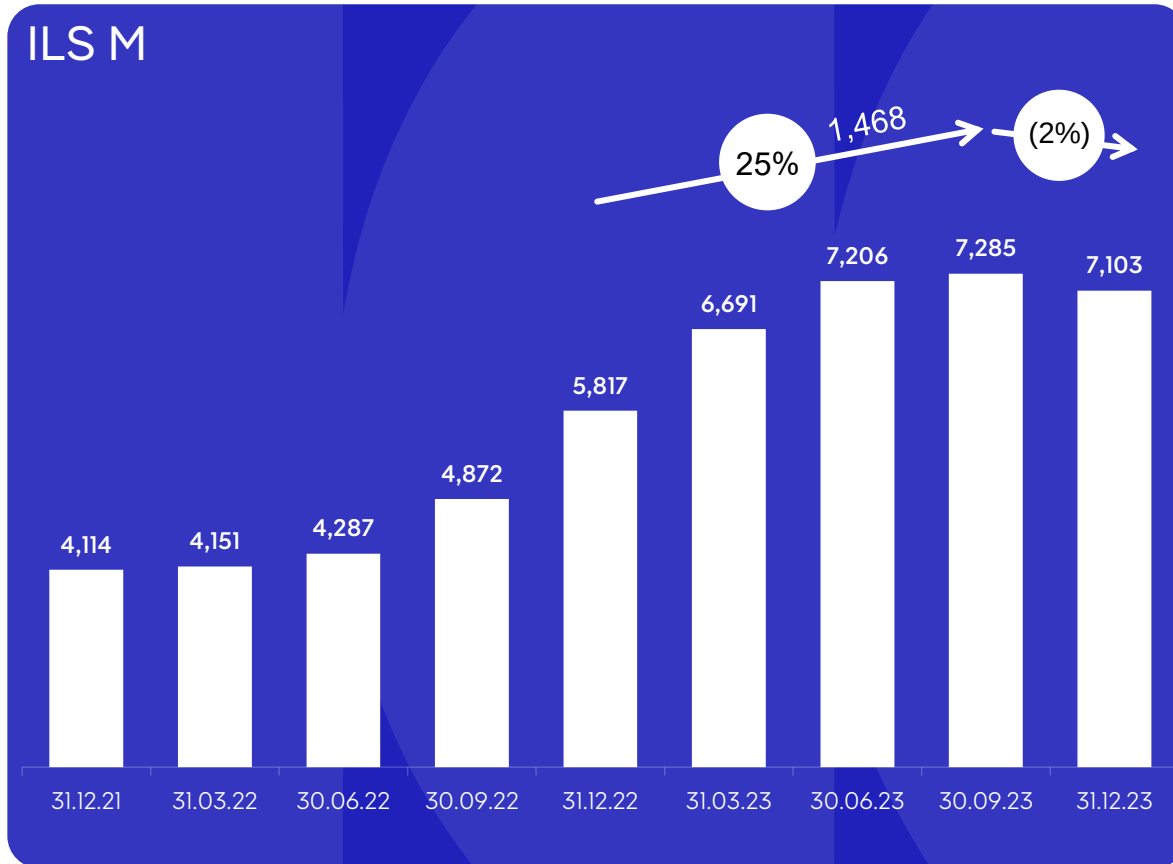
ILS **1,286M**
Increase in the credit balance since the beginning of the year

+22%
Growth in the credit portfolio in the past 12 months

Commercial Credit

ILS **499M**
Increase in the credit balance since the beginning of the year

+34%
Growth in the credit portfolio in the past 12 months





Q4 – Isracard Initiates and Provides a Support Framework to Consumers and Businesses that Suffered Damages during the War



Credit and Financing

Private Consumer

A range of solutions for flexibility of the monthly payments, free of interest for three months

The option of spreading the monthly payments up to 12 months

An option to increase the card limit for pre-paid cards in cooperation with the Eshel Association

The option of delaying principal payments in existing loans

An interest-free loan of up to ILS 5,000

Small- Businesses

A range of solutions for flexibility of the monthly payments, free of interest for three months

A digital loan of up to NIS 20,000 for 20 months under preferential terms for small businesses

A widespread business activity, free of cost, to aid hundreds of businesses, financed in full by the company

An option of delaying principal payments in existing loans for 3 months



Service

An option for executing all actions digitally 24/7 on the website and application

Establishment of a designated call center for the evacuees from the north and south

Arrival of service teams at the evacuee centers throughout Israel for aiding the evacuees with cancelation and issuing of cards immediately and safely

Free “360 service” for three months for managing and receiving customer payments from any location and device.

Establishment of a designated call center for businesses in the Gaza Envelope

Participation in the Lahav operational room for businesses from the south, which includes a weekly zoom session and assistance in financing aspects and payment solutions

Cost free advertising for small businesses

Establishing a cost free digital business community in cooperation with a professional entity for the accessibility of professional tools, solutions and relevant know-how for small businesses



**Volunteering for
the IDF soldiers
and evacuated
families**



ישראלכרט בתרומה אדירה: זה מה שיקבלו בחינם העסקים הקטנים

ישראלכרט תסייע לעסקים קטנים להתאושש מהירידה בהכנסות בתקופה המאתגרת ותעמיד את הנכסים השיווקיים והפרסומיים הדיגיטליים שלהם לקידום, ללא עלות. בישראל למעלה מ-100 אלף עסקים קטנים שמחזור הפעילות הכולל שלהם בכרטיסי אשראי חוץ בכ-80 מיליארד שקל העסקים הקטנים ירדו ב-35-40% בממוצע במחזור





Continuing to Grow by Focusing on Two Main Growth Engines

Consumers



A range of personally customized, data-based solutions at the right time and place

Small and Medium Businesses



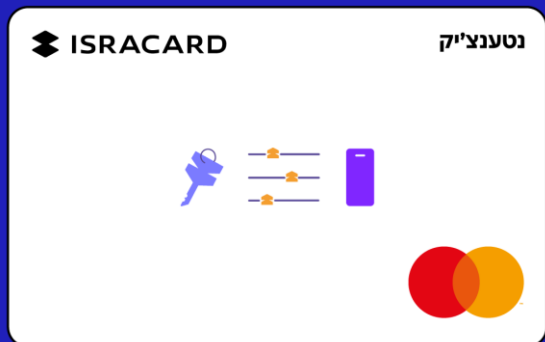
Providing advanced payment and financing solutions for businesses, that enable economic growth: Payments, sales and marketing, financing and financial management



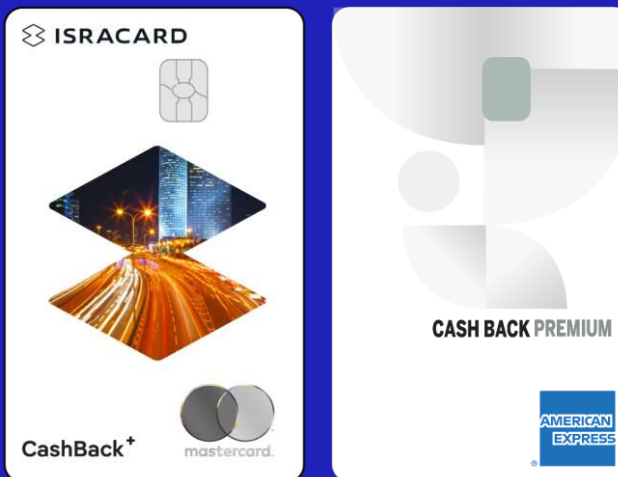
Launching a Range of New Payment Solutions



The “Nitanchick”
(pre-paid) Card
enables smarter and
simpler control of expense
management



CashBack card
enables joint accumulation



Overseas money
transfer service





Launching a new application

1st place in the AppStore
and a rating rise to 4.8



A substantial improvement in customer experience via upgrading the framework of digital services



The digital enrollment process for an all-purpose loan and for issuing a credit card



A credit dashboard on the app, which includes a summary of the information for existing borrowers



A new user interface for performing actions such as spreading the payments and a fixed monthly charge



A new digital area for managing and making standing order transactions



A digital report system for cardholders whose card was stolen or lost

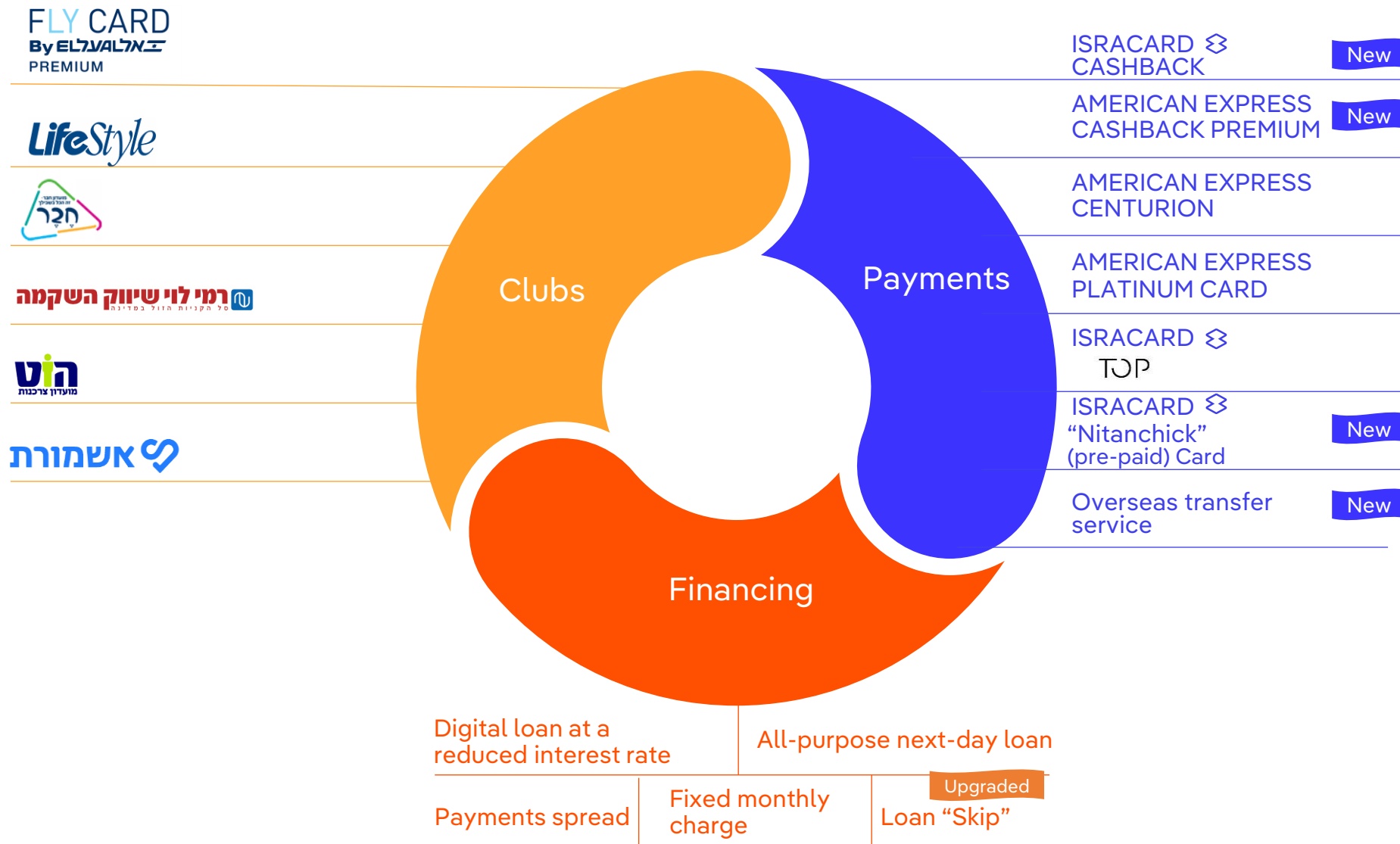


ALWAYS ON
The option of viewing card details on the app





Continued Expansion of Personalized Solutions for Consumers





End-to-End Digital Loan for Businesses



Non-banking loan
solution for exempt
and medium-sized
businesses



Up to ILS 300,000 and
up to 60 payments
(with no file opening
commission)



A completely digital
business loan,
without having to
wait for a call center
representative



Continuing to Add a Framework of Solutions for Promoting Small and Medium Businesses

ישראל כרטיס לעסקים

בעלי עסקים קטנים
קבלו פרסום לעסק
ללא עלות

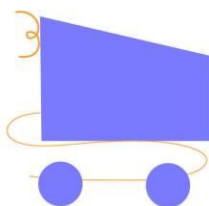
אני רוצה להצטרף

בכפוף לאישור תנאי החברה ולתקנון הפעילות המופיע באתר ישראל כרטיס. זכאים להשתתף בפעילות עסקים קטנים בעלי סלידה שנתית של עד 2 מיליון ש"ח. ישראל כרטיס איננו אחראי לפרסום / או להכניס פרסום / או להסדיר / או להשתתף / או להצטרף כלשהם מטעם בית העסק.

Shopping IL
by Google 8-911

ישראל כרטיס לעסקים

בעלי חנות אונליין?



מצטרפים לאירוע ה-e-commerce הגדול בישראל ומקבלים הטבות בלעדיות

אני רוצה להצטרף

בכפוף לתנאי החברה והשירות.

ישראל כרטיס לעסקים

קהילה
לעסקים
קטנים

onlyfe

עזרה וייעוץ לפרסום ולמכירה

ישראל כרטיס

לוקחים הלוואה חוץ בנקאית
מישראל כרטיס ומקבלים

ריבית לחודשיים

להלוואה במבצע

בכפוף לאישור ותנאי המלווה ישראל כרטיס מימון בע"מ. אי עמידה בפירעון ההלוואה או האשטאט עלולה לגרום חיוב בריבית פיגורים והליכי הוצאה לפועל. להלוואות חדשות החל מ-30,000 ש"ח החודשי סכום הריבית יבוצע לזכאים לאחר החודש ה-12 להלוואה. כפוף לתקנון המבצע באתר החברה. מ-20/2/24 עד 12/3/24.

בעלי עסקים,
עליית הריבית
עלינו!

בכל הלוואה קיימת או חדשה
*כפוף לתנאי החברה והשירות.

ישראל
לעסקים

להלוואה לעסק חיינו
*9937



בעלי עסקים,
עליית הריבית
עלינו!

בכל הלוואה קיימת או חדשה
*כפוף לתנאי החברה והשירות.

ישראל
לעסקים

להלוואה לעסק חיינו
*9937



במקום לשלם על המינוס בבנק
לוקחים הלוואה חוץ בנקאית
מישראל כרטיס בריבית נמוכה
מהריבית על המינוס

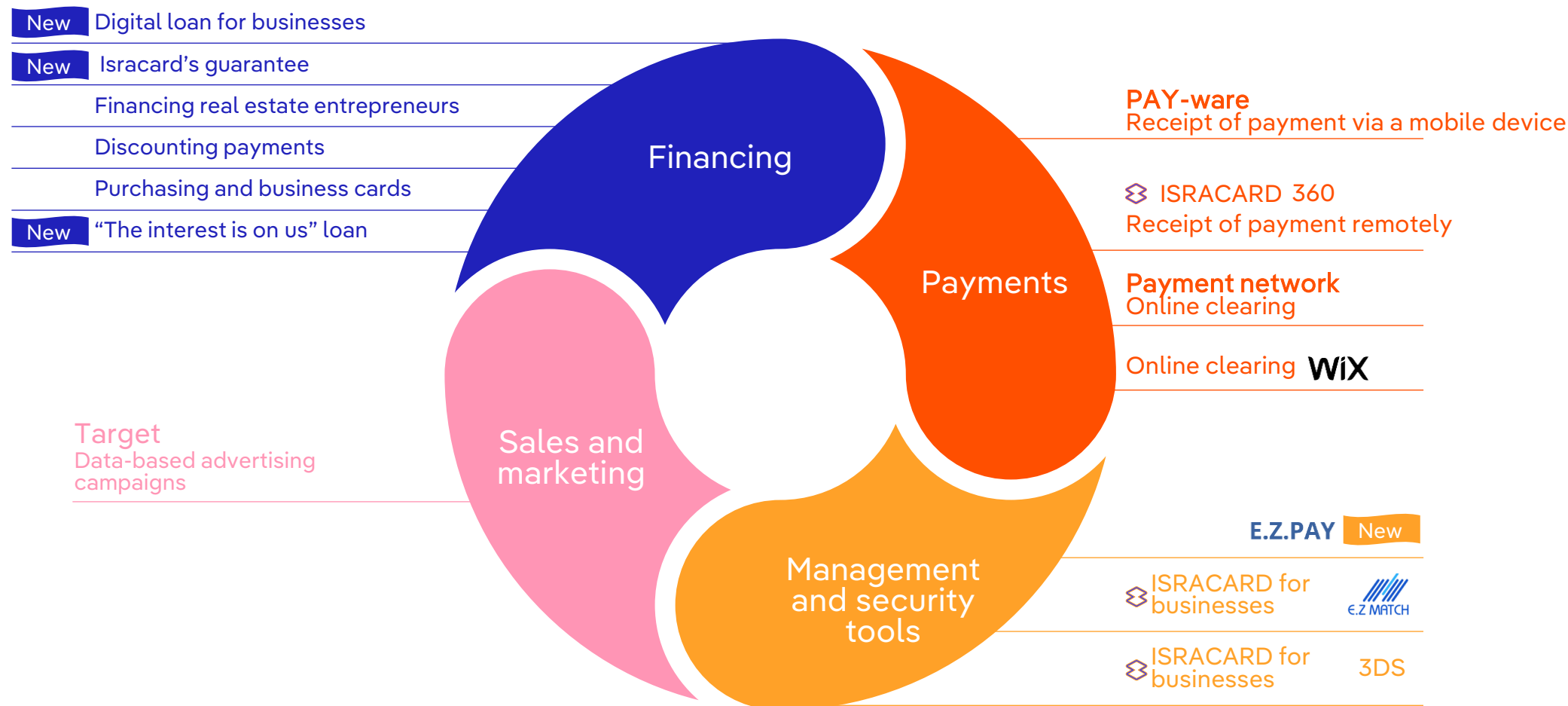


הצעה משתלמת

כפוף לאישור ותנאי המלווה ישראל כרטיס מימון בע"מ. אי עמידה בפירעון ההלוואה או האשטאט עלולה לגרום חיוב בריבית פיגורים והליכי הוצאה לפועל. להלוואות חדשות החל מ-30,000 ש"ח החודשי סכום הריבית יבוצע לזכאים לאחר החודש ה-12 להלוואה. כפוף לתקנון המבצע באתר החברה. מ-20/2/24 עד 12/3/24.



Continuing to Add a Framework of Solutions for Promoting Small and Medium Businesses





Financial Results



2023: Isracard Continues to Maintain the Growth Trend

Reported Data – ILS million

2023

Pre-tax earnings

337

235 in 2022



43%

Net earnings

252

155 in 2022



63%

return on equity

8.7%

5.6% in 2022

Q4.2023

Pre-tax earnings

66

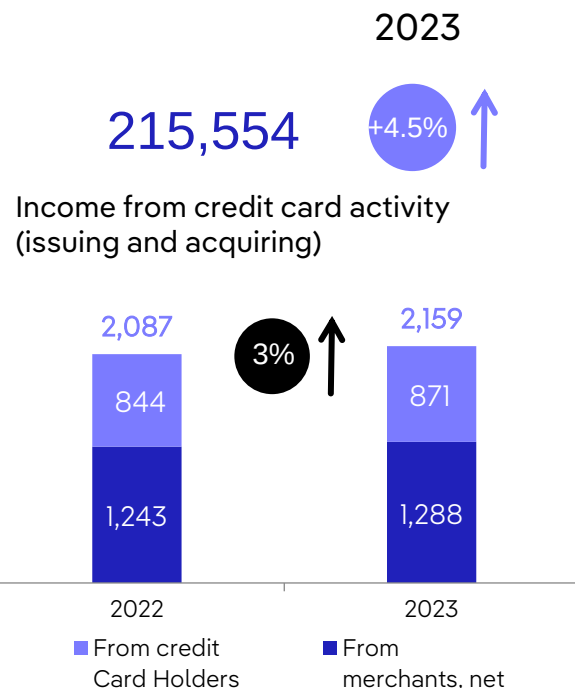
20 in Q4/2022

Net earnings

51

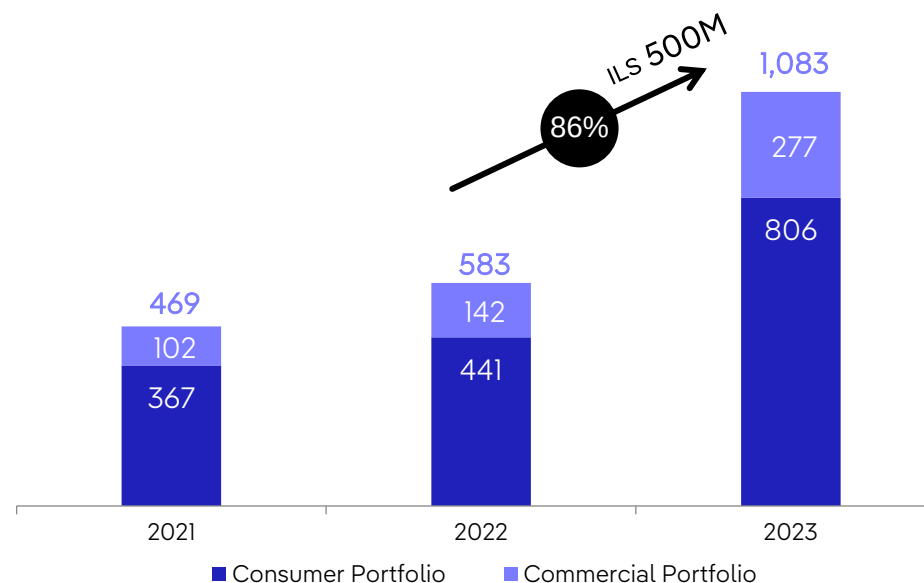
13 in Q4/2022

Transaction turnovers in credit cards issued by the Group



Interest income from credit

A substantial increase in the credit portfolio's contribution to the financial results⁽¹⁾



Dividend to Shareholders

~88

Dividend for 2023 earnings

The issuer's rating

Aa2.il

A stable rating forecast
Midroog – February 2024
(a subsidiary of Moody's)

(1) Financing expenses in 2023 amount to ILS 170 million (ILS 31 million in 2022).



The Company's Credit Portfolio – 2023

(ILS millions)

Consumer Credit

Interest income

806 ↑ 83%

Compared with 441 in 2022

Income rate from interest⁽¹⁾

11.64%

Compared with 9.83% in 2022

The income margin rate
above prime

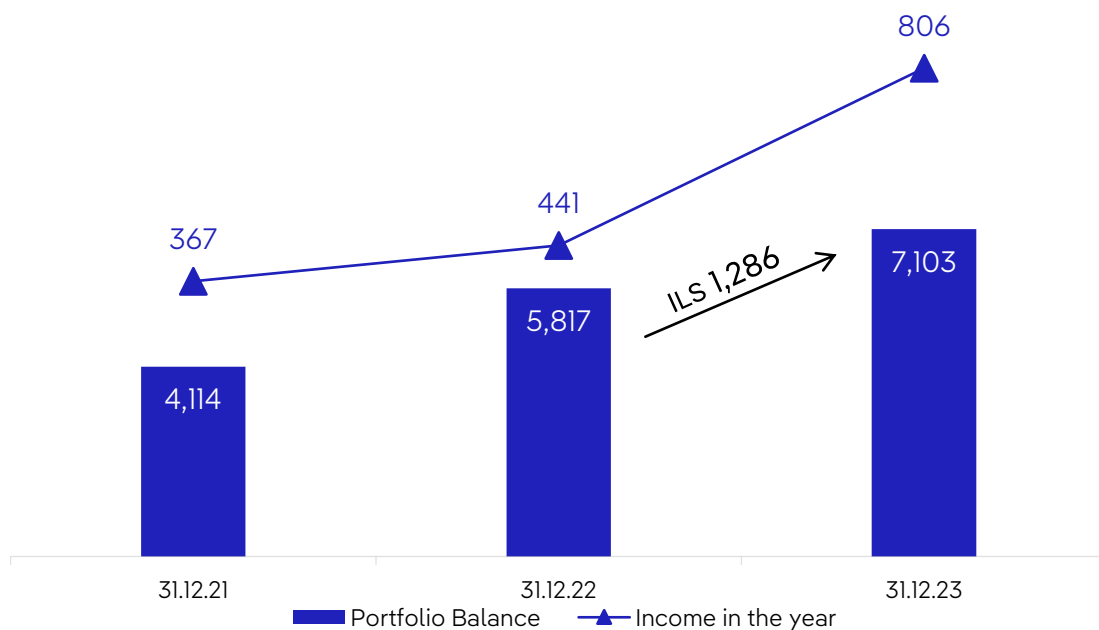
5.63%

Compared with 7.08% in 2022

✓ Underwriting advanced
Infrastructure modules

✓ Use of internal data and
credit repository data

✓ Advanced monitoring,
control and collection
processes



Commercial Credit

Interest income

277 ↑ 95%

Compared with 142 in 2022

Income rate from interest⁽²⁾

9.28%

Compared with 6.87% in 2022

The income margin rate
above prime

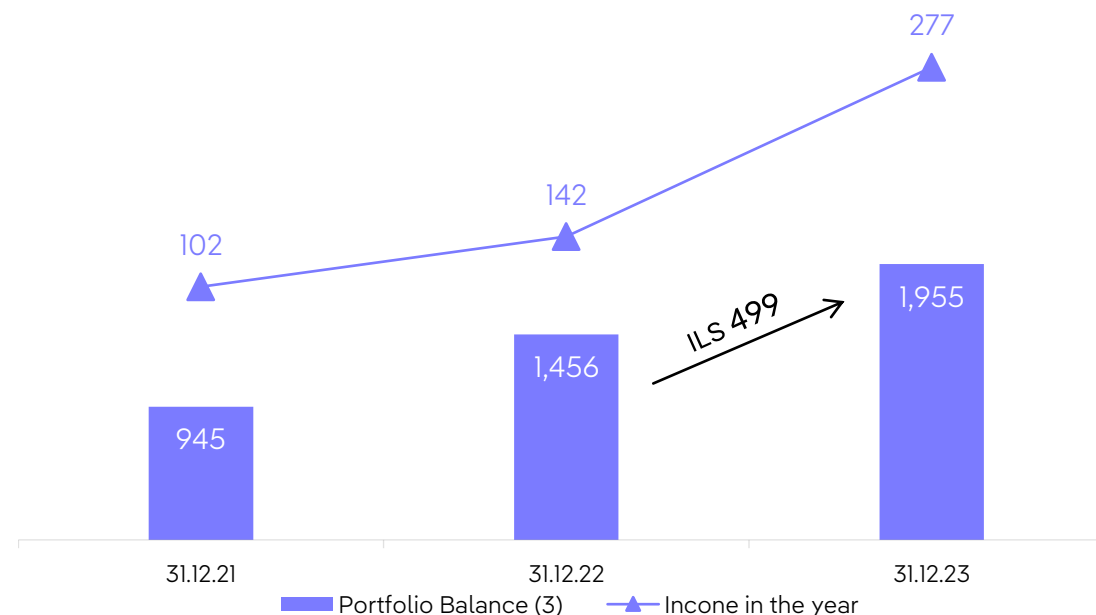
3.27%

Compared with 4.12% in 2022

✓ Organic growth while
relating to the macro and
competitive environments

✓ Leveraging the accumulated
financial data for optimal
underwriting

✓ A combination of digital and
manual underwriting pursuant
to the amount and risk



(1) Average interest income (annual calculation) based on balances at the beginning of the months.

(2) Average income rate (annual calculation) based on balances at the beginning of the months, of the commercial credit portfolio.

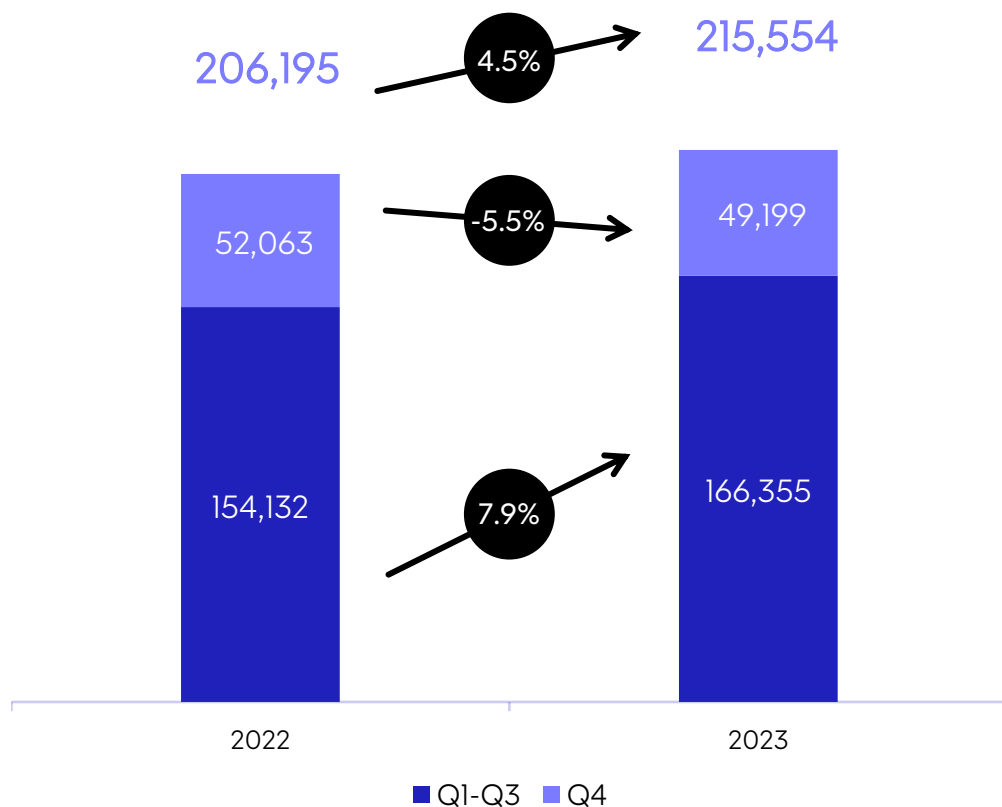
(3) Does not include balances that complied with the liability extinguishment condition according to FAS 166 for discount sales vouchers for merchants



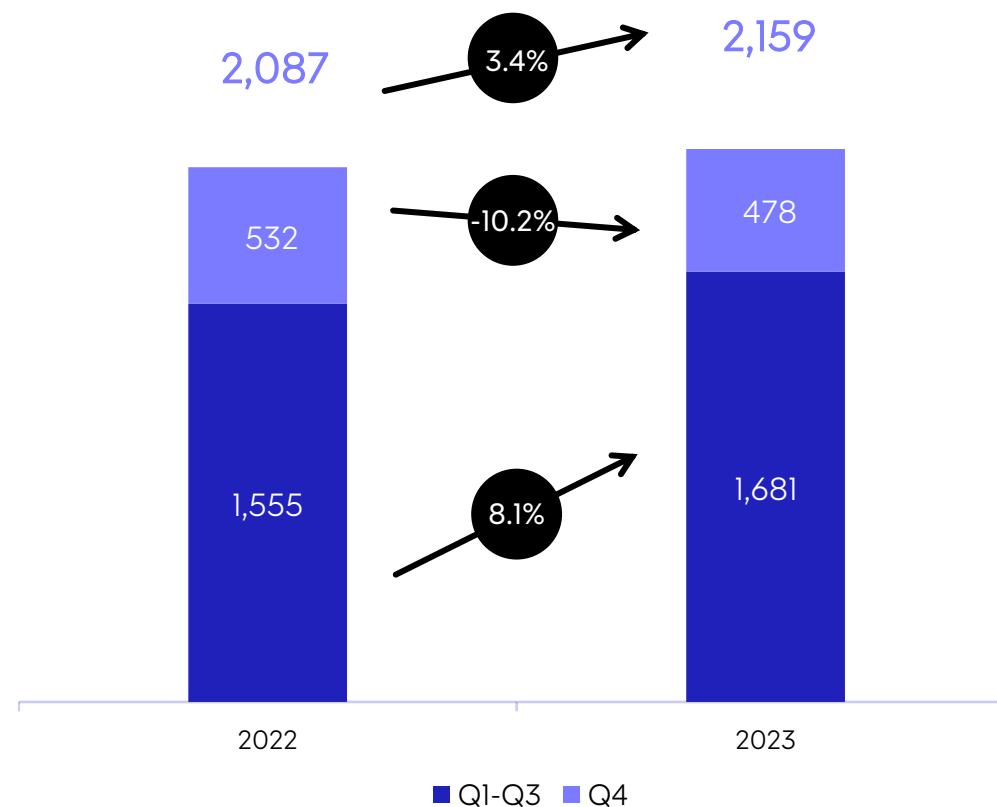
2023: Transaction Turnovers in Credit Cards Issued by the Group

(ILS millions)

Transaction turnovers in credit cards issued by the Group



Income from credit card activity





Credit Loss Expenses

(ILS millions)

Credit loss expenses in 2023 amounted to ILS 347 million in comparison with ILS 124 million in 2022. The increased expense derived primarily from:

Implementation of new guidelines concerning anticipated credit losses (CECL) starting in 2023.

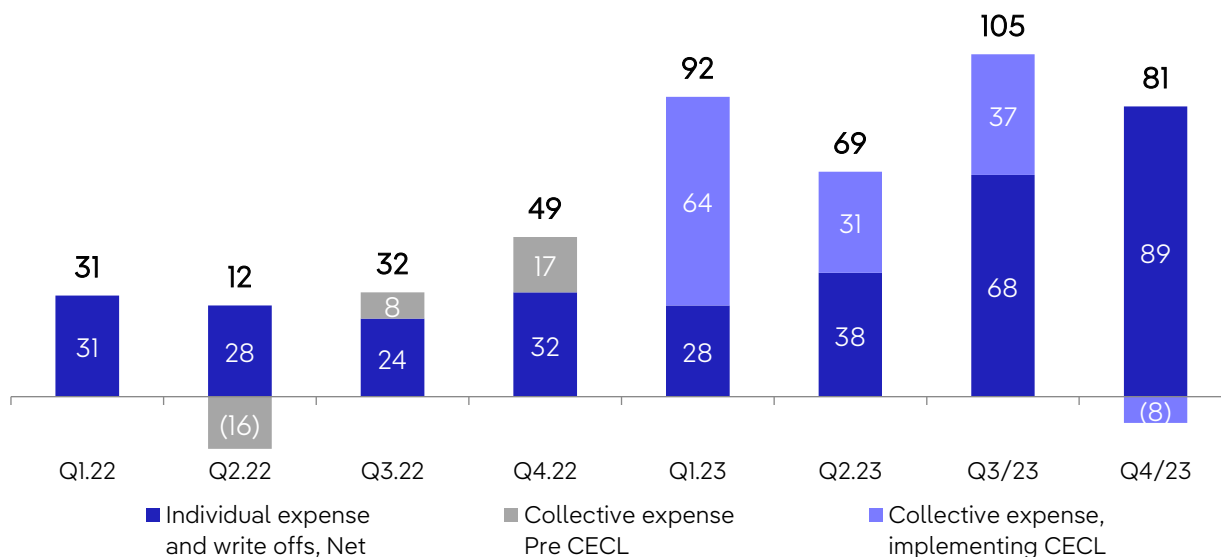
Rise in the volume of write-offs derives from an increase in the portfolio balance and the exacerbated macroeconomic conditions.

Rate⁽¹⁾ of individual expense and write-offs, net from the average receivables balance due to credit cards (under the Company's responsibility)

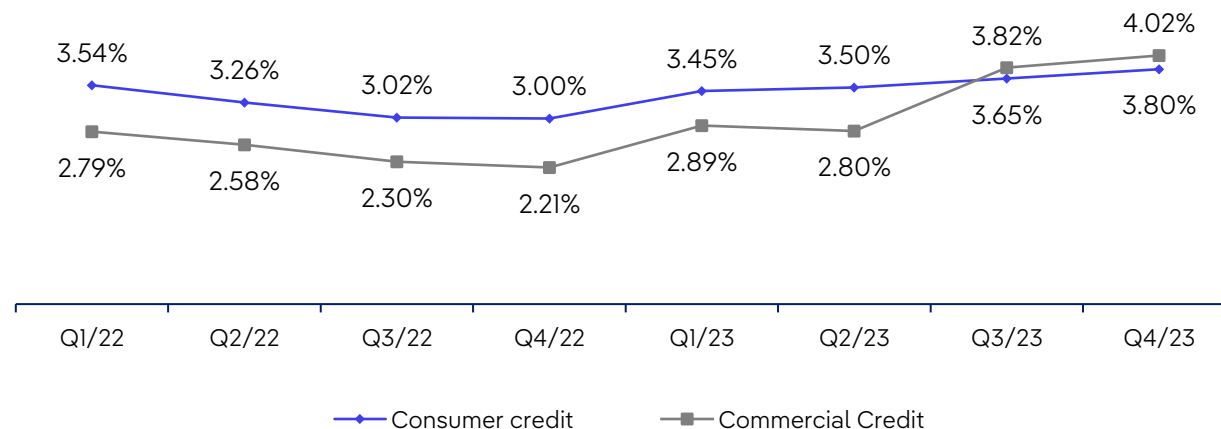


(1) In a quarterly calculation

Credit loss expenses



Coverage ratio – allowance for credit losses out of receivables due to credit card (under the Company's responsibility)





Expenses (excluding credit losses) – Composition and Trend

Reported Data – ILS million

Operating Expenses

Most of the increase in 2023 is due to an increase in transaction volumes in Israel and abroad.

Sales and marketing expenses

Most of the increase in 2023 is due to an increase in transaction volumes, and a rise in the volume of payments to clubs.

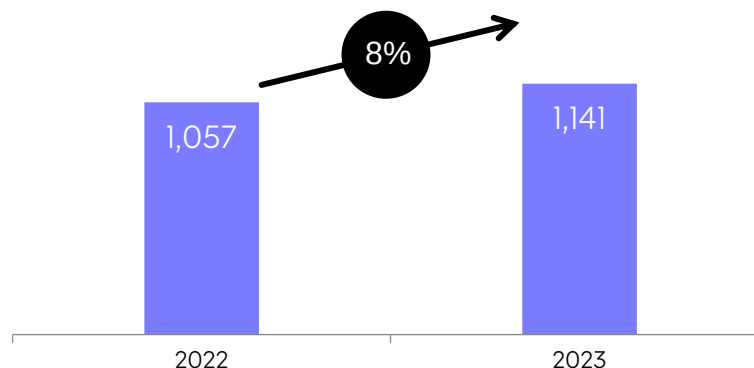
Management and general expenses

Most of the increase in 2023 is due to a rise in professional consultation expenses, including for the canceled Harel merger.

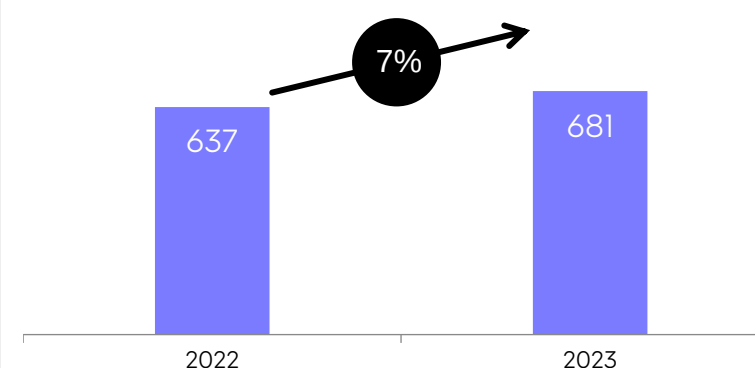
Payments to banks

Most of the increase in 2023 is due to an increase in payments, net to Bank Hapoalim pursuant to the agreement and the principle understandings in force from April 1, 2022 and from the increase in activity turnovers in bank cards.

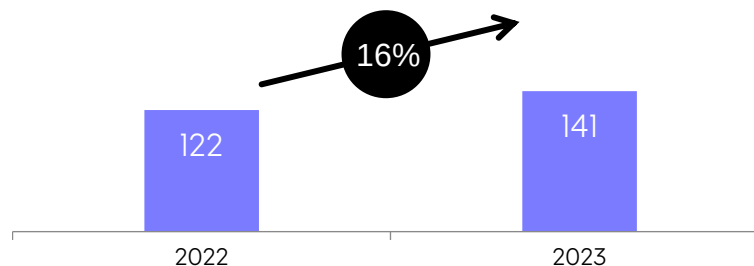
Operating expenses⁽¹⁾



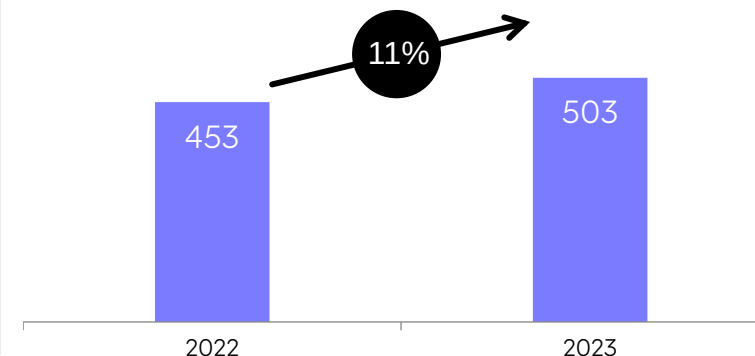
Sales and marketing expenses⁽¹⁾



Management and general expenses



Payments to banks



(1) In 2022, including expenses for the efficiency plan that was declared in 2022 in the amount of ILS 29 million before tax (ILS 22 million and ILS 7 million in operating expenses and sales and marketing expenses, respectively)



Equity, Capital Adequacy and Financing Sources

(as at December 31, 2023)

Shareholders Equity

ILS **3.0** billion
After a Dividend payment of
ILS 68 million in 2023

Tier 1 capital ratio

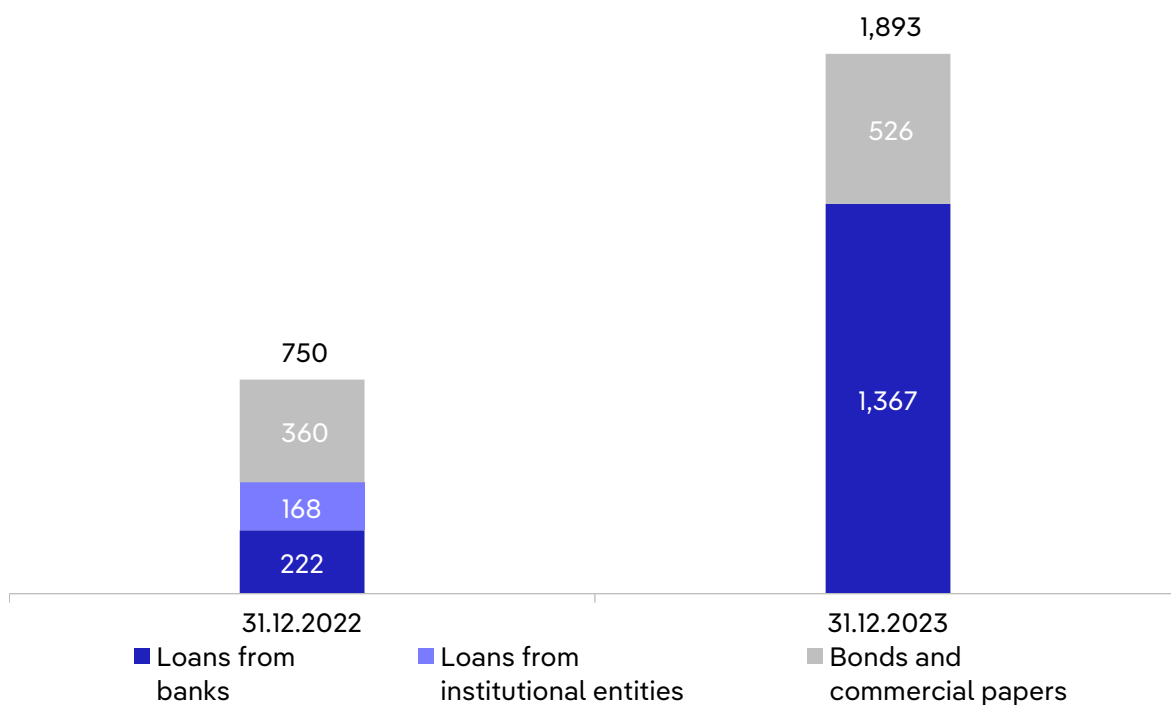
13.1%
(minimum regulatory requirement 8%)

Total capital ratio

14.2%
(minimum regulatory requirement 11.5%)

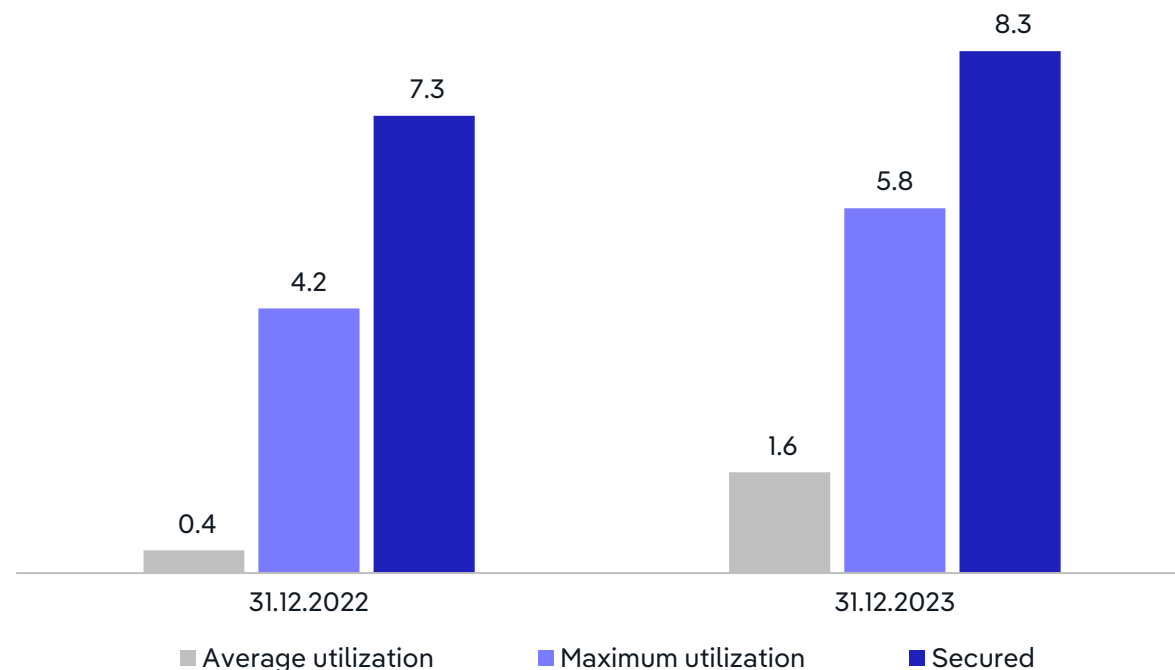
Financing Sources

Banking and other as at the balance sheet date (in ILS millions)



The Group's credit facilities⁽¹⁾

Maximum and average utilization since the beginning of the calendar year (in ILS billions)



(1) Including autonomous credit facilities



The Essence of the 2024 Work Plan



Private Customers

Reinforcing the relationship with customers via personalized value offers

Continued development of advanced digital tools for all kinds of customers

Expanding the range of credit solutions under convenient terms



Businesses

Increasing the range of credit solutions

Continued focus on small and medium-sized businesses

Reinforcing the relationship with businesses via developing supplementary products and providing an entire financial framework



Additional emphases

Continued implementation of the efficiency plan as part of the organizational culture

Investment in business activity support infrastructures



24 Months of Actuating the Strategic Plan: Isracard is Growing Responsibly and Executes Mandatory Adjustments to Market Conditions

ILS **3,999M**

Credit balance
increase

+79%

Credit portfolio
growth

ILS **614M**

Increased income
from the credit
portfolio

+131%

Income growth
rate from the
credit portfolio



A close-up photograph of a person's hand holding a black pen, poised to write on a document. A yellow sticky note is attached to the paper. The image is framed within a white, diamond-shaped graphic element on a dark background.

2024

Isracard will continue to operate responsibly based on the foundations that have been developed over recent years and to execute mandatory adjustments for continued growth and for facing any anticipated challenge throughout the forthcoming year



Appendices



Financial Data for 2023

ILS millions	2023	2022		
	Reported	Reported	One-time effects	Neutralizing one-time effects
income				
Net income from merchants	1,288	1,243	-	1,243
Income from cardholders	871	844	-	844
Net interest income	932	565	-	565
Other income (expenses)	59	(24)	-	(24)
Total Income	3,150	2,628	-	2,628
Expenses				
Expenses from credit losses	347	124	-	124
Operating expenses	1,141	1,057	(78) ⁽¹⁾	979
Sales and marketing expenses	681	637	(7) ⁽²⁾	630
Management and general expenses	141	122	-	122
Payments to banks	503	453	-	453
Total expenses	2,813	2,393	(85)	2,308
Pretax profit	337	235	85	320
Provision for taxes on profit	(84)	(83)	(20)	(103)
The Company's share in the profits of affiliates after the tax effect	-	3	-	3
Net profit				
Before attributing to the non-controlling rights holders	253	155	65	220
Attributed to non-controlling rights holders	(1)	-	-	-
Attributed to the Company's Shareholders	252	155	65	220

(1) Salary expenses in the sum of ILS ~22M resulting from an efficiency plan to reduce the company's workforce; depreciation and amortization expenses in the sum of ILS ~21M resulting from the termination of technological initiatives in accordance with strategic focus; an expense of ILS ~25M was incurred following increased provision for VAT assessments, according to the principles set forth in the settlement, which was unsuccessful; and finally an expense of ILS ~10M resulting from a curtailment of the contractual lease period for the old Isracard building on 40 Hamasger Street, Tel Aviv.

(2) Salary expenses of ILS ~7M due to an efficiency plan aimed to reduce the company's workforce.



Financial Data for Q4/2023

ILS millions	2023	2022		
	Reported	Reported	One-time effects	Neutralizing one-time effects
income				
Net income from merchants	296	309	-	309
Income from cardholders	182	223	-	223
Net interest income	236	183	-	183
Other income (expenses)	17	10	-	10
Total Income	731	725	-	725
Expenses				
Expenses from credit losses	81	49	-	49
Operating expenses	272	286	(36) ⁽¹⁾	250
Sales and marketing expenses	162	198	(7) ⁽²⁾	191
Management and general expenses	36	32	-	32
Payments to banks	114	140	-	140
Total expenses	665	705	(43)	662
Pretax profit	66	20	43	63
Provision for taxes on profit	(13)	(9)	(10)	(19)
The Company's share in the profits of affiliates after the tax effect	(2)	2	-	2
Net profit				
Before attributing to the non-controlling rights holders	51	13	33	46
Attributed to non-controlling rights holders	-	-	-	-
Attributed to the Company's Shareholders	51	13	33	46

(1) Salary expenses of ILS ~22M resulting from an efficiency plan aimed to reduce the company's workforce; depreciation and amortization expenses of ILS ~14M resulting from the termination of technological initiatives in accordance with the strategic focus.

(2) Salary expenses of ILS ~7M due to an efficiency plan aimed to reduce the company's workforce.



Balance Sheet as at

ILS millions	31.12.2023	31.12.2022
Assets		
Cash and deposits at the banks	902	1,854
Receivable sums from the banks for credit card activity, net ⁽¹⁾	6,271	6,928
Accounts receivable for credit card activity ⁽¹⁾	14,468	12,829
Provision for credit losses ⁽¹⁾	(514)	(363)
Net accounts receivable for credit card activity	13,954	12,466
Securities	26	66
Investments in affiliates	60	49
Buildings and equipment	462	455
Goodwill	21	22
Other assets	817	843
Total assets	22,513	22,683
Liabilities		
Credit from banks and other corporations	1,367	390
Accounts payable for credit card activity	16,556	18,079
Negotiable bonds and commercial papers	526	360
Other Liabilities	1,054	1,048
Total Liabilities	19,503	19,877
Equity attributed to the Company's Shareholders	2,997	2,794
Non-controlling interest	13	12
Total equity	3,010	2,806
Total liabilities and equity	22,513	22,683

(1) As of January 1, 2023, the Company implements the instructions of the Bank of Israel Circular regarding "Updates in the Public Report of Acquirers".