



Investor Presentation | Q3 2024



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Forward Looking Statements

This presentation about Isracard Ltd. (hereinafter - the “Company”) and its consolidated companies (hereinafter jointly - the “Group”) is made available for the sake of summary and convenience only and does not include all the data regarding the Group and its activity nor does it replace a perusal of the Company’s 2023 reports, its reports for the third quarter of 2024 and its current reports (hereinafter jointly - the “Reports”) and should be read in conjunction with the Reports. The information contained in this presentation may include data that are categorized, edited or broken down differently than in the Reports.

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Forward-looking information relies on the Company’s subjective assessment, which is based, among other things, on facts and data regarding the current status of the Group’s business, the status of the payments and credit market, and the economy as a whole, as they were known to the Company on the preparation date of this presentation, as well as on macroeconomic facts and data, on which the Company relies without being able to verify them, including reports and publications of various external parties, such as: data of the Bank of Israel and parties operating in the payments market (such as: credit card companies and other acquirers). The materialization or non-materialization of the forward-looking information shall be affected, among other things, by

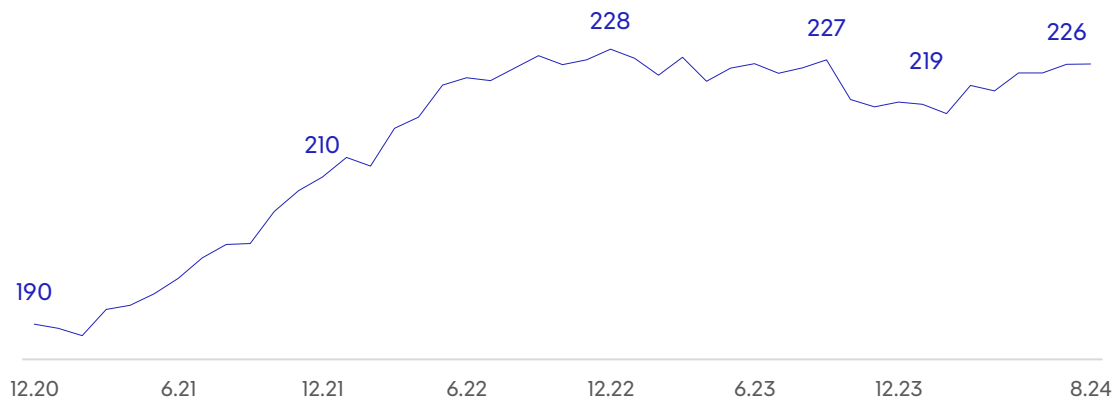
developments in the payments and credit market in Israel or other countries, changes in the Group’s work plan, changes in market conditions, and external factors affecting the Group’s activity, behavior of consumers both globally and in Israel, availability or absence of various resources for the Group, activity of parties and players in the payments and credit markets in Israel or other countries, decisions of various international entities and organizations with which the Group has dealings, or by whose decisions the Group is affected, changes in the scope of activity and number of card holders of the Group, regulatory changes, accounting changes, and changes in taxation rules, changes in the competitive conditions, technological developments, economic changes, macroeconomic changes - including changes in inflation rates and interest rates in Israel and/or other countries and a recession, the development of the Iron Swords War, its nature, duration, expansion and the local and global consequences thereof, the actions taken by the Government and the Knesset leading to legislative changes, among other things, in relation to the judiciary and their effects (if any); changes in the geopolitical conditions, including the effects of domestic and global political and security conflicts, changes in the terms of financing, and the effects and consequences of some or all of the above on the Group, as well as changes in other areas, which may affect the Group’s activity and the business environment in which it operates, which are beyond the Group’s control, and which may lead to non-materialization (in whole or in part) of the assessments and/or to changes in the Company’s business plans and/or to their materialization in a manner which is different - and even materially different - than predicted, and the materialization of all or some of the risk factors which characterize the Group’s activity. The Company does not undertake to update or change any such assessment or information to reflect events or circumstances which shall take place subsequent to the preparation date of this presentation.



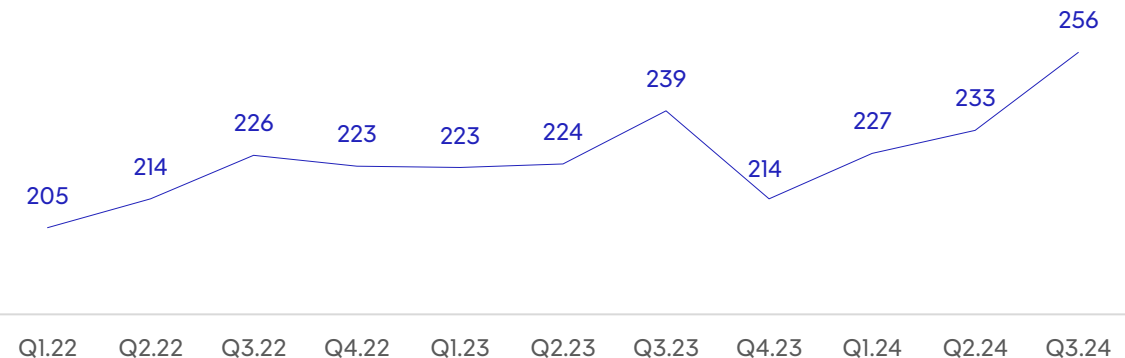
The Israeli Economy: Gradual Recovery in Several Indicators After Significant Drop in Business Activity in October 2023

Q3 2024 saw a continuation of gradual recovery in some economic sectors, alongside ongoing uncertainty

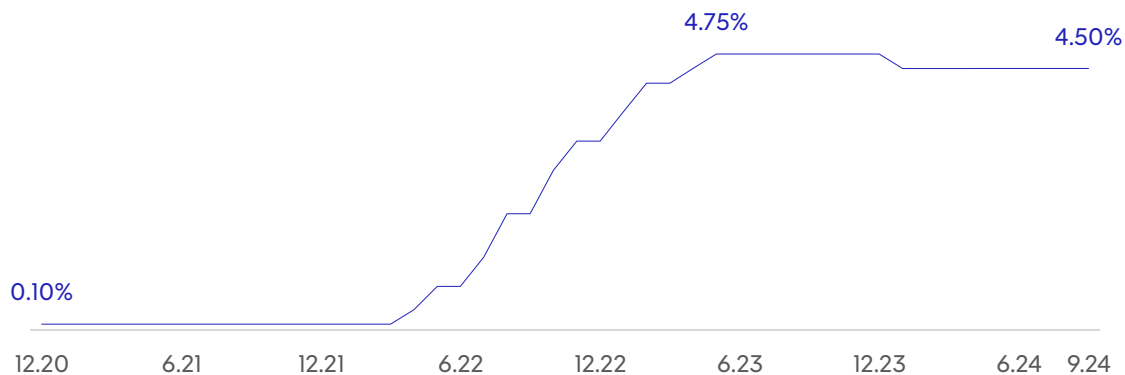
Households' outstanding debt to the financial sector⁽¹⁾
(NIS billion)



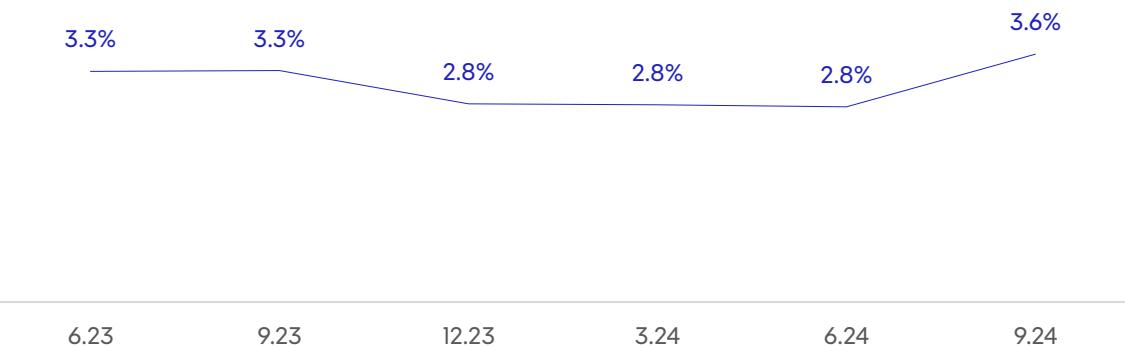
Private consumption spending⁽²⁾
(NIS billion)



Bank of Israel interest⁽³⁾



Consumer Price Index - excluding housing⁽⁴⁾



(1) Source: Bank of Israel, excluding mortgages

(2) Source: Central Bureau of Statistics

(3) Source: Bank of Israel, end of month

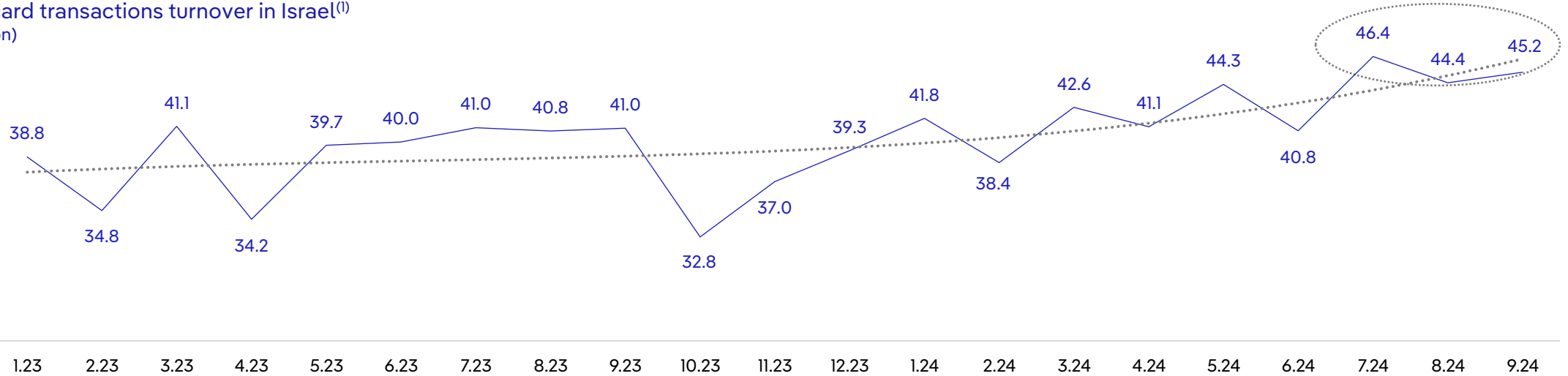
(4) Source: Central Bureau of Statistics, rate of change in the CPI compared to the corresponding month last year



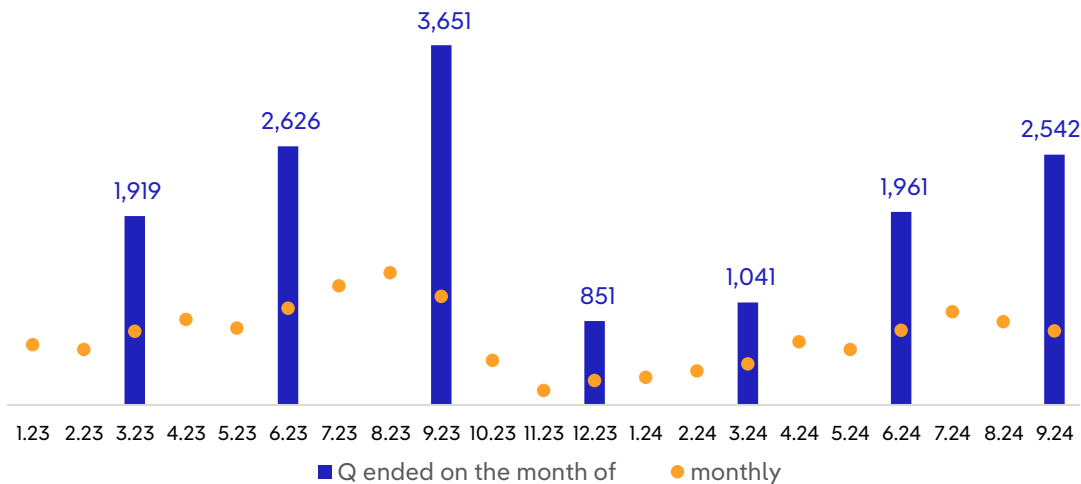
Credit Card Sector: Transaction Volume Reflects Private Consumption Trends

Domestic and outbound tourism sector transaction volumes continued to grow quarter-over-quarter, alongside monthly fluctuations tied to market events

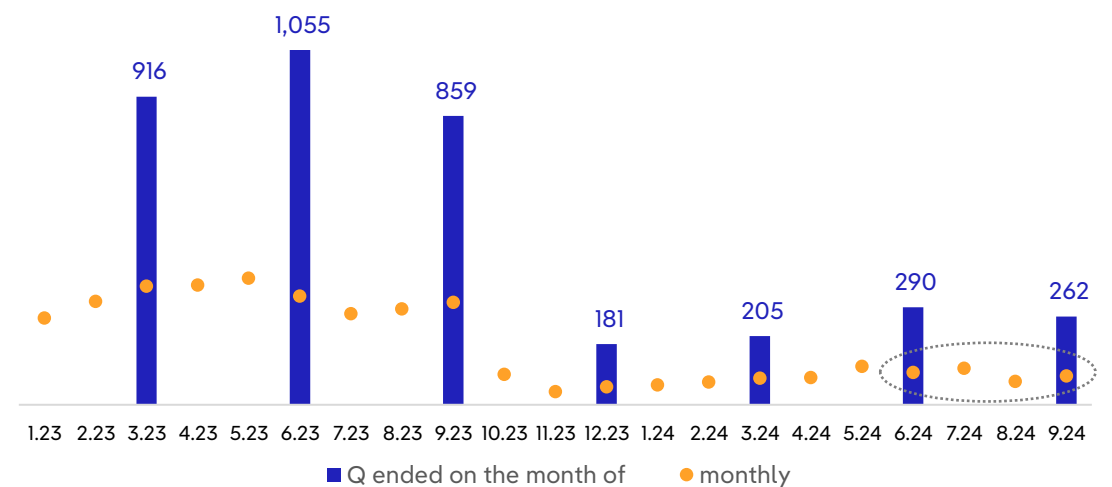
Credit card transactions turnover in Israel⁽¹⁾
(NIS billion)



Outbound tourism - number of departures by Israeli citizens⁽²⁾
(thousands)



Inbound tourism - number of tourist arrivals⁽²⁾
(thousands)



(1) Source: Bank of Israel

(2) Source: Central Bureau of Statistics

Isracard Q3 2024: Key Developments Wrapping a Year of Uncertainty

The Credit Portfolio Crossed 9.5 Billion NIS



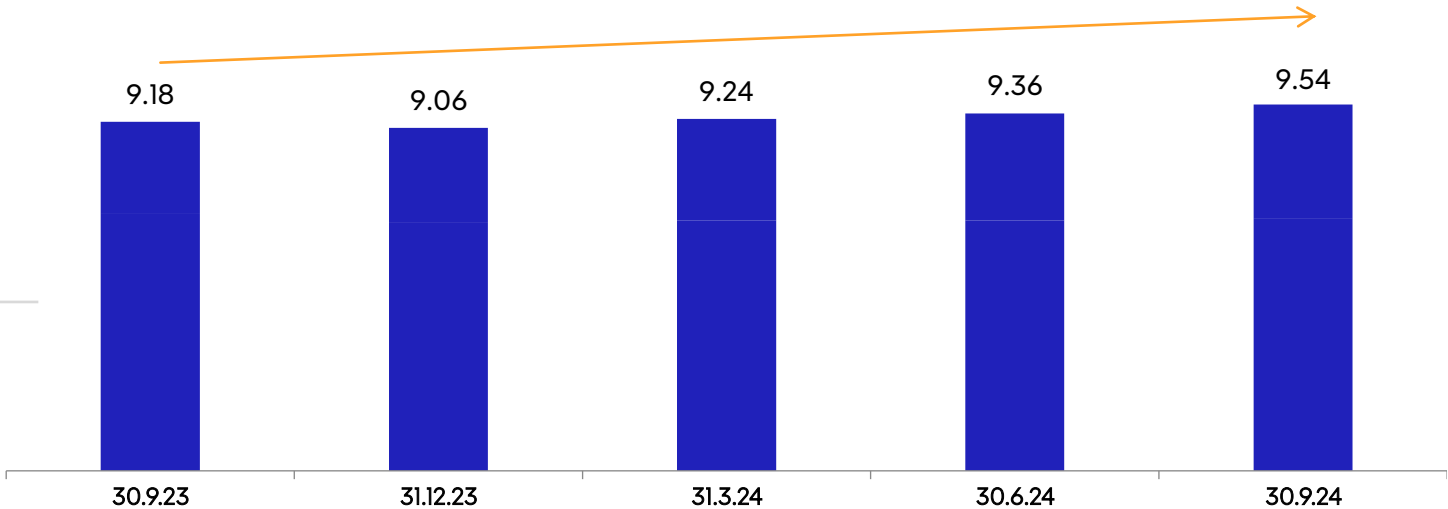
Commercial Credit

The consistent quarter-over-quarter growth trend continued. Implementaion of the corporate strtaegy reflected in the results



Consumer Credit

Gradual expansion, in line with the economic situation and a more conservative underwriting policy implemented



Record Credit Card Transactions 63.2 NIS billion

Constant Q-on-Q growth since Q4 2023

Revenues

Net income

852 NIS million

78 NIS million

+6.2% from Q2 2024

+14.7% from Q2 2024

Generating Shareholder Value

Dividend for H1 2024 paid in Q3 2024

53 NIS million

40% of net income

Confidence in Isracard's Business Potential

Menora – 33% investment agreement

22.2%⁽¹⁾ Premium

Up for vote by the shareholders
Subject to regulatory approval

(1) Relative to the share price on August 28, 2024, the day prior to Menora submitting the offer

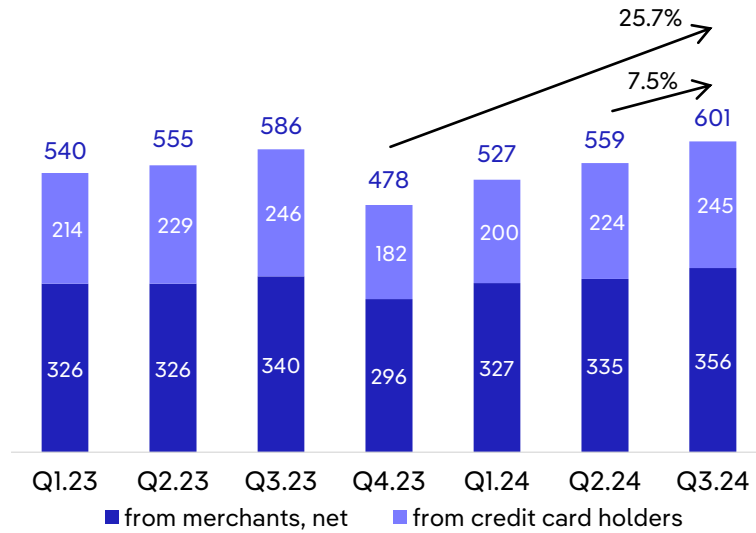


Q3 2024: Another Quarter of Progress Across Various Indicators

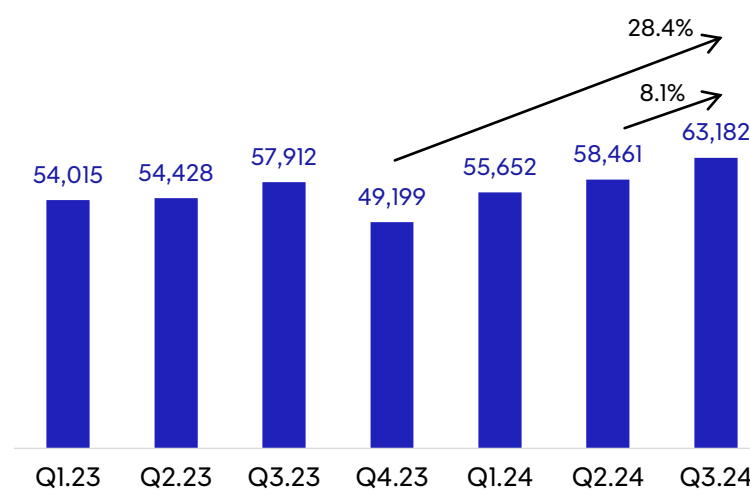
Steady growth in transaction volumes, income and net income, alongside lower credit loss expenses

NIS million

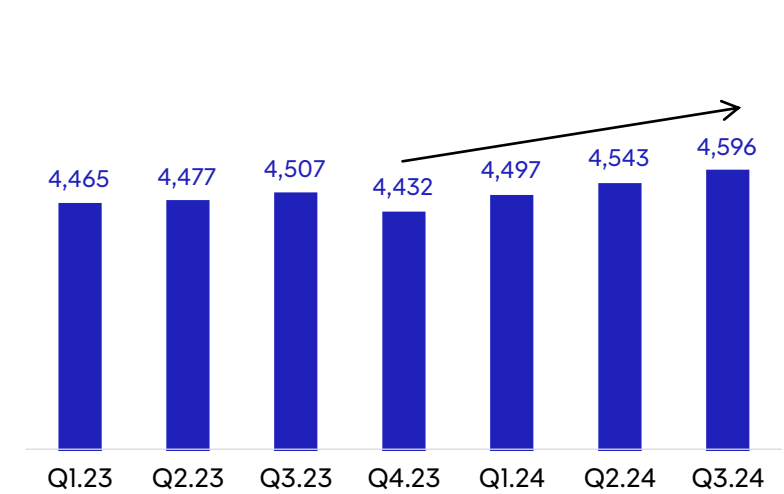
Income from credit cards
(issuing and acquiring)



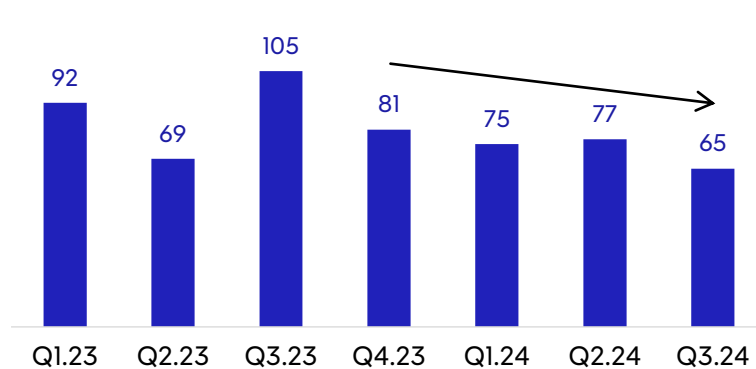
Turnover of transactions related to credit cards
issued by the Company



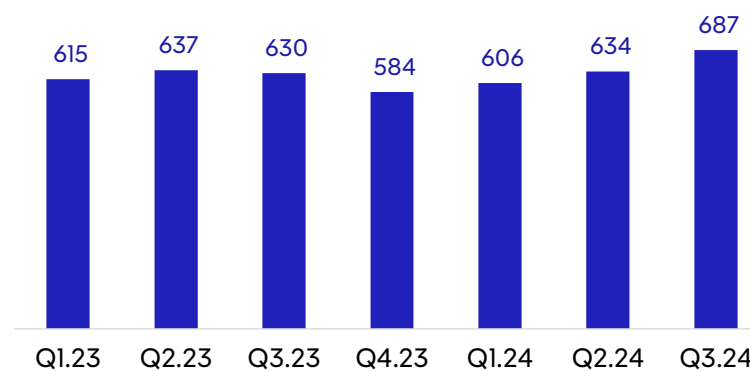
Active credit cards
(thousands of units)



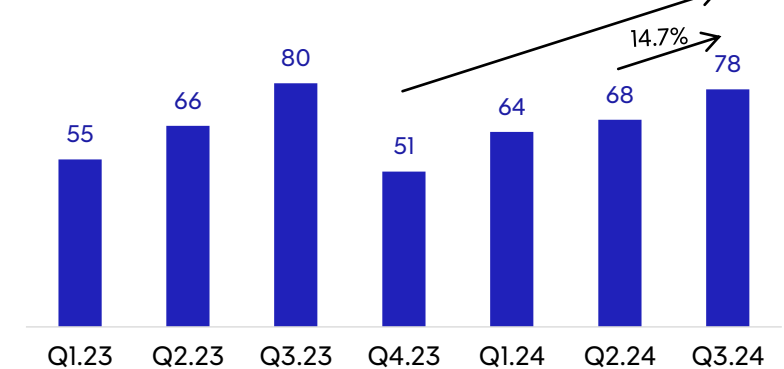
Credit loss expenses



Expenses excluding credit losses



Net income





Commercial Credit: Steady Quarter-over-Quarter Growth Trend Continues

Implementaion of the strategy to expand the offering and accesability of advanced products and services is reflected in Isracard's results



Commercial Credit⁽¹⁾

Q3 2024

2.3 NIS billion

Interest income
from customers

79 NIS million

77 Q2 2024
77 Q3 2023

% of interest income^(1,2)

8.37%

8.61% Q2 2024
9.18% Q3 2023

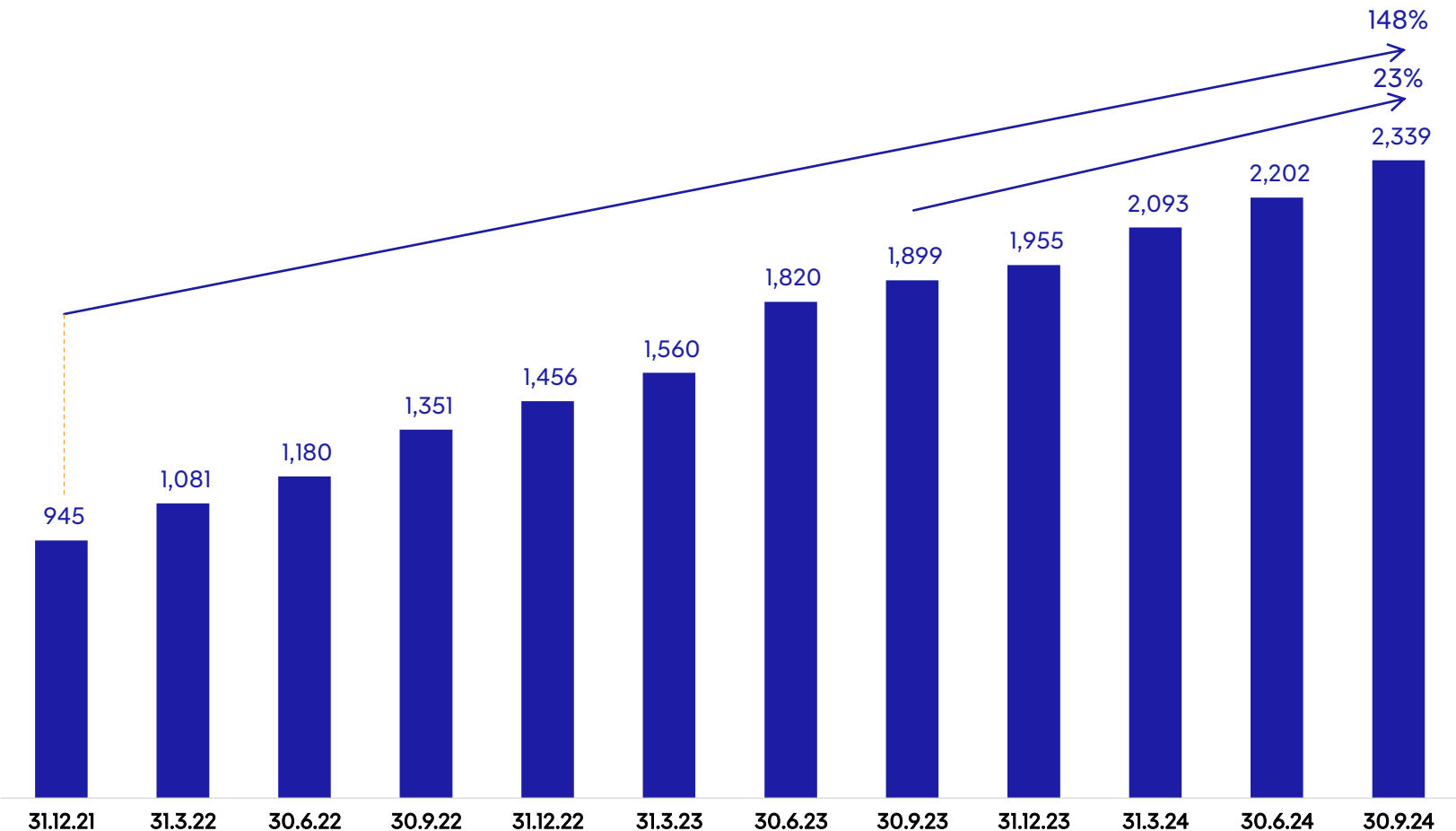
Interest income margin
above the Prime rate

2.37%

2.61% Q2 2024
2.93% Q3 2023

Commercial credit portfolio expansion over time⁽¹⁾

NIS million



(1) Excluding balances complying with the terms and conditions for extinguishment of the liability according to FAS 166 in respect of voucher factoring for merchants

(2) Rate of average interest income (annualized) based on balances as of the beginning of the months - of the commercial credit portfolio



Consumer Credit: Growth Inline with the Economic State, Alongside a Period-relevant Underwriting Policy

Gradual improvement in consumer credit balance continues through results reporting date



Consumer Credit

Q3 2024

7.2 NIS billion

Interest income from customers

212 NIS million

208 Q2 2024
212 Q3 2023

% of interest income⁽¹⁾

11.95%

11.77% Q2 2024
11.72% Q3 2023

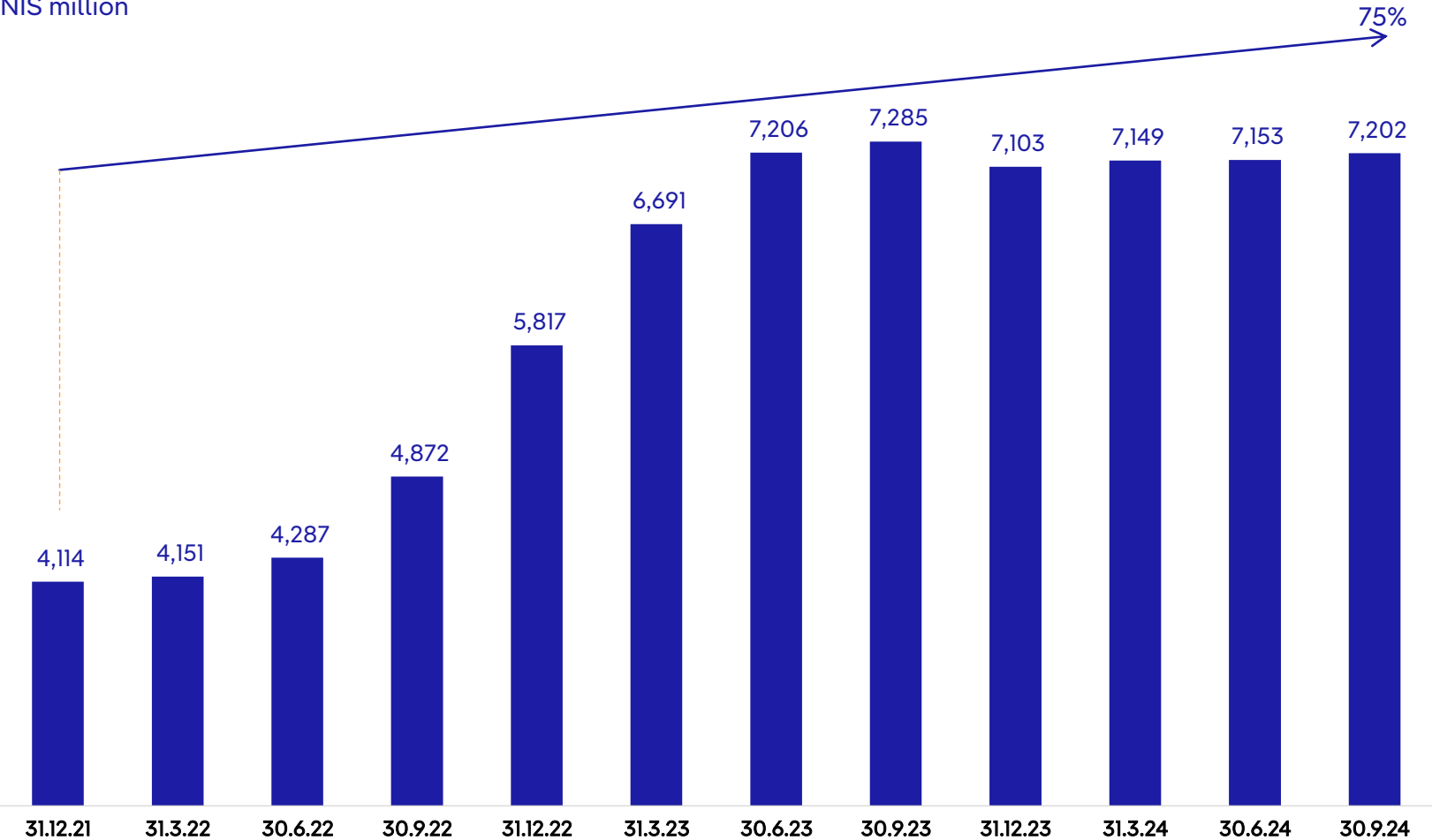
Interest income margin above the Prime rate

5.95%

5.77% Q2 2024
5.47% Q3 2023

Consumer credit portfolio expansion over time

NIS million

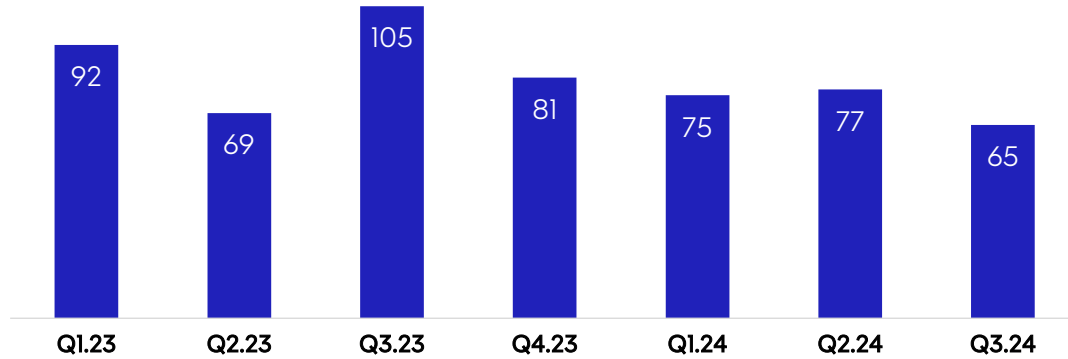


(1) Rate of average interest income (annualized) based on balances as of the beginning of the months in the quarter

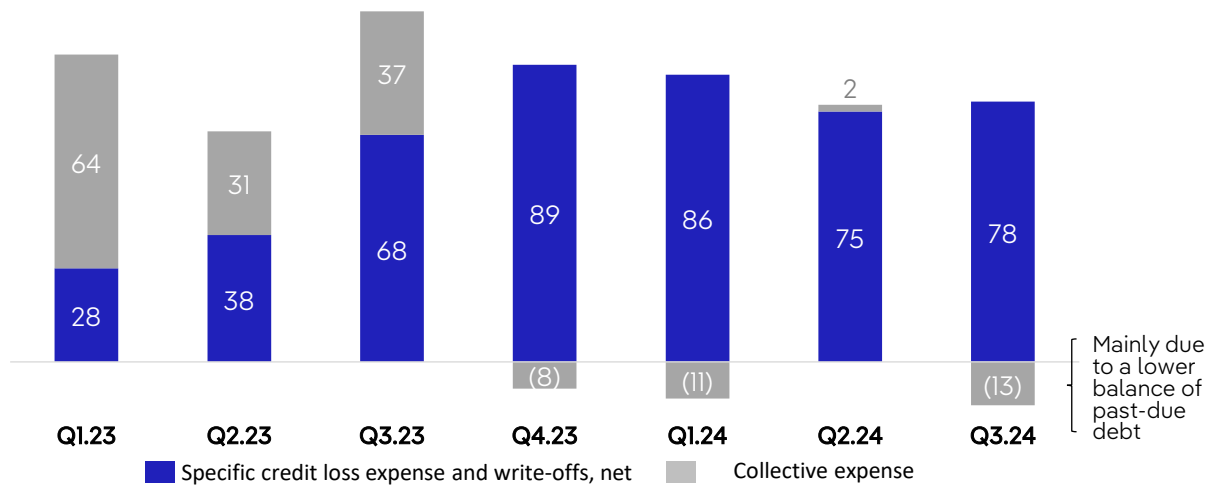
Credit Loss Expenses

Adjusted underwriting policy drove continuous improvement since Q4 2023

Total credit loss expenses
(NIS million)

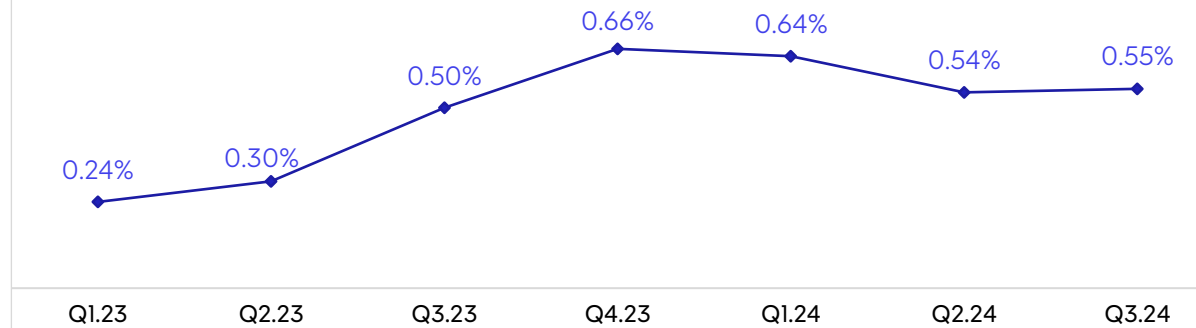


Credit loss expenses by specific credit loss expenses and write-offs, net, and collective expense (NIS million)

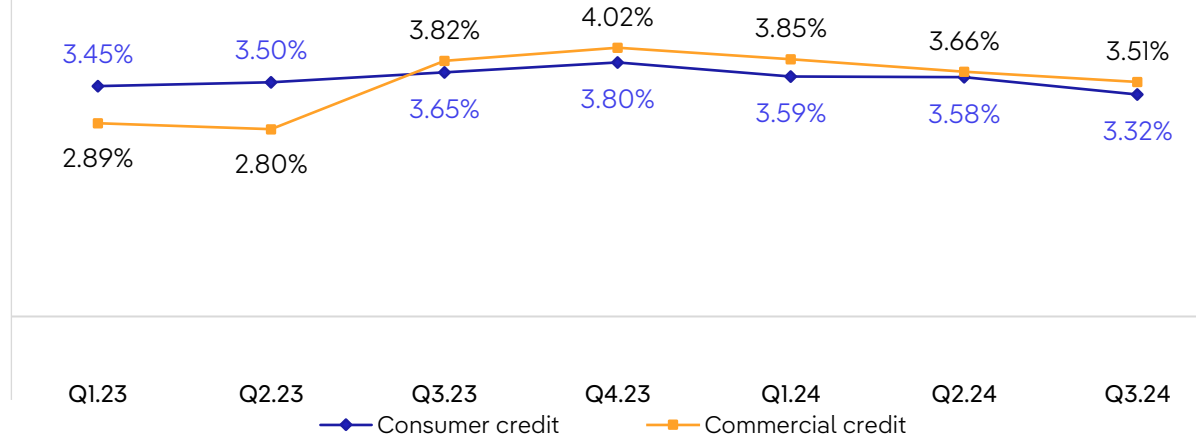


(1) Quarterly calculation
(2) Company's responsibility

Rate of specific credit loss expense and write-offs, net, of the average of credit card receivables balance^(1,2)



Coverage ratio - credit loss provision of the balance of credit card receivables⁽²⁾



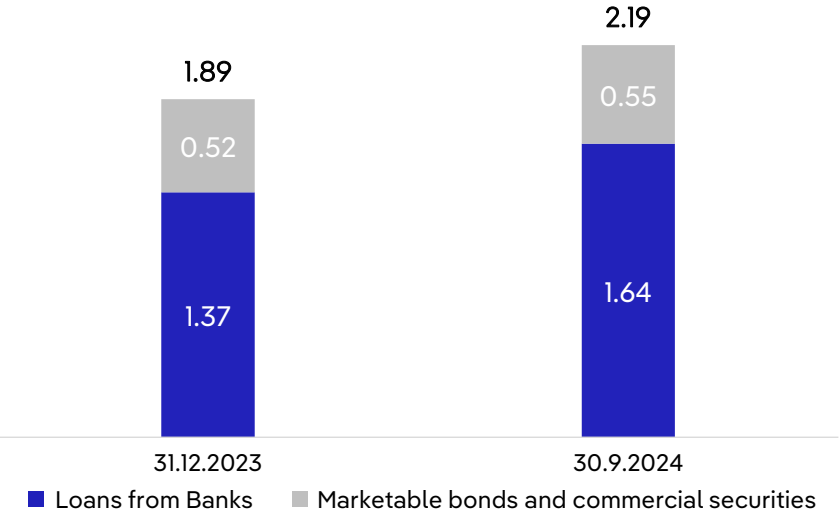


Availability and Diversity of Funding Sources Support Operating Activities and the Credit Portfolio's Growth Potential Even in this Complex Period

NIS billion

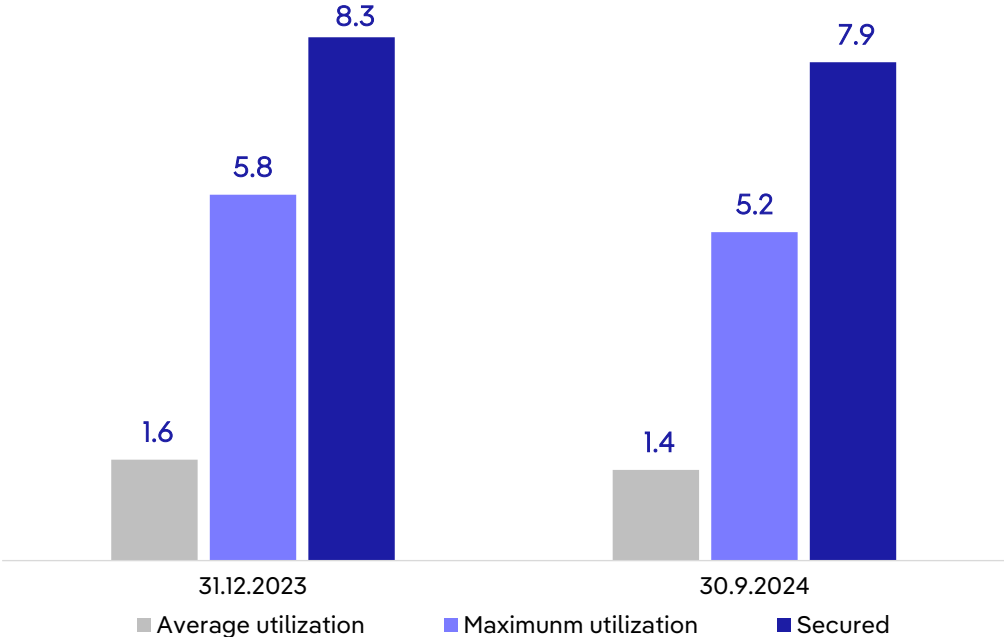
Financing Sources⁽¹⁾

Bank and other loans and commercial funding as of the balance sheet date



The Group's Credit Facilities⁽²⁾

Maximum and average utilization since the beginning of the year



(1) On November 19, 2024, the Company's Board of Directors has granted preliminary approval for the company to proceed with the issuance and listing for trading on the stock exchange of commercial securities (series 3) (new)

(2) Including autonomous credit facilities

Financial Resilience Allows Continued Growth While Enhancing Shareholder Value



Robust Capital and Capital Ratios

Capital attributable to shareholders

3.1 NIS billion

Tier 1 capital ratio

12.0%

Board of Directors' minimum 10.0%
Regulatory minimum 8.0%

Total capital ratio

13.1%

Board of Directors' minimum 11.75%
Regulatory minimum 11.5%

Generating Shareholder Value



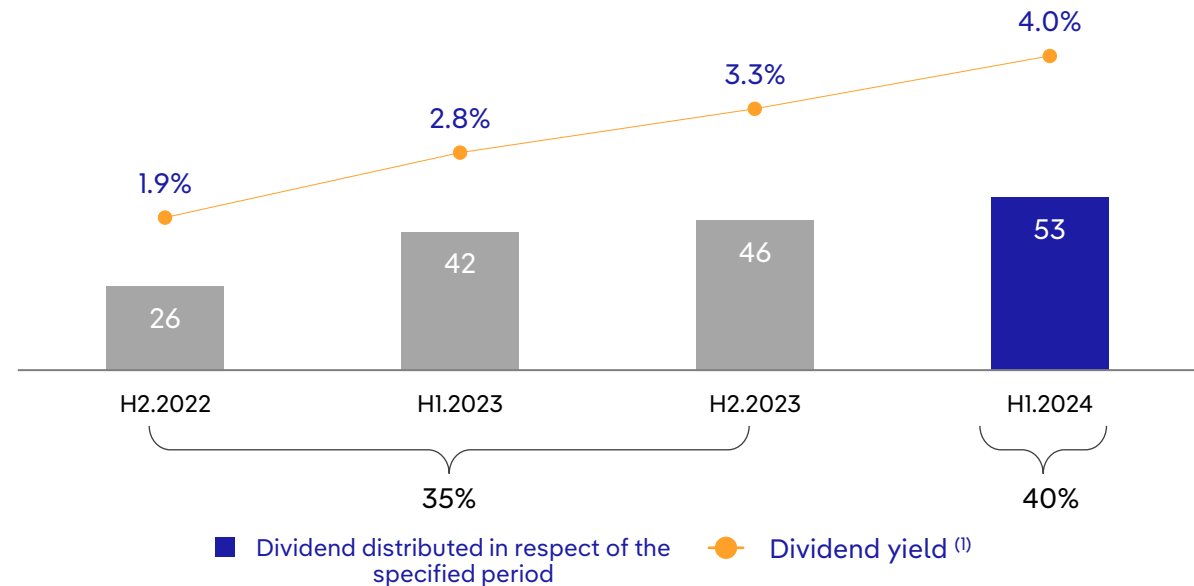
Dividend Distributed in Q3 2024

53 NIS million

Dividend paid in respect of
H1 2024 net income

4.0%

Dividend yield⁽¹⁾



(1) Total per share dividend divided by the closing share price a day prior to the declaration date (annualized)



DIGITAL FIRST: Ongoing Enhancement of Capabilities and Usage by Private and Businesses Customers

Unique to Isracard: Digital loans from A-Z for businesses

+50%

From Q2 2024
to Q3 2024

Increase in number of the application users

+15%

9M 2024
compared to same period in 2023

New process of loans to private customers applied in Q3 2024

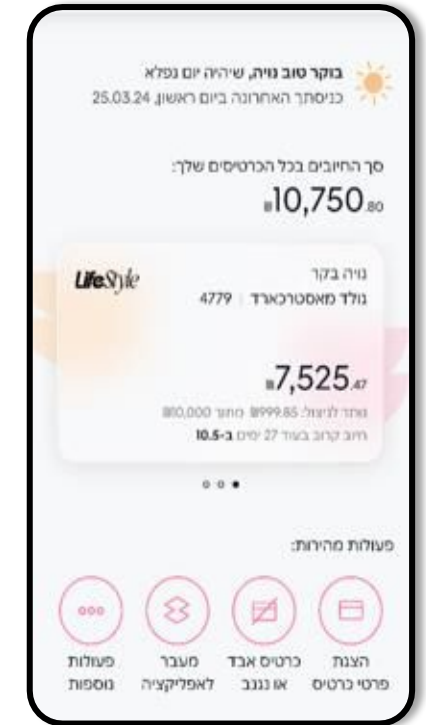
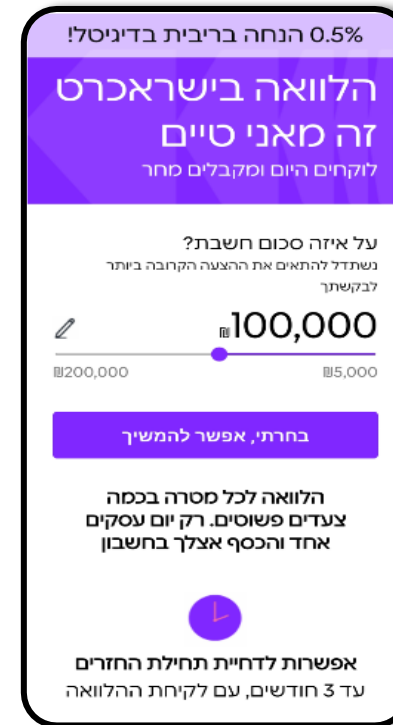
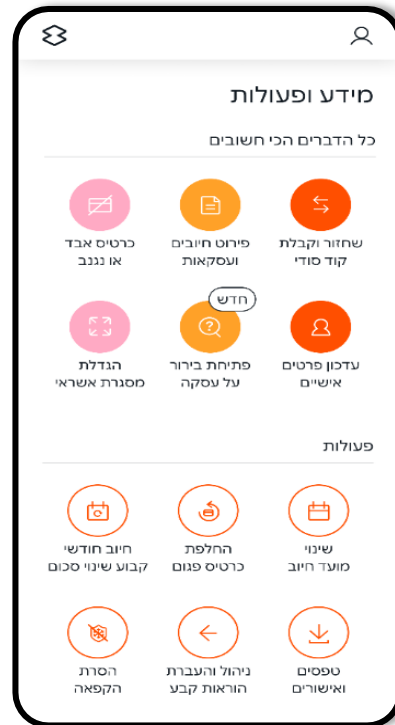
+32%

from the number of loans granted in the previous process

Increase in number of transaction details page users

+18%

9M 2024
compared to same period in 2023





A Year into the War: Isracard Supports the Community, Employees and Those Recruited for Reserve Duty



Food packages for evacuees prepared by employees and their families



Support for employees in reserve duty and their family members



Meetings and dialogue between 'Iron Swords' heroes and Isracard employees at their homes



Presentations, meetings and professional conferences on resilience for Isracard employees





Q3 2024 in a Glance



Gradual recovery trend in Isracard’s business activity alongside amid uncertainty due to the ongoing war



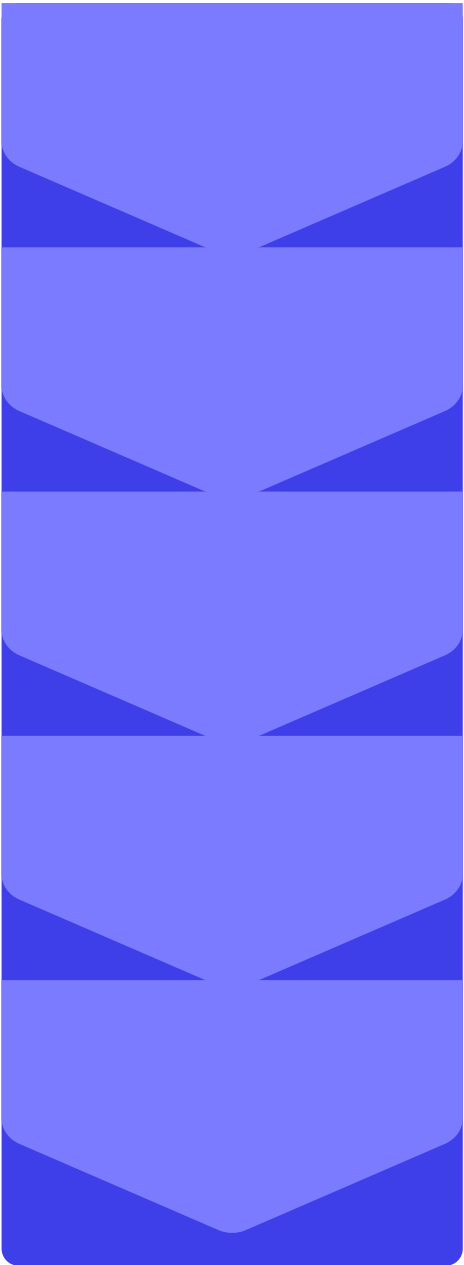
Credit portfolio: continued growth and an underwriting policy aligned with the state of the market



Dividend: generating shareholder value



Isracard’s potential gains trust



Appendices



Quarterly Statement of Profit and Loss

NIS million	Q3.2024	Q2/2024	Q1/2024	Q4/2023	Q3/2023	Q2/2023	Q1/2023
Income							
Income from merchants, net	356	335	327	296	340	326	326
Income from credit card holders	245	224	200	182	246	229	214
Interest income, net	240	237	231	236	244	233	219
Other income	11	6	7	17	12	12	18
Total income	852	802	765	731	842	800	777
Expenses							
Credit loss expenses	65	77	75	81	105	69	92
Operating expenses	301	284	278	272	292	296	281
Selling and marketing expenses	212	185	174	162	170	176	173
General and administrative expenses	34	31	31	36	32	36	37
Payments to banks	140	134	123	114	136	129	124
Total expenses	752	711	681	665	735	706	707
Profit before taxes	100	91	84	66	107	94	70
Provision for taxes	(23)	(23)	(20)	(13)	(26)	(28)	(17)
The Company's share in associates' profits, post-tax	1	1	-*	(2)	(1)	1	2
Net income:							
Before attribution to non-controlling interests	78	69	64	51	80	67	55
Attributable to non-controlling interests	*-	(1)	-*	-*	-*	(1)	-*
Attributable to the Company's shareholders	78	68	64	51	80	66	55

* An amount lower than NIS 0.5 million



Statement of Profit and Loss

NIS million	Q1-Q3.2024	Q1-Q3.2023
Income		
Income from merchants, net	1,018	992
Income from credit card holders	669	689
Interest income, net	708	696
Other income	24	42
Total income	2,419	2,419
Expenses		
Credit loss expenses	217	266
Operating expenses	863	869
Selling and marketing expenses	571	519
General and administrative expenses	96	105
Payments to banks	397	389
Total expenses	2,144	2,148
Profit before taxes	275	271
Provision for taxes	(66)	(71)
The Company's share in associates' profits, post-tax	2	2
Net income:		
Before attribution to non-controlling interests	211	202
Attributable to non-controlling interests	(1)	(1)
Attributable to the Company's shareholders	210	201

* An amount lower than NIS 0.5 million



Balance Sheet

NIS million	September 30, 2024	December 31, 2023
Assets		
Cash and deposits with banks	1,181	902
Amounts receivable from banks for credit card transactions, net	7,293	6,271
Receivables for credit card transactions	16,239	14,468
Credit loss provision	(499)	(514)
Receivables for credit card transactions, net	15,740	13,954
Securities	61	42*
Investments in associates	46	44*
Buildings and equipment	464	462
Goodwill	21	21
Other assets	983	817
Total assets	25,789	22,513
Liabilities		
Credit from banking corporations and others	1,639	1,367
Payables for credit card transactions	19,214	16,556
Marketable bonds and commercial securities	546	526
Other liabilities	1,248	1,054
Total liabilities	22,647	19,503
Equity attributable to the Company's shareholders	3,128	2,997
Non-controlling interests	14	13
Total equity	3,142	3,010
Total liabilities and equity	25,789	22,513

* Reclassified