



Investor Presentation | Q2 2024



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In case of any contradiction or incompatibility between the Hebrew and the English versions, the Hebrew version shall prevail.

Forward Looking Statements

This presentation about Isracard Ltd. (hereinafter - the “Company”) and its consolidated companies (hereinafter jointly - the “Group”) is made available as a summary for 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 second 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 segmented differently than in the Reports.

This presentation does not constitute an offer or solicitation to purchase the Company’s securities, and the information contained therein does not constitute a recommendation or opinion or a substitute for the investor’s judgment.

It includes plans, objectives, assessments, estimates and other information relating to future events, including information regarding the Group’s assets, future actions and liquidity. Such information constitutes “forward-looking information”, as defined in the Securities Law, 1968, and it may not materialize, in whole or in part, or materialize in a manner which is materially different than expected. 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

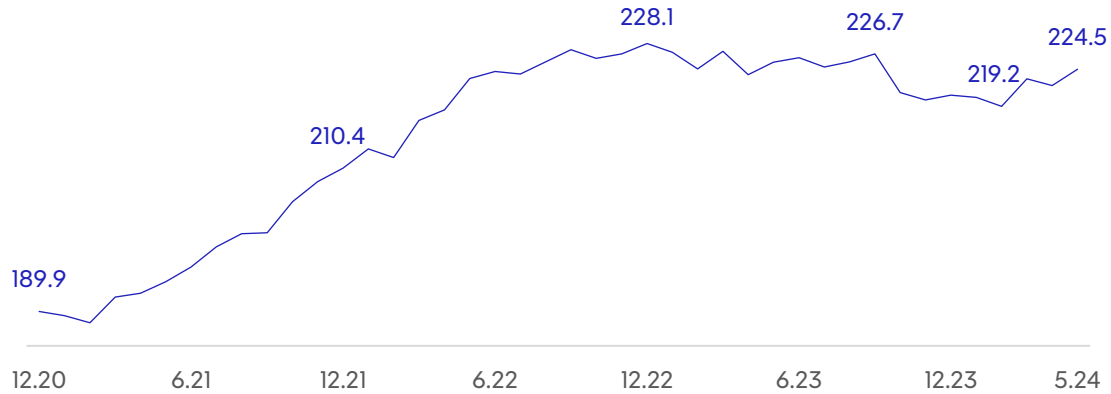
developments in the payments and credit market in Israel or other countries, changes in the Group’s work plan, changes in market conditions, and external factors affecting the Group’s activity, behavior of consumers both globally and in Israel, availability or absence of various resources for the Group, 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.



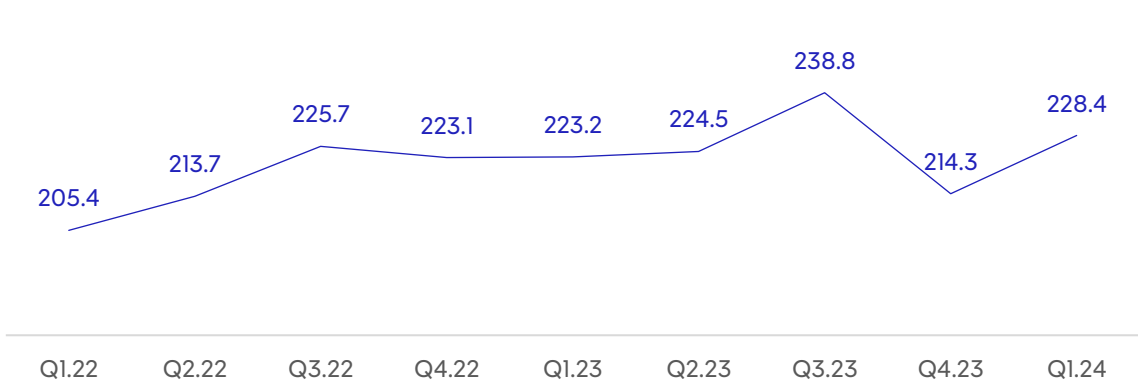
Isracard is a Reflection of the Israeli Economy and is Affected by the Economic, Security, Political and Social Conditions in Israel

Q2 2024 saw a continuation of gradual recovery in some economic sectors, which began early in the year; however, there is still uncertainty as to the rest of the year

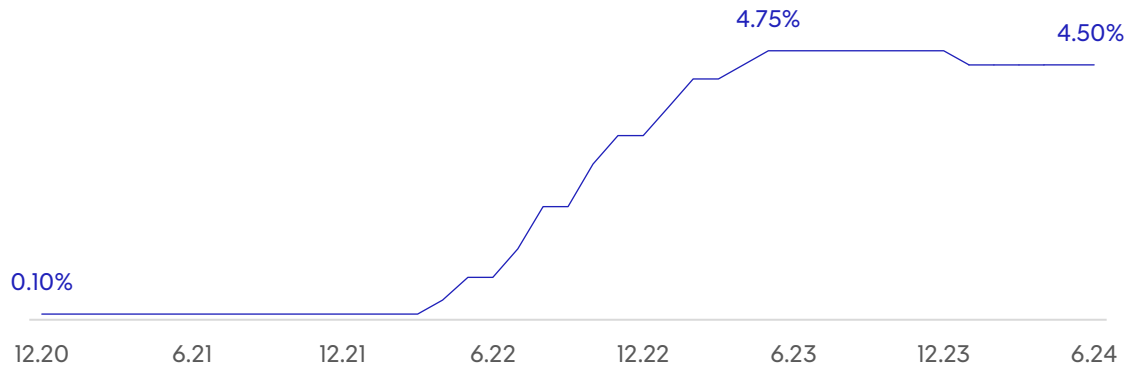
Households' outstanding debt to the financial sector⁽¹⁾
(NIS billion)



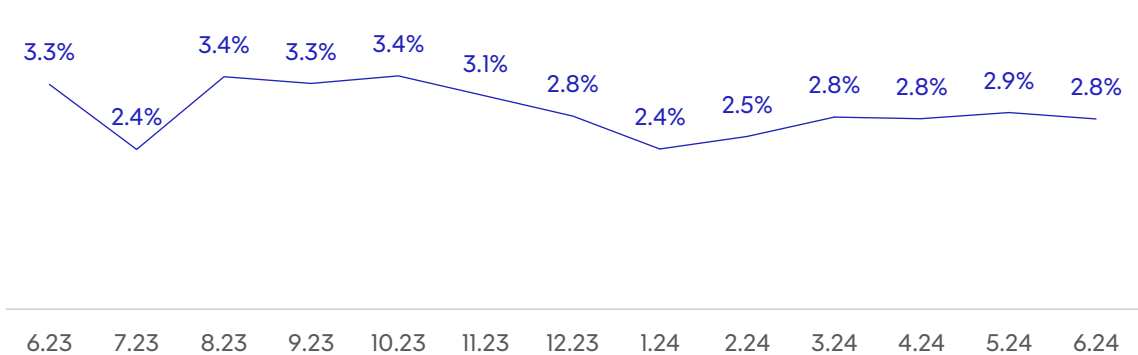
Private consumption spending⁽²⁾
(NIS billion)



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

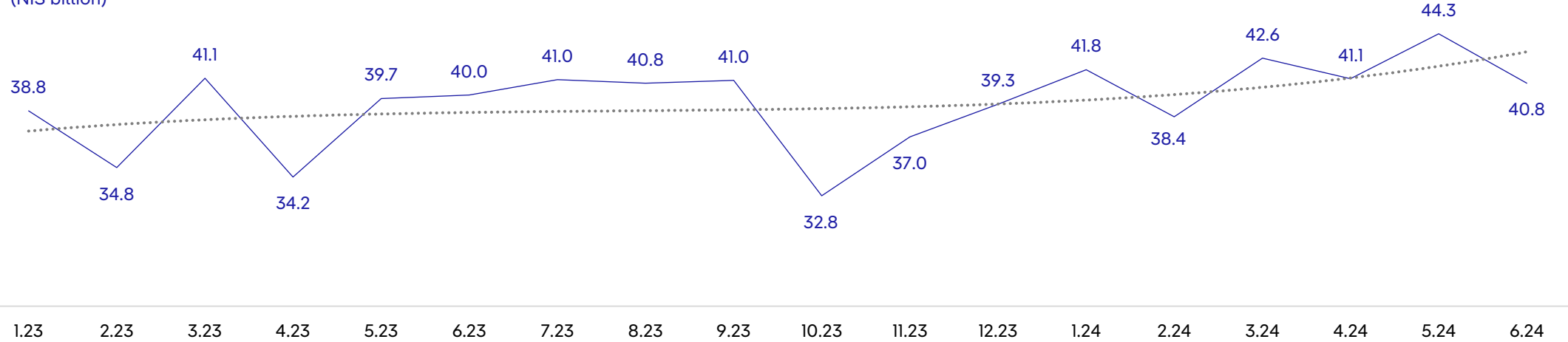
(4) Source: Central Bureau of Statistics, rate of change in the CPI compared to the corresponding month last year



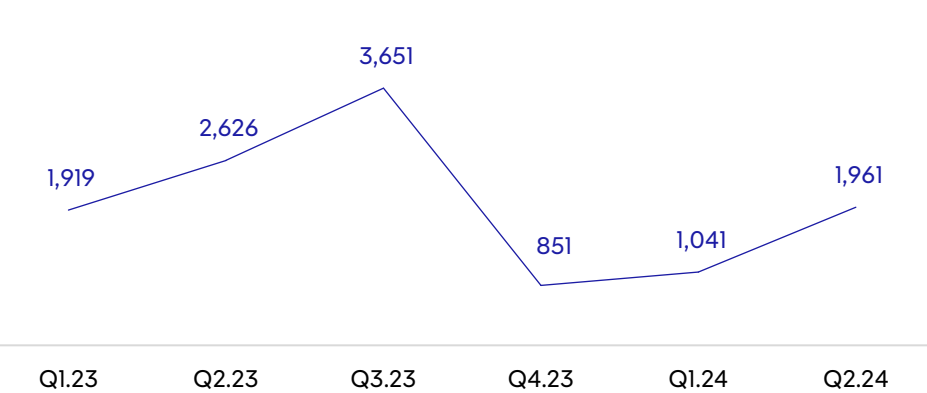
The Gradual Recovery was Reflected in Credit Card Transactions Volume

In the tourism sector, the number of outbound and inbound tourists continued to grow, albeit at a lower rate compared to the corresponding period last year

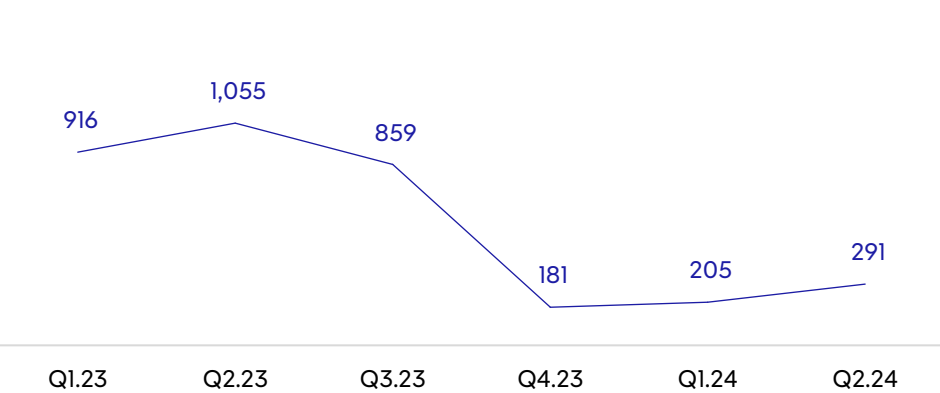
Credit card transactions turnover in Israel⁽¹⁾
(NIS billion)



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

Q2 2024 - An Increase in the Credit Portfolio and Net Income Despite the Challenges of the Period; Updating The Dividend Distribution Rate

The Credit Portfolio Rose to 9.4 Billion NIS



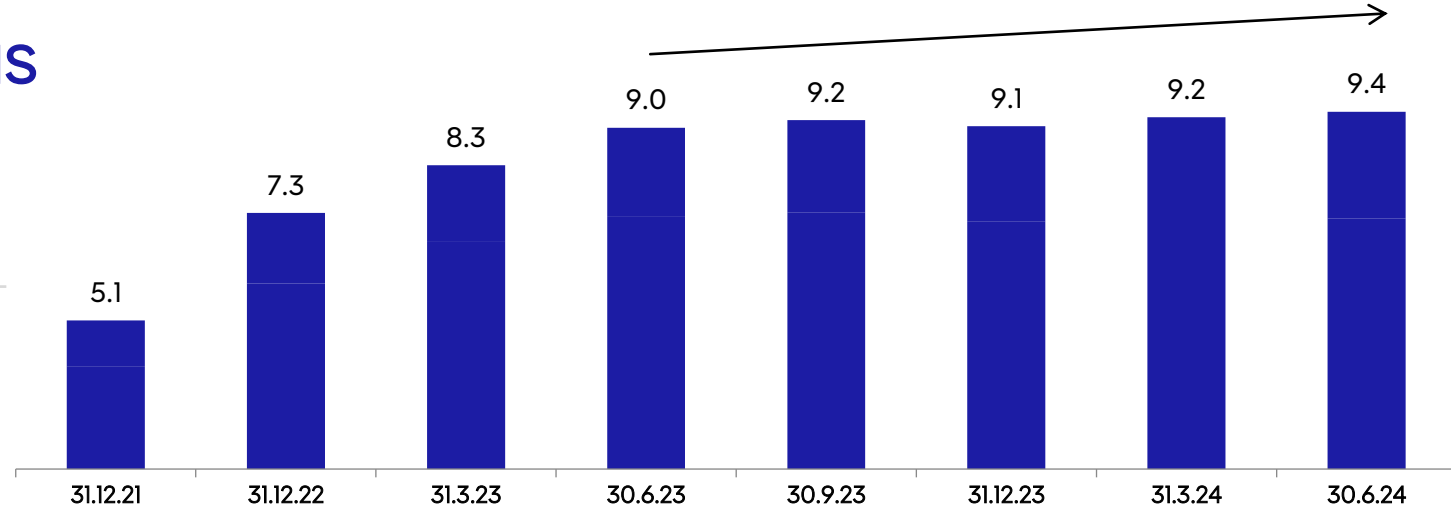
Commercial Credit

The consistent growth trend continued, leveraging Isracard's relative advantage in activity involving merchants



Consumer Credit

The economic situation continued to impact demand and so, Isracard implemented a more conservative underwriting policy



Higher Revenues and Net Income

Revenues

802 NIS million

+4.8% from Q1 2024

+9.7% from Q4 2023

Net income

68 NIS million

+6.3% from Q1 2024

+33.3% from Q4 2023

Generating Shareholder Value

Dividend for H1 2024 net income

53 NIS million

40% of net income

Dividend paid in respect of H2 2023 net income

NIS **46** million

35% of net income

Dividend yield⁽¹⁾

4.0%

3.3%

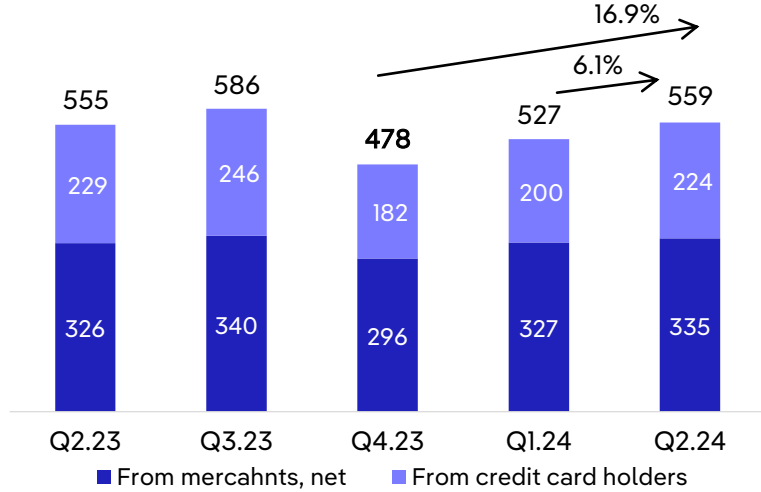
(1) Total per share dividend divided by the closing share price the day prior to the declaration date (annualized)



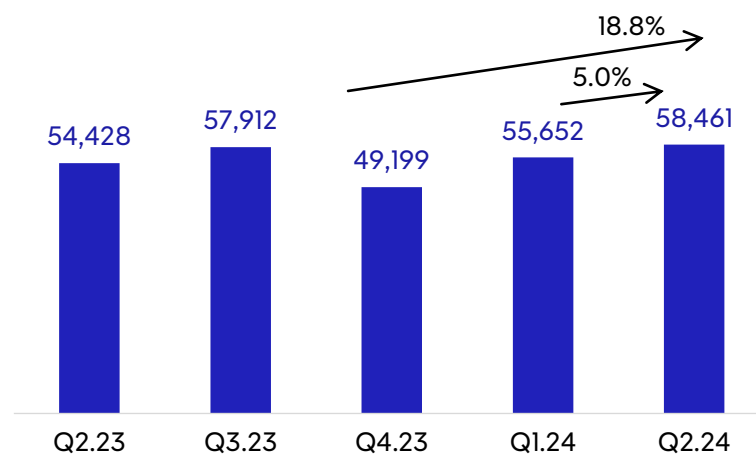
Q2 2024 - The Gradual Recovery in Credit Card Transactions Turnover Contributed Most of the Increase in Revenues vs. the Previous Two Qs

NIS million

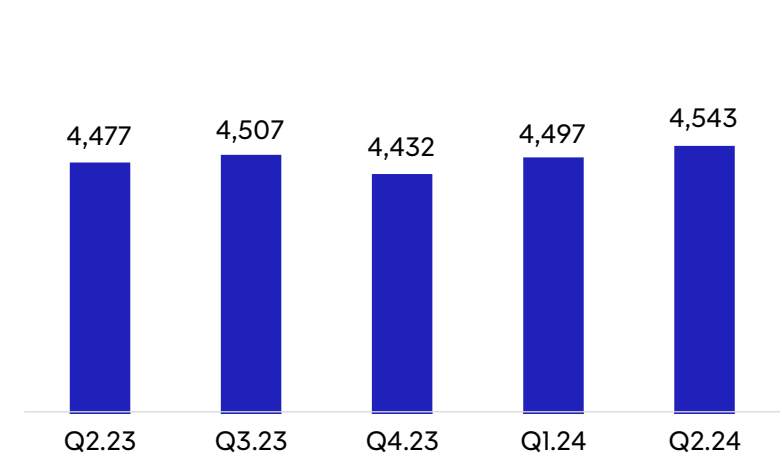
Income from credit cards (issuing and acquiring)



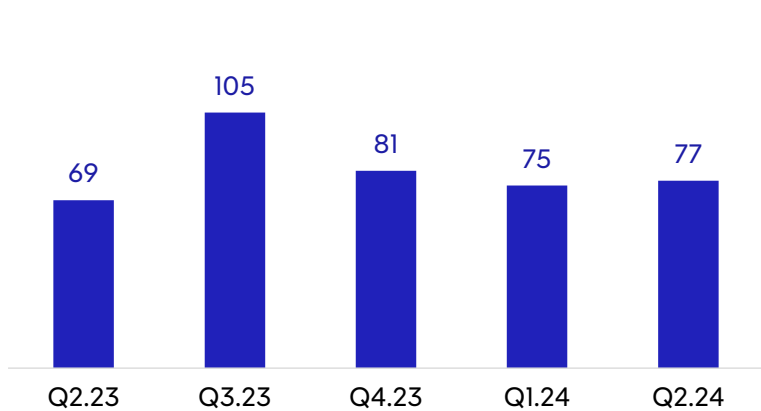
Turnover of transactions related to credit cards issued by the Company



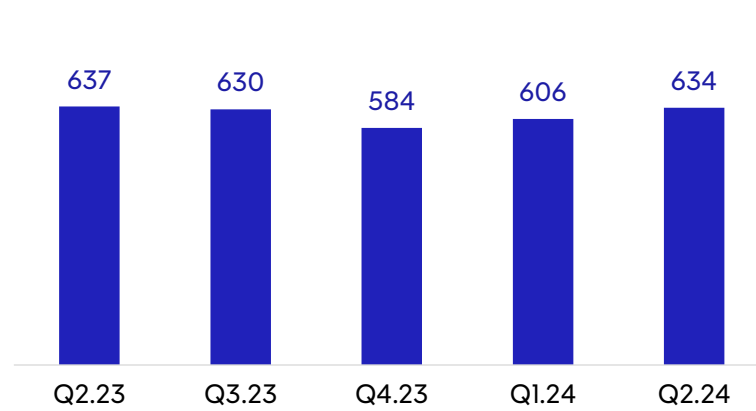
Active credit cards (thousands of units)



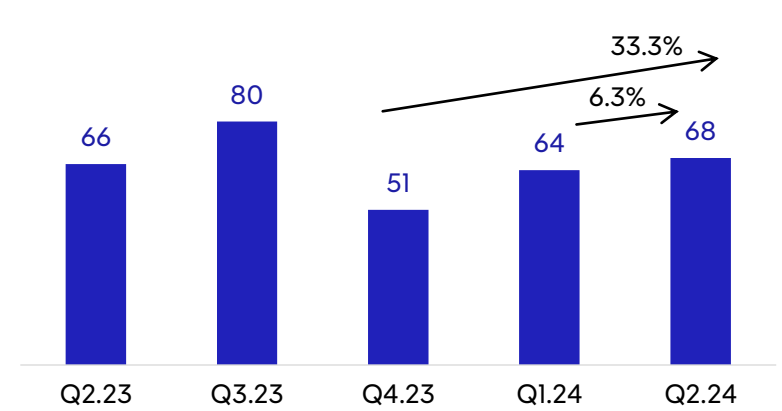
Credit loss expenses



Expenses excluding credit losses



Net income





Commercial Credit - Leveraging Isracard's Relative Advantage in Activities Involving Merchants

Sustained and consistent growth trend.
Continued to expand the offering and make advanced products and services more accessible



Commercial Credit⁽¹⁾

Q2 2024

2.2 NIS billion

Interest income from customers

77 NIS million

73 Q1 2024
69 Q2 2023

% of interest income^(1,2)

8.61%

8.99% Q1 2024
9.86% Q2 2023

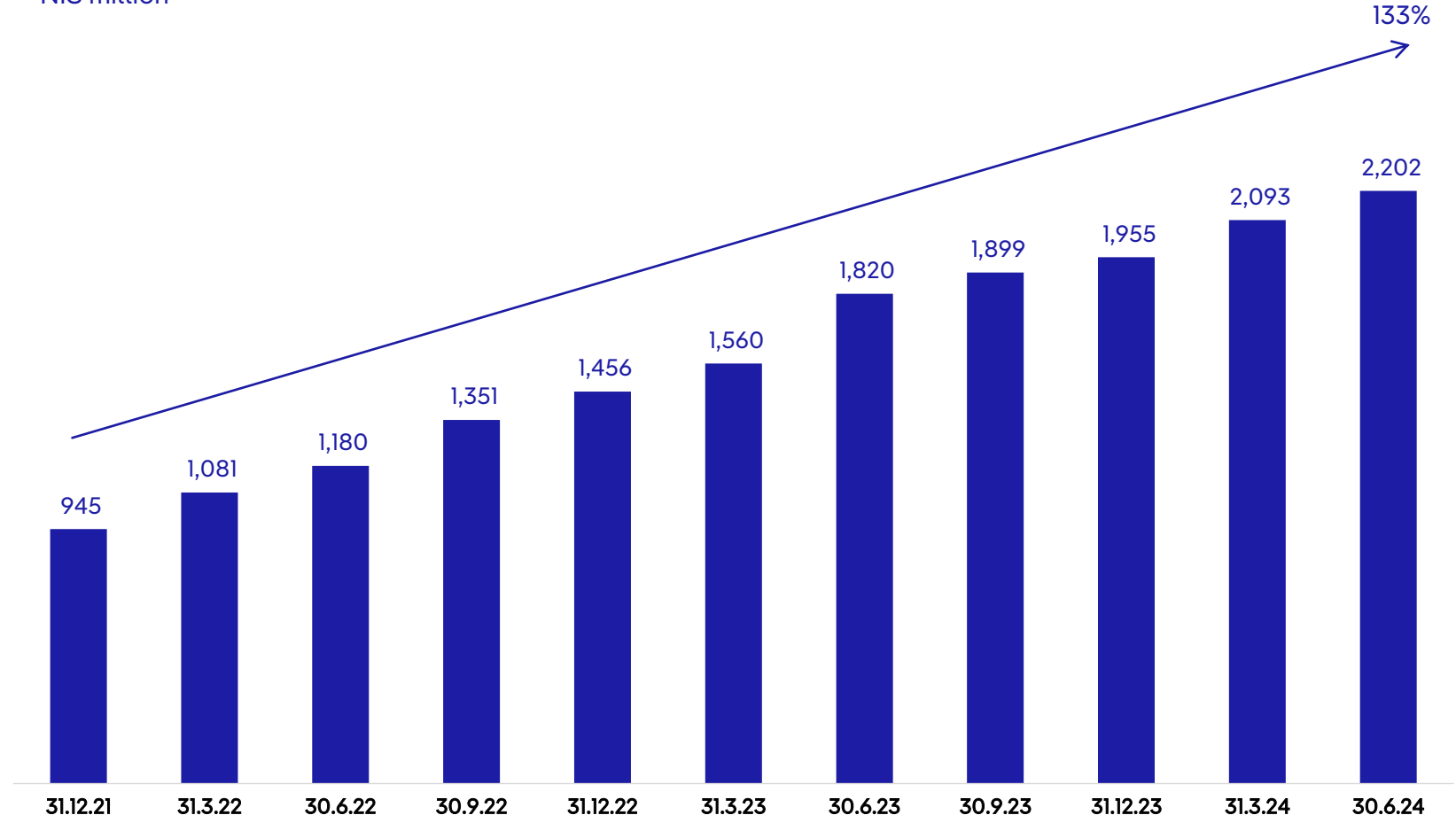
Interest income margin above the Prime rate

2.61%

2.98% Q1 2024
3.77% Q2 2023

Development of the commercial credit portfolio 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 - The Economic State Continued to Affect Demand

Accordingly, Isracard implemented a more conservative underwriting policy



Consumer Credit

Q2 2024

7.2 NIS billion

Interest income from customers

208 NIS million

196 Q1 2024
206 Q2 2023

% of interest income⁽¹⁾

11.77%

11.15% Q1 2024
11.80% Q2 2023

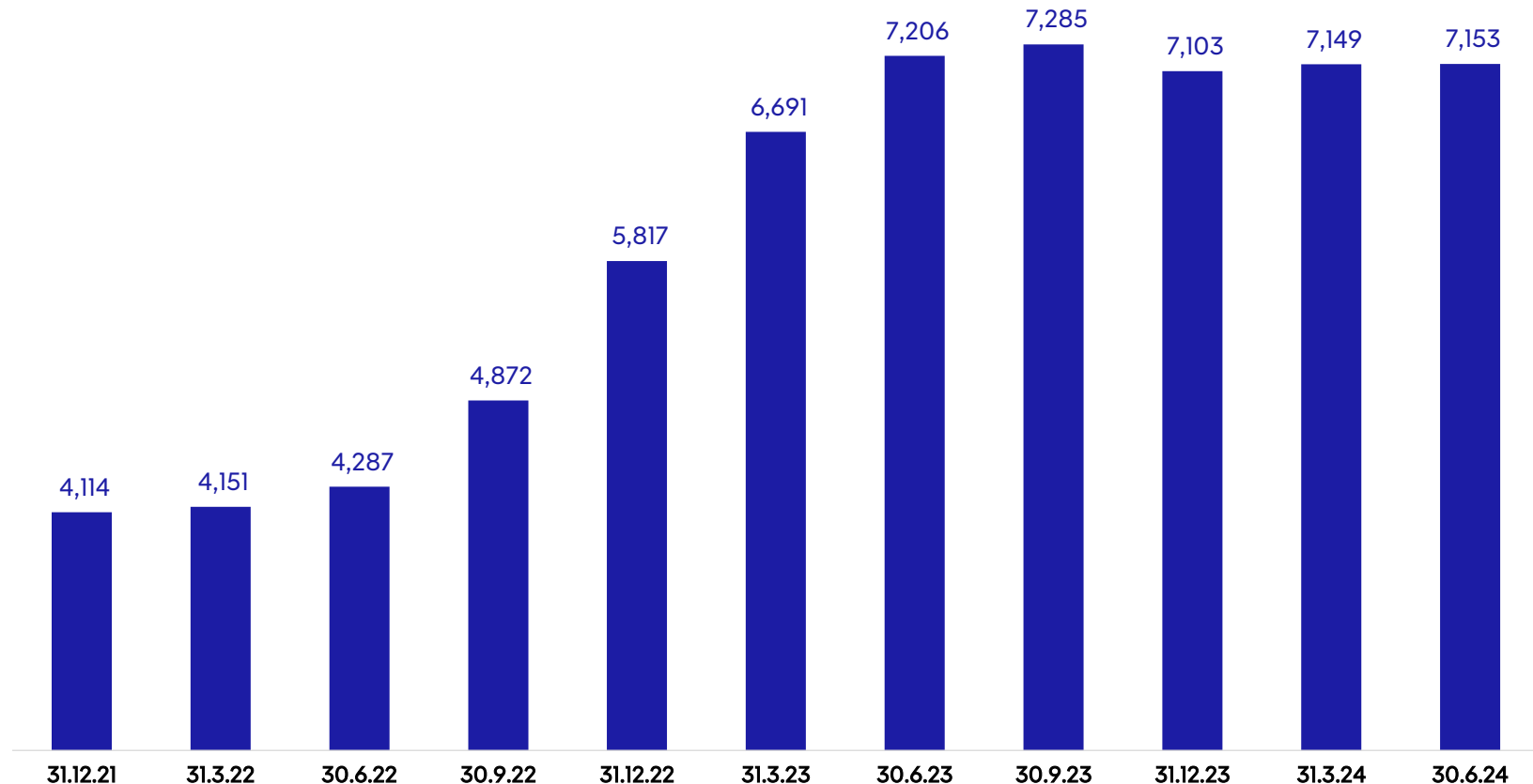
Interest income margin above the Prime rate

5.77%

5.14% Q1 2024
5.71% Q2 2023

Development of the consumer credit portfolio over time

NIS million

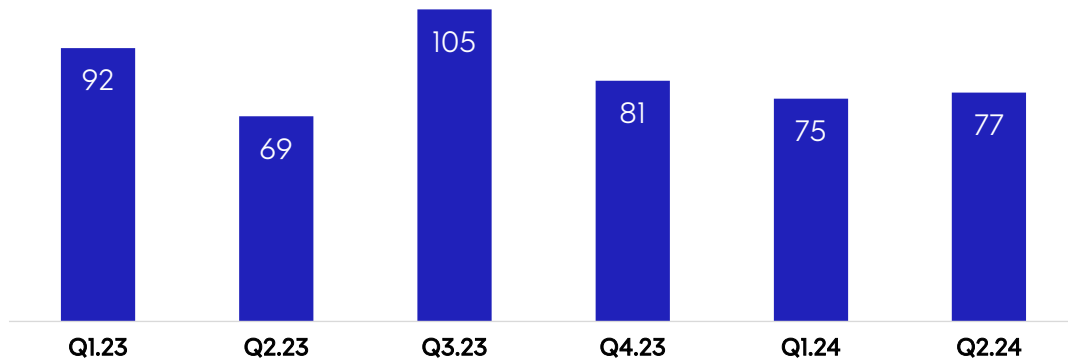


(1) Rate of average interest income (annualized) based on balances as of the beginning of the months in the quarter

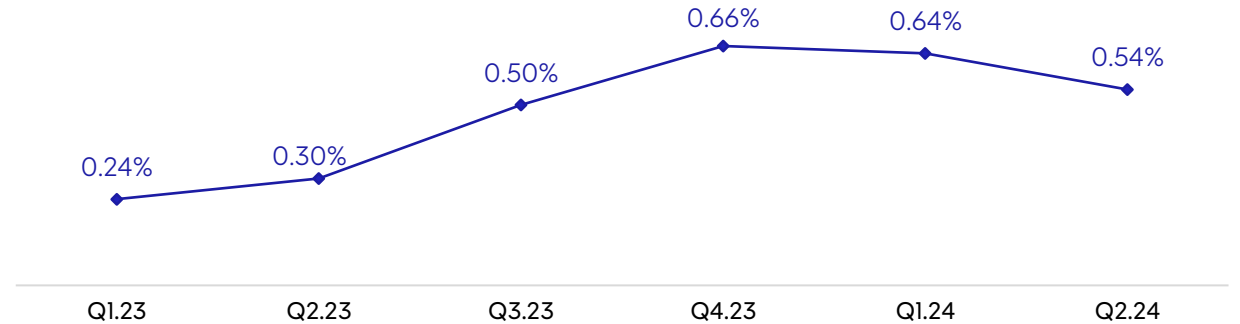
Credit Loss Expenses

An adjusted underwriting policy resulted in a decrease in the specific credit loss expense and net write-offs, since Q4 2023

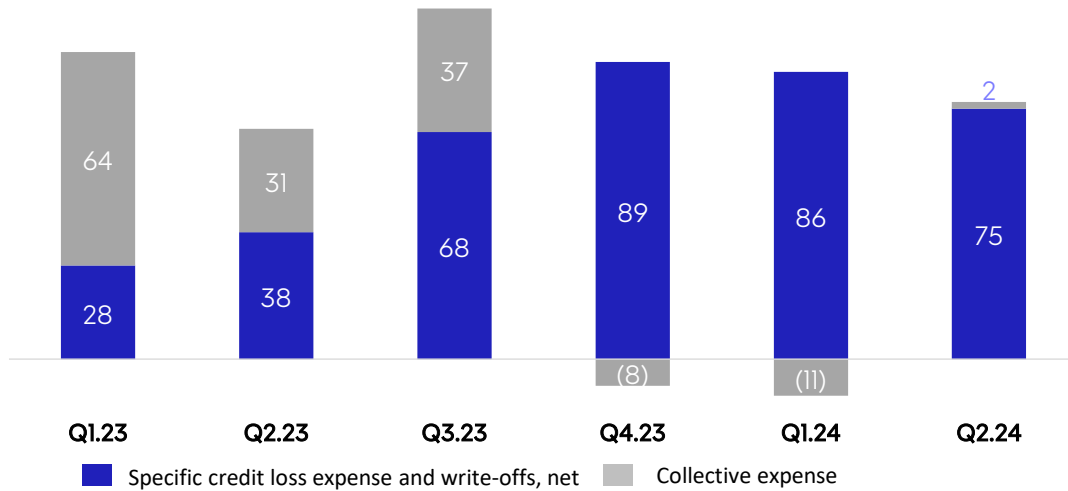
Total credit loss expenses (NIS million)



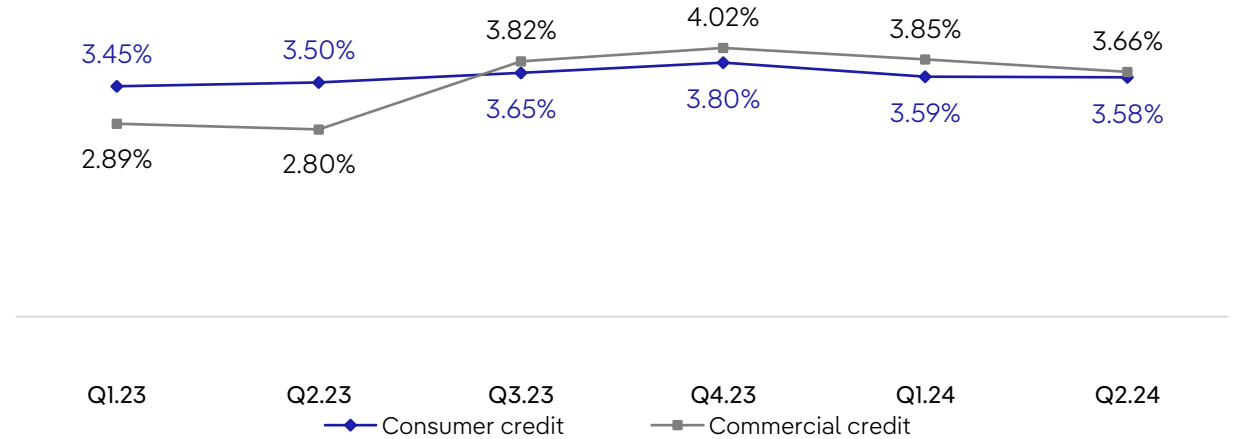
Rate of specific credit loss expense and write-offs, net, of the average of credit card receivables^(1,2)



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



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



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

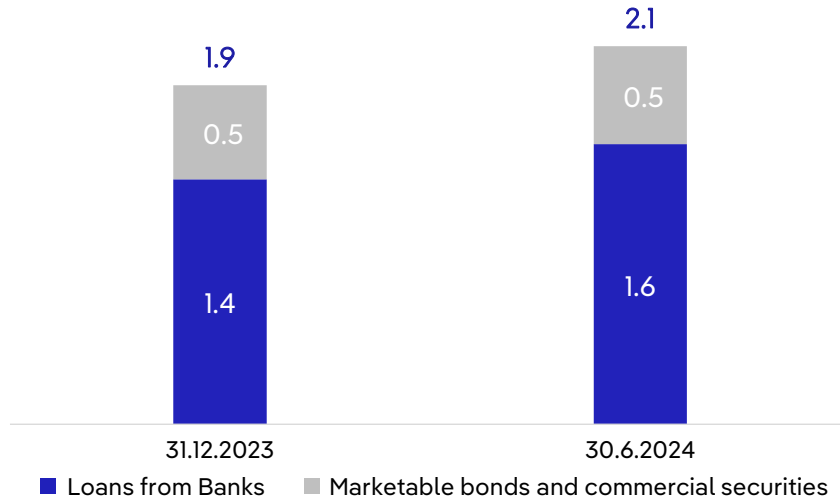


Availability and Diversity of Funding Sources Support Operating Activities and the Credit Portfolio's Growth Potential Even in this Complex Period

NIS billion

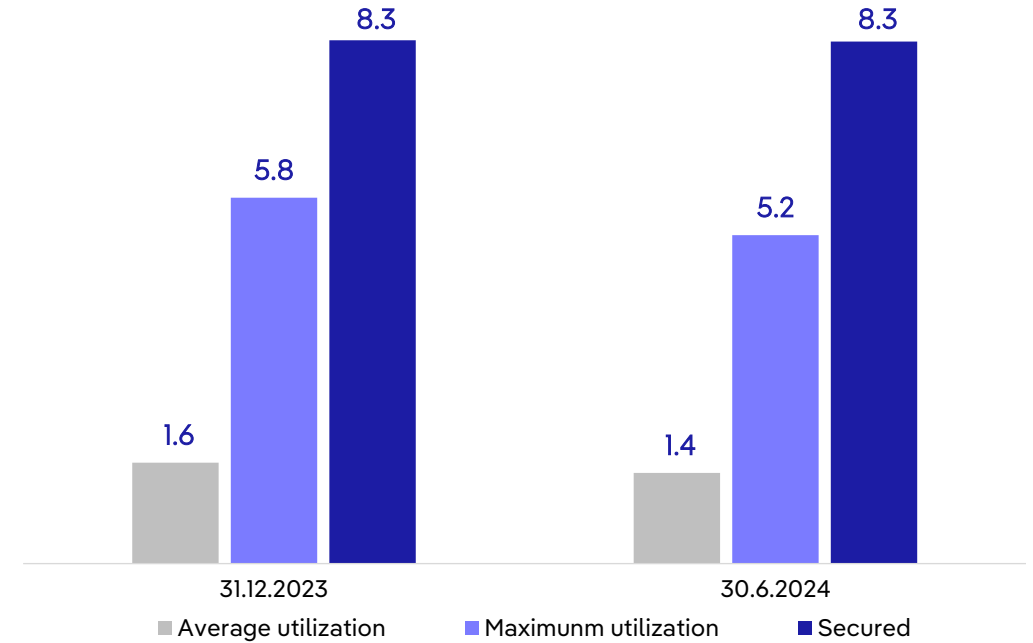
Financing Sources

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



The Group's Credit Facilities⁽¹⁾

Maximum and average utilization since the beginning of the year



(1) Including autonomous credit facilities

Increased the Semi-annual Dividend Rate to 40%



Robust Capital and Capital Ratios

Capital attributable to shareholders

3.1 NIS billion

Tier 1 capital ratio

12.9%

Board of Directors' minimum 10.0%
Regulatory minimum 8.0%

Total capital ratio

14.0%

Board of Directors' minimum 11.75%
Regulatory minimum 11.5%

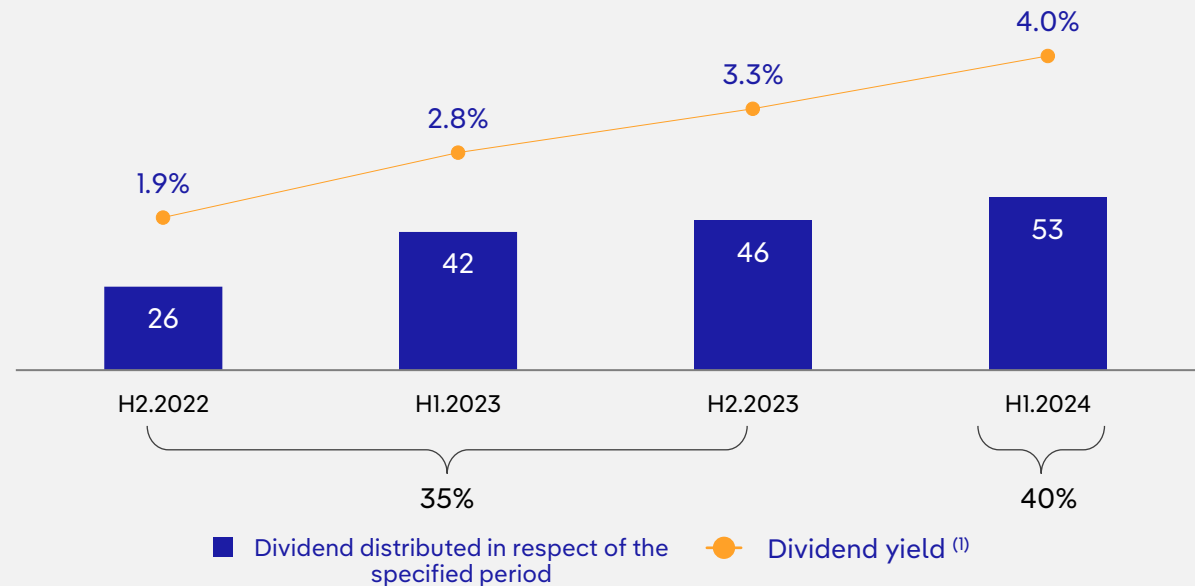
Generating Shareholder Value



Dividend Distribution

53 NIS million
Dividend declared 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)

Isracard Ranked First Among Credit Card Companies

Isracard rated Platinum+ A in the 2024 Maala Index

Isracard leads the credit cards sector in the 2024 Brands Index

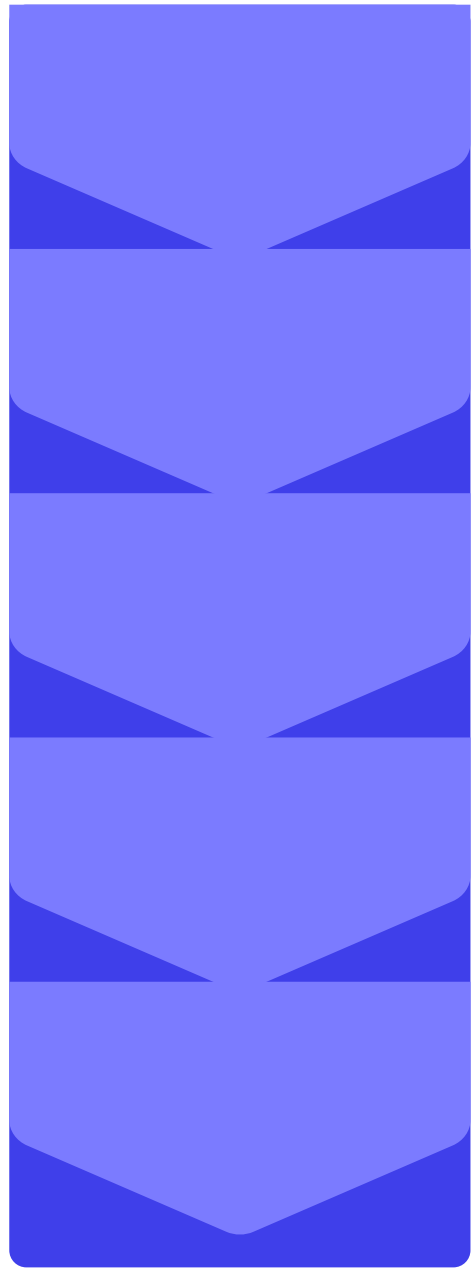


Isracard was upgraded to Platinum+ A in the 2024 index
The only credit card company to be assigned this rating

Isracard was ranked first among the credit cards companies in the 2024 Brands Index

Maala's index rates more than 150 of the largest companies in Israel, and assesses approximately 120 different criteria focusing on environmental, work relations, diversity and inclusion, corporate governance and community outreach

Globes' Brand Index has been published for 21 years; it is based on a broad survey of 3,500 respondents, aged 18 and over, who constitute a representative sample of the Israeli population




Unique Value Propositions for Private Customers

Cooperation with Wolt

ישראל כרטיס

3 סיבות להזמין CashBack⁺ של ישראל כרטיס



50 ₪ קרדיט ב-Wolt

אני רוצה CashBack⁺

בכפוף לתקנון תכנית הקאשבק. המספיקה ישראל כרטיס בע"מ. אי עמידה בפירעון האשראי עלולה להורח חוב בריבית פיגורים וזליכי הוצאה לפועל. הנפקת הכרטיס נובעת מהסכמת נתונים לשיקול דעתה הבלעדי של המספיקה. מותג המכרזים: כרטיס 75 ש"ח חוגגת ל-10,000 המטריקים הראשונים שמחזור החיובים המצטבר בכרטיס בתוך 3 החודשים מסועד הפקת הכרטיס יעלה על 15,000 ₪. מתנת האטריות בולט 50 ₪ בהטעת הקוד למטריקים חדשים עד ליום 31.8.24. ההטבת וולט בחוקף עד לתאריך 31.12.24 ול-3 חודשים מרגע הטעת הקוד.

Loans to finance summer expenses

ישראל כרטיס



הוצאות הקיץ מתחילות להכביד?

10% cashback for those traveling abroad

ישראל כרטיס



ישראל כרטיס? צ'ק

בחופשה הקרובה לא שוכחים לארוז את הכרטיס הכי משתלם

משלמים בנייד עם כרטיס ישראל כרטיס בחו"ל ומקבלים

10% קאשבק על הקניות שלך

להשתתפות במבצע

Nit'anchik top-up payment card

כרטיס נטענצ'יק של ישראל כרטיס



מטענים בדיגיטל עד 1,000 ₪ בכל פעם

הכרטיס נטענצ'יק מיועד לטעינת כרטיסי אשראי ישראל כרטיס. ניתן לטעון אותו באמצעות מלל כרטיס לטעינת ישראל כרטיס עד ל-4,000 ₪ בכל טעינה על כרטיס ישראל כרטיס. לטעינת כרטיס ישראל כרטיס יש להשתמש באמצעות שירות הטעינה של ישראל כרטיס. לטעינת כרטיס ישראל כרטיס יש להשתמש באמצעות שירות הטעינה של ישראל כרטיס. לטעינת כרטיס ישראל כרטיס יש להשתמש באמצעות שירות הטעינה של ישראל כרטיס.

Unique Value Propositions for Business Customers

Payment solutions



ישראלכרט לעסקים

פתרונות תשלום שמקלים על שני צידי המטבע
בעסק הפיזי · מרחוק · מהנייד · אונליין

הצטרפו וקבלו חודשיים ללא עמלת סליקה

בכפוף לתנאי החברה והשירות. בכפוף לתקנון. הרשעה תקפה לזמן קצר. סכומים חריגים בדרישה לקופת המטבע עד 30.04.24



ישראלכרט לעסקים

זה שאתם עצמאיים לא אומר שאתם לבד
פתרונות התשלום של ישראלכרט לעסקים
מתאימים לעסק ועוזרים לו להגדיל הכנסות.
בעסק הפיזי · מרחוק · מהנייד · אונליין

הצטרפו ותיהנו מחודשיים עמלת סליקה חינם

בכפוף לתנאי החברה והשירות. בכפוף לתקנון. הרשעה תקפה לזמן קצר. סכומים חריגים בדרישה לקופת המטבע עד 30.04.24



ישראלכרט לעסקים

רואי חשבון? כדי לפתוח עסק צריך אתכם,
כדי לקבל פתרונות תשלום משתלמים
לעסק, צריך אותנו.

מגוון פתרונות תשלום שמצמיחים את העסק, ואתכם:
תשלום מרחוק ✦ תשלום בעסק הפיזי ✦ תשלום און-ליין

כפוף לתנאי החברה והשירות

Financing solutions



ישראלכרט לעסקים

הלוואה לעסק שאסור לפסוח עליה
פתרון המימון של ישראלכרט לעסקים לחגים:
עד 30,000 ₪ | עד 30 תשלומים | פריים + 3%

בכפוף לאישור ותנאי החברה. המלווה ישראלכרט בע"מ / או ישראלכרט מימון בע"מ. א. עמידה בפריים והולכי הצאה או האשראי עלול לגרום ריבית עמידה בפריים והולכי הצאה לטובת הלקוח. עמדת סלקים עבור הלוואות חדשות שיוגשו עד למועד 30.04.2024



ישראלכרט לעסקים

הלוואה דיגיטלית בכל זמן ובכל מקום
עד 50,000 ₪ | עד 15 תשלומים | פריים + 1.5%

לפרטים ←

בכפוף לאישור ותנאי החברה. המלווה ישראלכרט בע"מ / או ישראלכרט מימון בע"מ. א. עמידה בפריים והולכי הצאה לטובת הלקוח. עמדת סלקים עבור הלוואות חדשות שיוגשו עד למועד 30.04.24



ישראלכרט לעסקים

צומחים גבוה
פתרונות המימון של ישראלכרט לעסקים
מטפחים את העסק שלך
עד 30,000 ₪ | עד 30 תשלומים | פריים + 3%

בכפוף לאישור ותנאי החברה. המלווה ישראלכרט בע"מ / או ישראלכרט מימון בע"מ. א. עמידה בפריים והולכי הצאה לטובת הלקוח. עמדת סלקים עבור הלוואות חדשות שיוגשו עד למועד 31.05.2024

Q2 2024 in Summary



The gradual recovery in some of the economic sectors was reflected in an increase in the volume of credit card transactions, in revenue and net income



Economic market uncertainty as to the rest of the year



Isracard's credit portfolio has grown despite the challenging period, and in parallel to the implementation of a more conservative underwriting policy



Generating shareholder value
Increased the dividend rate

Appendices



Quarterly Statement of Profit and Loss

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

* An amount lower than NIS 0.5 million

Semi-annual Statement of Profit and Loss

NIS million	H1/2024	H1/2023
Income		
Income from merchants, net	662	652
Income from credit card holders	424	443
Interest income, net	468	452
Other income	13	30
Total income	1,567	1,577
Expenses		
Credit loss expenses	152	161
Operating expenses	562	577
Selling and marketing expenses	359	349
General and administrative expenses	62	73
Payments to banks	257	253
Total expenses	1,392	1,413
Profit before taxes	175	164
Provision for taxes	(43)	(45)
The Company's share in associates' profits, post-tax	1	3
Net income:		
Before attribution to non-controlling interests	133	122
Attributable to non-controlling interests	(1)	(1)
Attributable to the Company's shareholders	132	121

* An amount lower than NIS 0.5 million



Balance Sheet

NIS million	June 30, 2024	December 31, 2023
Assets		
Cash and deposits with banks	872	902
Amounts receivable from banks for credit card transactions, net	6,694	6,271
Receivables for credit card transactions	15,369	14,468
Credit loss provision	(509)	(514)
Receivables for credit card transactions, net	14,860	13,954
Securities	47	42*
Investments in associates	45	44*
Buildings and equipment	462	462
Goodwill	21	21
Other assets	835	817
Total assets	23,836	22,513
Liabilities		
Credit from banking corporations and others	1,565	1,367
Payables for credit card transactions	17,567	16,556
Marketable bonds and commercial securities	546	526
Other liabilities	1,046	1,054
Total liabilities	20,724	19,503
Equity attributable to the Company's shareholders	3,098	2,997
Non-controlling interests	14	13
Total equity	3,112	3,010
Total liabilities and equity	23,836	22,513

* Reclassified