



**Quarterly report for  
the period ended September 30, 2023**

**Statements of the chairman of the board of directors**

**With the publication of the financial statements for the third quarter of 2023, we bow our heads to the fallen and murdered persons and we send our condolences from the bottom of our hearts to the grieving families who are in an unbearably difficult place.**

**The page is too narrow to contain the sorrow, the pain and the terrible loss and there is no consolation.**

**All that remains is to wrap with great love.**

**We continuously wish for the return of all the abducted and missing persons, our prayers are with them, they are engraved in our hearts and their presence accompanies us wherever we are.**

**At the same time as we mourn with unbearable pain, which does not find relief, we are dressing the bleeding wounds, wishing a speedy recovery to the injured and strengthen our forces with determination and appreciation.**

**"Together we will win" is not a slogan, it is a full commitment.**

**That's why together we continue with full power, with full strength, recruited for the businesses and support as much as we can in the campaign.**

**The financial statements are presented to you in a period like no other in Israel and they are an integral part of the uncompromising commitment to continue our path with transparency, innovation and action.**

**Shlomo Bisteri,  
chairman of the board**

**Board of Directors' Report on the state of the company's affairs**

We are pleased to present to shareholders the report of the Board of Directors of Automated Banking Services Ltd. (hereinafter: "the Company" or "Shva") as of September 30, 2023 for the three months and nine months then ended (hereinafter: "Reported Period") in compliance with the provisions of Regulation 48 of the Israel Securities Regulations (Periodic and Immediate Reports), 1970. This directors' report presents events and changes that occurred in the Company's position during the reported period and which had material impact on the interim financial statements and the corporation's business report. This report is limited in scope and therefore should be read in conjunction with periodic report for the year ended December 31, 2022, which was published on March 28, 2023 (ISA reference number 2023-01-034500) and the amended report which was published on March 30, 2023 (ISA reference number 2023-01-035169) ("**the Company's 2022 Periodic Report**"), which is presented in this report by way of reference.

**1. Key data from the description of the corporation's business and the explanations of the board of directors for the state of the corporation's business**

**1.1 General review**

The Company was incorporated in Israel in 1978 as a private company under the Israel Companies Law. In early June 2019, after completing a public offering of its shares, the Company became listed and a 'reporting corporation', as this term is defined by the Securities Law. Accordingly, as of this date, the Company reports under International Financial Reporting Standards (IFRS) and Israel Security Regulations (Annual Financial Statements), 2010.

The Company is engaged in the operation of controlled payment systems as defined in Payments System Law 2008, which allow, inter alia, transferring approvals for charge card transactions, collection of charge card transactions from terminals at businesses, providing a clearing interface between acquirers and charge card issuers, and transferring approvals for cash withdrawal transactions at ATMs, carrying out their accounting and carrying out direct clearing for the two payment systems in the Zahav system of the Bank of Israel, as well as in other related activities. Currently, the Company has a single operating segment, the clearing segment, which includes among others, several activities as follows:

- (1) Operation of a bidirectional communication system between acquirers and charge card issuers and businesses, for the approval and collection of transactions performed using charge cards at businesses (hereinafter, respectively: the "**Approval and Collection Interface**" and the "**Approval and Collection Services**"). The credit card companies participating in the system are Isracard Ltd., Israel Credit Cards Ltd. and Max It Finance Ltd. as the issuing and clearing companies (Isracard, Cal and Max are collectively referred to below as: "the credit companies" or "credit card companies"). In April 2017 and March 2018, the Bank of Israel granted a clearing license to two additional companies that commenced their activities as clearing companies - Tranzilla Ltd. and Cardcom Clearing Ltd. (recently received a permanent license from BOI, both clearing parties joined as participants in the payment system in charge cards. In August 2023, the Company began the joining process of Upay Clearing Ltd. as an additional clearing party for the charge card payment system, in accordance with the request of the supervision of payment systems at the Bank of Israel.
- (2) Management and operation of the accounting interface of the charge card system - for the purpose of calculating the net activity, i.e. the final accounting between an issuer and a clearing entity for charge card activity at businesses, the system receives from the acquirers the transactions that were not issued by them, and offsets the credit amounts amongst them, offsetting the cross commission. At the end of the calculation, credit/charge files are produced for the relevant parties. As of May 7, 2023, the Company carries out direct clearing of the results of the accounting interface in the Zahav system.

- (3) Management and operation of a switching system connecting different ATM networks, including those operated by various banks, such as Bank Leumi Le-Israel Ltd. (hereinafter: “**Bank Leumi**”), Bank Hapoalim Ltd. (hereinafter: “**Bank Hapoalim**”), Israel Discount Bank Ltd. (hereinafter: “**Discount Bank**”), First International Bank of Israel Ltd. (hereinafter: “**FIBI**”), Mizrahi Tefahot Bank Ltd. (hereinafter: “**Mizrahi Tefahot Bank**”), Bank of Jerusalem Ltd. (hereinafter: “**Bank of Jerusalem**”) and Bank Yahav for Government Employees Ltd. (hereinafter: “**Bank Yahav**”) and One Zero Digital Bank Ltd. (“**The Digital Bank**”) (and through them, connectivity is made to additional banks as well), in a manner that allows transmitting transaction approvals for withdrawal and information requests at various ATMs (operated by those banks, and also for other banks through them), regardless of the bank at which the customer has an account or the entity that owns the ATM (hereinafter: the “**ATM Switch**” and the “**ATM Switching Services**”). On March 15, 2021, a license to provide deposit and credit services was granted to Ofek Cooperative Credit Society Ltd. by the Capital Market, Insurance and Savings Authority. The validity of the license was extended until December 31, 2024. Ofek Credit Society is planned to connect to the Company's ATM switch until the end of 2023. In August 2023, an update was received from the Bank of Israel regarding the deferral of the joining date of Ofek to the Zahav system and the checks' clearing house. In October 2023, after the report period, an update was received from the supervision of payment systems according to which the process of connecting Ofek to the ATM system must continue and the Company is acting accordingly.
- (4) In accordance with the directives of the Bank of Israel, in July 2023, the Company began providing management and operation services of the ATM clearing interface. For the purpose of calculating the net activity between issuers and ATM operators for cash withdrawals, ATM operators transfer files containing cash withdrawals made with cards of other banks or non-bank issuing operators. At the end of the calculation, the system will generate credit/debit files that will be sent to the relevant parties concurrently with deposits in the Zahav system operated by the Bank of Israel, for the purpose of direct clearing.
- (5) Development and distribution of the Ashrait PC and Ashrait WEB software - the Company has developed an infrastructure software for points of sale, which allows the execution of charge card transactions at businesses, including in internet websites. The software allows for two work configurations – running on the computer of the place of business or running on servers of the Company. The Company is working to perform a certification for the Ashrait software to be supported by Android devices.
- (6) Membership in the association for management of EMV terminal protocol in Israel - the Company is active in the association and promotes changes to improve the payment systems in Israel.
- (7) Tests to approve POS devices (Point of sale) or Pin Pad devices for the EMV system - for the purpose of commencing the operation of new devices at businesses, the Company performs testing services to approve the operation of the devices according to the EMV protocol.
- (8) Certification of terminals for EMV - As a supplementary service to Clearing entities, with the intention of promoting adoption of EMV-supporting terminals, the Company offers an end-to-end certification service for terminals for the purpose of qualifying the EMV standard.
- (9) Services to discount companies - the Company provides a service to discount companies that offer advance payments to businesses for transactions carried out at terminals placed in businesses.
- (10) Service to adjustment companies - the Company provides information services to adjustment companies that perform comparison between the data that is transferred to it from the Company and the credits that the business receives from the acquirers at the terminal.
- (11) 3DS service - the Company offers a service for identifying charge card holders in internet transactions, for the purpose of reducing fraud and denials.

## **Report of the Board of Directors and Management for the quarter ended September 30, 2023**

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For further details regarding the services provided by the Company see Chapter A - Description of the Corporation's Business in the periodic report of the Company for 2022.

### **1.2 Economic developments in Israel**

The consumer price index increased in the nine months ended September 30, 2023 at a rate of about 2.9%. As of April 2022, the Bank of Israel raised the interest rate in Israel several times from the minimal rate, which it has maintained in recent years, to its current level of 4.75%. The annual inflation rate in the economy continues to be high at 3.8% as of the end of September 2023, compared to the Bank of Israel target which is a 3% threshold. The main factors that led to the decision to raise the interest rate were the fact that inflation in the last twelve months was above the upper limit and the fact that the expectations and forecasts for inflation in the first year around the upper limit of the inflation target. The main effect of the increase in inflation and interest rates is on the value of the Company's marketable securities portfolio which is reflected in finance income (expenses).

### **1.3 Consequences of the "Iron Swords" war - (after the period of the financial statements)**

After the reported period, on Saturday, October 7, 2023, the terrorist organization Hamas launched a murderous attack on the State of Israel, in which they murdered and killed many civilians and soldiers and kidnapped about 240. The State of Israel declared the outbreak of the "Iron Swords" war (hereafter: "the war"), and a massive mobilization of reservists was carried out. The war also expanded to the northern region and also affects the center of the country and the Israeli home front throughout the country. The war resulted in a series of consequences and restrictions, among others, the closing of many businesses, and in particular the closing of factories in the south and north of the country, restrictions on gatherings, restrictions on studies in the education system, damage to infrastructure, cancellation of flights and a significant reduction in tourism, and more. The war led to a significant slowdown in business activity in the entire Israeli economy and significant decreases in charge card spending. For more details regarding the impact of the war on the Company, see the immediate report of the Company dated November 16, 2023 (reference number 2023-01-125034) the content therein is brought by way of reference.

At the time of preparing this report, the full scale of the war, its duration and effects are still unclear. The continuation of the war may have wide-ranging consequences on various sectors of activity and geographic areas in the country, and the state of the entire economy, among other things in terms of personnel resources, fluctuations in foreign exchange rates, risk of decline in Israel's credit rating, impact on the capital market and more.

Nevertheless, it should be noted that as per the Company's estimate, the Company is financially sound and it is expressed, among other things, in cash balance, deposits in banks and a portfolio of marketable securities. The Company's main customers are characterized by stability and long-term engagements. In light of the above, the Company does not foresee an impact on its financial strength at the present time or in the near term. The Company finances all its activities from its own sources and does not anticipate at this stage that it will require credit that is not from its own sources.

### **Aspects of current work and business continuity**

As soon as the war broke out, the Company continued to work from home, and after a short period of time returned to work in a "war routine" in a hybrid format. As of this time, work continues as usual and there is no material impact on the Company's manpower situation. The Company works regularly to make sure that the Company's activity goes on continuously and services are regularly provided to its customers. In this regard, it should be noted that the Company has implemented relevant measures in accordance with its procedures for ensuring business continuity to deal with emergency situations in various scenarios, the purpose of which is to ensure the continued provision of services to its customers.

Also, the Company worked and is working to increase controls frequently in the field of information security and cyber. In addition, the Company's management holds frequent control discussions with close monitoring of the

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development of matters with the Company's employees, its customers and suppliers, as well as with the supervision of payment systems at the Bank of Israel.

### **Donations and voluntary activity in the war**

In view of the events of the war, the exceptional and extreme situation the country faces and the impact of the war on the entire economy, like most citizens of the State of Israel, the Company also mobilized for the campaign and took a number of initiatives as part of the war:

1. The Company mobilized through its employees in a series of volunteer actions initiated for the community;
2. In order to assist in the restoration of businesses in the Otef communities, Shva leads together with the Jewish Agency for Israel, venture capital network (IVN association) and Clearmark Capital Ltd. the "Otef Laesek" initiative, which helps providing immediate grants to thousands of businesses in Otef affected by the war in order to give them immediate assistance.
3. Shva transferred donations to the association that works to assist the residents of the south who were evacuated from their homes and to the rescue unit association that works to save lives, locate and rescue missing people in cooperation with the Israel Police and Magan David Adom.

The amount of donations made by the Company after the report period is a total of approximately NIS 1.87 million.

### **1.4 Changes in legislation in Israel**

During the reported period, the Israeli government has taken legislative measures, some of which have already passed in the Knesset, the purpose of which is to make constitutional changes in the Israeli legal system, which led to a wave of protest in the Israeli public and making warnings concerning the harm to Israeli economy. With the outbreak of the war, as of the report date, legislation procedures have come to halt as well as the wide protests.

**The Company's estimate of the consequences of the war on its activities and the effects of the war which is in progress are not yet clear and its full impact is forward-looking information, as this term is defined by the Israel Securities Law, 1968, and is an assessment that relies on the information available to the Company as of the date of publishing the financial statements. This information includes forecasts, assessments, estimates and other information that relate to future events and matters that are uncertain and not exclusively controlled by the Company ("Forward-Looking Information").**

**Key facts and data underlying this information concerning the current position of the Company and its business, facts and data concerning the war and the current situation in Israel that affects the activity of the Company, various regulatory guidance that apply to the Company and macroeconomic data, all as known to the Company on the date of this report. It is uncertain whether the expectations and assessments of the Company will eventually materialize, and its results of operations may be significantly different than the results that are estimated or implied above, among other factors, due to change in each of the above factors, the intensity, scope, duration of such circumstances, and the ability of the Company to manage them.**

### **1.5 Activity of the Company in the Reported Period**

#### **Transactions with charge cards**

**Debit transactions** – The number of debit transactions executed with all credit card companies.

**Credit transactions** – The number of credit transactions executed with all credit card companies.

**Below are the total numbers of debit and credit transactions completed using the Ashrait system (in millions of transactions):**

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	For the nine -month period ended September 30		For the year ended December 31,
	2023	2022	2022
Debit transactions	1,657	1,517	2,045
Credit transactions	16	15	21

### ATM switching services

**Number of balance checks and withdrawals** – The number of times that holders of bank-issued charge cards request to check their account balance on ATM's of the bank that operate it (hereinafter: the "Clearing Bank"), and the number of cash withdrawal requests that the Clearing Bank submitted, through the Company, to the issuing bank.

**Amount** – The cumulative total amount of withdrawal requests that Clearing Banks submitted through the Company to the issuing bank.

**Below are total numbers of account balance checks and withdrawals (in thousands of transactions) and total amounts of withdrawal requests (in millions of NIS):**

	For the nine -month period ended September 30		For the year ended December 31,
	2023	2022	2022
Total numbers of account balance checks and withdrawals (in thousands of transactions)	47,982	48,845	64,974
Total amounts of withdrawal requests (in millions of NIS)	39,696	39,435	52,264

**Material events during the Reported Period**

Effective May 1, 2023, the Company updated the price list in relation to certain prices included therein. This update has a positive effect on the Company's revenue and operating profit.

**The foregoing regarding the update of the price list and in particular its influence on the Company's income and operating profit is a forward looking information as defined in the Securities Law, 1968, and is an assessment based on the information available to the Company at the time of publication of the financial statements, this information also includes forecasts, assessments, estimates and other information relating to future events and matters that are uncertain and not under the exclusive control of the Company ("Forward Looking Information"). The Company is not certain that its expectations and assessments will be fulfilled, and the Company's operating results may be materially different from the above assessed or implied results.**

**Update to Section 8.12 New Products and New Activities in Part A - Description of the Corporation's Business in the Company's Periodic Report for 2022:****SHVA Arena**

During the second and third quarters, the Company continues to advance the development and expansion of its Ashrait software capabilities in accordance with the changing market needs, thus enabling its customers, payment solution providers (PSPs) to provide businesses with a variety of new value propositions and advanced technologies over the payment system infrastructure. As part of Ashrait extension services, the Company makes accessible an innovative solution - Tap on Phone, which enables the smartphone to be turned into a payment terminal. The Company signed an agreement with a provider for infrastructure development as part of Ashrait extension services.

**Shva Insights**

The Company entered into agreement in this regard with a provider for promoting and developing some of the DAAS system - Data As A Service - which provides aggregate and anonymous financial information in terms of the end customer, subject to the provisions of the law applicable to the Company. During the report period, the Company continued to promote the development of the value proposition in favor of making aggregate information accessible to customers in accordance with the needs arising from the field and presenting a solution adapted to the market.

**Other services:**

Response on behalf of the issuer – in view of the increase in the number of approval requests over the years, the Company has developed an option to answer on behalf of the issuers according to a pre-defined business logic, and this is for the purpose of providing a quick answer to requests for approval. In the first quarter, the Company completed developments to expand the service it began to provide its customers - the use of this service involves payment according to the Company's price list.

Management of failure arrangement aimed at handling the failure of a participant in the charge card and ATM payment systems - during the first quarter, the Company continued to work in favor of managing and formulating a process with the participants upon a failure, a project that was managed for about two years with the participation of the Bank of Israel and the participants of the payment systems.

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As part of formulating the default arrangements, agreements were signed with the Bank of Israel and the system participants on April 30, 2023, and on May 1, 2023, collateral funds were deposited in the accounts at the Bank of Israel that are managed in trust by Shva for the system participants.

**Update to section 1.3 expenses and required investments in respect of separation from Masav in the board report included in the Company's periodic report for 2022**

The continued implementation of the separation from Masav and the Company's strategic plan led to an increase in the cost of manpower and other costs that led to an increase in the Company's operational, management and general expenses in accordance with the estimate of the expected costs given in this section. For more details, see Note 3a to the financial statements.

**Update to section 19 targets and business strategy description of the corporation's business in the Company's periodic report for 2022:**

In accordance with what is indicated in the Company's periodic report for 2022, in the first quarter the Company began the process of modernizing significant parts of the central core system by analyzing the existing code and preparing infrastructure for a transition to a newer technology. Also, as part of the technological improvements and innovation, the Company automates manual processes for the purpose of operational efficiency, simplification and shortening of the processes and improvement of the customer experience. In the third quarter, the Company continues to implement the work plan as part of modernization and commenced to automate manual processes.

**The above discussion is forward-looking information, as this term is defined by the Israel Securities Law, 1968, and is an assessment that relies on the information available to the Company as of the date of publishing the financial statements. This information includes forecasts, assessments, estimates and other information that relate to future events and matters that are uncertain and not exclusively controlled by the Company.**

**Key facts and data underlying this information concern the current position of the Company and its business, the situation in Israel that affects the activity of the Company, various regulatory guidance that apply to the Company and macroeconomic data, all as known to the Company on the date of this report. It is uncertain whether the expectations and assessments of the Company will eventually materialize, and its results of operations may be significantly different than the results that are estimated or implied above, among other factors, due to change in any of the above factors, the intensity, scope, duration of such circumstances, and the ability of the Company to manage them.**

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### 1.6 Financial position and results of activity

The following presents key information from the financial statements of the Company and explanations of main changes in statement of financial position items as of September 30, 2023 compared to December 31, 2022 (NIS in thousands):

	As of September 30 2023 (Unaudited)	As of December 31 2022 (Audited)	Change	Comments and explanations
<b>Assets</b>				
Cash and cash equivalents	30,457	37,941	(7,484)	Decrease is mainly due to dividend distribution
Short term deposits	5,007	10,087	(5,080)	
Marketable securities portfolio	129,975	127,554	2,421	
Trade receivables	26,641	21,959	4,682	Increase derives from increase in the Company's activity and price list
Other receivables	5,064	3,447	1,617	Mainly from increase in prepaid expenses
Current tax assets	2,069	-	2,069	
Excess plan assets for post-retirement employee benefits	1,300	953	347	
Property, plant and equipment, net	24,848	24,891	(43)	
Intangible assets, net	10,879	3,720	7,159	In respect of investment in projects in the reported period.
Right-of-use assets	20,100	20,788	(688)	
Long-term prepaid expenses	5,467	1,922	3,545	Mainly in respect of technological commitments
Deferred taxes	608	664	(56)	
<b>Liabilities and equity</b>				
Current maturities for leases	2,226	2,120	106	
Trade payables	2,527	3,561	(1,034)	
Other payables	16,120	13,033	3,087	
	-	2,170	(2,170)	

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Income tax payable				
Lease liabilities	<b>18,676</b>	19,252	(576)	
Liabilities for employee benefits	<b>1,308</b>	1,342	(34)	
Equity attributed to shareholders of the Company	<b>221,558</b>	212,448	9,110	

## 1.7 Results of operations

The following are the key changes in profit and loss items for the period ended September 30, 2023 compared to the period ended September 30, 2022 (NIS in thousands):

	For the nine-month period ended September 30		For the year ended December 31	Change compared to September	Comments and explanations compared to corresponding period last year
	2023	2022	2022	2022	
	(Unaudited)		(Audited)		
Revenue from services provided to credit card companies	90,183	80,613	108,495	9,570	Increase in transaction-based revenues an increase in the number of pinpads and price list adjustments from May 2023.
Revenue from services provided to others	10,249	6,644	8,788	3,605	Mainly revenues from new services and price list adjustments.
Total revenues	100,432	87,257	117,283	13,175	
Operational, administrative and general expenses	66,732	52,470	71,452	14,262	The increase is mostly due to additional workforce as part of the continued implementation of separation from Masav and implementing the strategic plan (mainly in the technological system). In addition increase in the strengthening of the technological infrastructures and depreciation and amortizations in view of the investments being made.
Operating income	33,700	34,787	45,831	(1,087)	In view of the increase in expenses
Financial income (expenses), net	3,357	(10,532)	(11,391)	13,889	Volatility in the capital market, increase in the value of the Company's portfolio of marketable securities compared to the decrease in the corresponding period last year.
Income before income tax	37,057	24,255	34,440	12,802	Increase derives from the financing effect as aforesaid.
Provision for income tax	8,163	8,066	10,355	97	
Net income attributed to shareholders	28,894	16,189	24,085	12,705	The increase was driven by the trends discussed above.
Net basic and diluted earnings per share	0.72	0.40	0.60		

## **1.8 Liquidity and sources of financing**

The following are the key changes in cash flow items in the period ended September 30, 2023 compared to the period ended September 30, 2022 (NIS in thousands):

	For the nine-month period ended September 30		For the year ended December 31	Comments and explanations compared to corresponding period last year
	2023	2022	2022	
	(Unaudited)		(Audited)	
Net income for the period	28,894	16,189	24,085	
Adjustments to income	13,122	24,705	30,261	Mainly due to finance income (expense), net
Cash flows before changes in asset and liability items and before finance and taxes	42,016	40,894	54,346	
Changes in asset and liability items, net	(7,833)	141	4,233	Mainly from increase in prepaid expenses and trade receivables' balance
Cash flow from taxes and finance	(10,555)	(10,263)	(11,445)	
Net cash provided by operating activity	23,628	30,772	47,134	
Net cash used in investing activity	(7,381)	(35,670)	(29,105)	Mainly from investing in a short-term deposit and investing in projects.
Net cash used in financing activity	(23,731)	(23,305)	(23,915)	In respect of dividend payments

## **1.9 Financing sources**

The Company finances all activity from using its own resources.

## **2. [Exposure to and management of market risks](#)**

### **Market risk exposure of the Company**

In the first nine months of 2023, there were no material changes in the Company's risk assessment and risk profile. For more details regarding the description of the market risks to which the Company is exposed, see section 2 of the Company's board of directors and management report. The marketable securities portfolio as of September 30, 2023 amounted to NIS 129,975 thousand, compared to NIS 127,554 thousand as of December 31, 2022. Cash and bank deposits as of September 30, 2023 amounted to NIS 35,464 thousand, compared to NIS 48,028 thousand as of December 31, 2022. The value of the marketable securities portfolio, cash and bank deposits as of September 30, 2023 amounted to NIS 165,439 thousand compared to NIS 175,582 thousand as of December 31, 2022.

### **Officer responsible for market risk of the Company**

The officer responsible for market risk of the Company is Mr. Eitan Lev Tov, CEO of the Company.

### **Market risk management policy of the Company**

The overall responsibility for market risk management and oversight is of the Company's board of directors. For information about risk management policy, investment policy and oversight of market risk, see the Company's board of directors and management report in the Company's 2022 periodic report.

## 2.1 Fair value of financial instruments and sensitivity tests

### 2.1.1 Fair value of financial instruments

	As of September 30, 2023				
	NIS in thousands				
	Israeli currency		Foreign currency		
	Unlinked	Linked	US dollar	Other	Total
<b>Assets</b>					
Cash and cash equivalents	29,440	-	941	76	30,457
Short term deposits	5,007	-	-	-	5,007
Marketable securities	84,838	38,536	6,601	-	129,975
Trade receivables	26,641	-	-	-	26,641
Other receivables	718	-	-	-	718
Income tax receivable	2,069	-	-	-	2,069
<b>Total financial assets</b>	148,713	38,536	7,542	76	194,867
Current maturities of lease liabilities	-	2,226	-	-	2,226
Trade payables	2,502	-	-	25	2,527
Other payables	8,674	-	-	-	8,674
Lease liabilities	-	18,676	-	-	18,676
<b>Total financial liabilities</b>	11,176	20,902	-	25	32,103
<b>Net fair value of financial instruments</b>	137,537	17,634	7,542	51	162,764

	As of September 30, 2022				
	NIS in thousands				
	Israeli currency		Foreign currency		
	Unlinked	Linked	US dollar	Other	Total
<b>Assets</b>					
Cash and cash equivalents	15,577	-	47	-	15,624
Short term deposits	25,022	-	-	-	25,022
Marketable securities	68,914	49,679	6,389	-	124,982
Trade receivables	23,438	-	-	-	23,438
Other receivables	1,054	-	-	-	1,054
<b>Total financial assets</b>	134,005	49,679	6,436	-	190,120
Current maturities of lease liabilities	-	2,193	-	-	2,193
Trade payables	2,416	-	-	-	2,416
Other payables	8,663	-	-	-	8,663
Income tax payable	-	1,676	-	-	1,676
Lease liabilities	-	19,632	-	-	19,632
<b>Total financial liabilities</b>	11,079	23,501	-	-	34,580
<b>Net fair value of financial instruments</b>	122,926	26,178	6,436	-	155,540

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**2.1.1 Fair value of financial instruments (Cont.)**

	As of December 31, 2022				
	NIS in thousands				
	Israeli currency		Foreign currency		
	Unlinked	Linked	US dollar	Other	Total
<b>Assets</b>					
Cash and cash equivalents	37,937	-	2	2	37,941
Short term deposits	10,087	-	-	-	10,087
Marketable securities	74,064	50,038	3,452	-	127,554
Trade receivables	21,959	-	-	-	21,959
Other receivables	596	-	-	-	596
<b>Total financial assets</b>	144,643	50,038	3,454	2	198,137
Current maturities of lease liabilities	-	2,120	-	-	2,120
Trade payables	3,561	-	-	-	3,561
Other payables	8,529	-	-	-	8,529
Income tax payable	-	2,170	-	-	2,170
Lease liabilities	-	19,252	-	-	19,252
<b>Total financial liabilities</b>	12,090	23,542	-	-	35,632
<b>Net fair value of financial instruments</b>	132,553	26,496	3,454	2	162,505

**2.1.2 Impact of hypothetical changes in interest rate on net fair value of financial instruments:**

	As of September 30, 2023						
	NIS in thousands						
	Net fair value of financial instruments considering change in interest rate						
	Israeli currency		Foreign currency		Change in fair value		
	Unlinked	Linked	US dollar	Other	Total	NIS in thousands	%
Immediate increase of 1%	134,605	16,522	7,503	51	158,681	(4,083)	(2.51)
Immediate increase of 0.1%	137,245	17,523	7,538	51	162,357	(407)	(0.25)
Immediate decrease of 1%	140,472	18,746	7,578	51	166,847	4,083	2.51
Immediate decrease of 0.1%	137,832	17,745	7,543	51	163,171	407	0.25

	As of September 30, 2022						
	NIS in thousands						
	Net fair value of financial instruments considering change in interest rate						
	Israeli currency		Foreign currency		Change in fair value		
	Unlinked	Linked	US dollar	Other	Total	NIS in thousands	%
Immediate increase of 1%	121,105	25,071	6,436	-	152,612	(2,928)	(1.88)
Immediate increase of 0.1%	122,744	26,067	6,436	-	155,247	(293)	(0.19)
Immediate decrease of 1%	124,747	27,285	6,436	-	158,468	2,928	1.88
Immediate decrease of 0.1%	123,109	26,288	6,436	-	155,833	293	0.19

	As of December 31, 2022						
	NIS in thousands						
	Net fair value of financial instruments considering change in interest rate						
	Israeli currency		Foreign currency			Change in fair value	
	Unlinked	Linked	US dollar	Other	Total	NIS in thousands	%
Immediate increase of 1%	130,551	25,474	3,454	2	159,481	(3,024)	(1.86)
Immediate increase of 0.1%	132,352	26,395	3,454	2	162,203	(302)	(0.19)
Immediate decrease of 1%	134,554	27,519	3,454	2	165,529	3,024	1.86
Immediate decrease of 0.1%	132,753	26,598	3,454	2	162,807	302	0.19

**2.1.3 Impact of hypothetical changes in prices of marketable shares on net fair value of financial instruments:**

	As of September 30, 2023						
	NIS in thousands						
	Net fair value of financial instruments considering change in prices of marketable shares						
	Israeli currency		Foreign currency			Change in fair value	
	Unlinked	Linked	US dollar	Other	Total	NIS in thousands	%
Immediate increase of 10%	138,909	17,634	8,070	51	164,664	1,900	1.17
Immediate increase of 5%	138,222	17,634	7,806	51	163,713	949	0.58
Immediate decrease of 10%	136,165	17,634	7,014	51	160,864	(1,900)	(1.17)
Immediate decrease of 5%	136,852	17,634	7,278	51	161,815	(949)	(0.58)

	As of September 30, 2022						
	NIS in thousands						
	Net fair value of financial instruments considering change in prices of marketable shares						
	Israeli currency		Foreign currency			Change in fair value	
	Unlinked	Linked	US dollar	Other	Total	NIS in thousands	%
Immediate increase of 10%	124,548	26,178	7,074	-	157,800	2,260	1.45
Immediate increase of 5%	123,738	26,178	6,755	-	156,671	1,131	0.73
Immediate decrease of 10%	121,305	26,178	5,797	-	153,280	(2,260)	(1.45)
Immediate decrease of 5%	122,115	26,178	6,116	-	154,409	(1,131)	(0.73)

	<b>As of December 31, 2022</b>						
	<b>NIS in thousands</b>						
	<b>Net fair value of financial instruments considering change in prices of marketable shares</b>						
	<b>Israeli currency</b>		<b>Foreign currency</b>			<b>Change in fair value</b>	
	<b>Unlinked</b>	<b>Linked</b>	<b>US dollar</b>	<b>Other</b>	<b>Total</b>	<b>NIS in thousands</b>	<b>%</b>
Immediate increase of 10%	133,868	26,496	4,428	2	164,794	2,289	1.41
Immediate increase of 5%	133,210	26,496	3,942	2	163,650	1,145	0.70
Immediate decrease of 10%	131,237	26,496	2,481	2	160,216	(2,289)	(1.41)
Immediate decrease of 5%	131,894	26,496	2,968	2	161,360	(1,145)	(0.70)

**2.1.4 Impact of changes in the Israel Consumer Price Index on net fair value of financial instruments:**

	<b>As of September 30, 2023</b>						
	<b>NIS in thousands</b>						
	<b>Net fair value of financial instruments considering change in the Israel Consumer Price Index</b>						
	<b>Israeli currency</b>		<b>Foreign currency</b>			<b>Change in fair value</b>	
	<b>Unlinked</b>	<b>Linked</b>	<b>US dollar</b>	<b>Other</b>	<b>Total</b>	<b>NIS in thousands</b>	<b>%</b>
Immediate increase of 2%	137,537	17,987	7,542	51	163,117	353	0.22
Immediate increase of 1%	137,537	17,810	7,542	51	162,940	176	0.11
Immediate decrease of 2%	137,537	17,281	7,542	51	162,411	(353)	(0.22)
Immediate decrease of 1%	137,537	17,458	7,542	51	162,588	(176)	(0.11)

	<b>As of September 30, 2022</b>						
	<b>NIS in thousands</b>						
	<b>Net fair value of financial instruments considering change in the Israel Consumer Price Index</b>						
	<b>Israeli currency</b>		<b>Foreign currency</b>			<b>Change in fair value</b>	
	<b>Unlinked</b>	<b>Linked</b>	<b>US dollar</b>	<b>Other</b>	<b>Total</b>	<b>NIS in thousands</b>	<b>%</b>
Immediate increase of 2%	122,926	26,702	6,436	-	156,064	524	0.34
Immediate increase of 1%	122,926	26,440	6,436	-	155,802	262	0.17
Immediate decrease of 2%	122,926	25,654	6,436	-	155,016	(524)	(0.34)
Immediate decrease of 1%	122,926	25,916	6,436	-	155,278	(262)	(0.17)

## Report of the Board of Directors and Management for the quarter ended September 30, 2023

	As of December 31, 2022						
	NIS in thousands						
	Net fair value of financial instruments considering change in the Israel Consumer Price Index						
	Israeli currency		Foreign currency			Change in fair value	
	Unlinked	Linked	US dollar	Other	Total	NIS in thousands	%
Immediate increase of 2%	132,553	27,026	3,454	2	163,035	530	0.33
Immediate increase of 1%	132,553	26,761	3,454	2	162,770	265	0.16
Immediate decrease of 2%	132,553	25,966	3,454	2	161,975	(530)	(0.33)
Immediate decrease of 1%	132,553	26,231	3,454	2	162,240	(265)	(0.16)

### 3. Disclosure regarding financial reporting of the Company

#### 3.1 Limits on dividend distributions

Distribution of dividend to shareholders of the Company is subject to the provisions of the statute and the Company's articles, as well as the rules and conditions for dividend distribution in the Companies Law.

On March 28, 2023, the Company's Board of Directors decided to distribute a dividend of NIS 22,000 thousand (approximately NIS 0.55 per share) constituting 50% of the profits of 2022 in accordance with the distribution policy in addition to one-time amount of NIS 10 million that was approved for distribution by the Company's board of directors. The dividend was distributed on April 24, 2023. For further details, see the immediate report published by the Company on March 29, 2023 (reference: 2023-01-034542).

For information about dividend distribution by the Company, see section 5 in Chapter A (Description of the Corporation's Business) in the Company's 2022 Annual Report.

#### 3.2 Liabilities by maturity

For information about liabilities of the Company, please refer to an immediate report published on the date of this report regarding the liabilities of the corporation as published in the distribution website of the Israel Securities Authority at [http:// www.magna.isa.gov.il](http://www.magna.isa.gov.il).

### 4. Corporate governance

#### Changes in officers during the Reported Period:

##### Executives (other than directors) who ceased serving during the reported year:

Mr. Gadi Margalit served until January 1, 2023 as the Company's VP of Infrastructure.

### 5. Legal proceedings

See note 3b to the financial statements.

### 6. Internal auditor

## **Report of the Board of Directors and Management for the quarter ended September 30, 2023**

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For details regarding the internal auditor, including the manner of his appointment, the work plan and the scope of the internal audit, see section 5 of the Company's Board of Directors' Report for 2022, which is attached to the Company's Periodic Report for 2022 the information contained therein is by reference.

### **7. Critical accounting estimates**

In the Reported Period, no changes have taken place in critical accounting estimates as discussed in note 2 to the financial statements of the Company as of December 31, 2022.

### **8. Events after the reported period:**

On October 11, the Company published an immediate report (reference number: 2023-01-114948) according to which the Company's general meeting approved:

- The re-appointment of Kesselman and Kesselman PWC Israel as the Company's auditors until the next annual general meeting.
- The re-appointment of Mr. Shay On as an independent director of the Company for an additional term of three years.
- The re-appointment of Ms. Esther Levy as an independent director of the Company for an additional term of three years.
- The re-appointment of Ms. Shani Federman as a director of the Company for an additional term of three years.
- The appointment of Mr. Baruch Gesol as a director of the Company for a term of three years.
- The appointment of Mr. Dan Cohen as a director of the Company for a term of three years.
- The appointment of Mr. Ron Shamir as an independent director of the Company for a term of three years.

For more details, see note 5 to the financial statements.

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**Shalom Bisteri**  
**Chairman of the Board**

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**Eitan Lev Tov**  
**Chief Executive Officer**

Date of approving the financial statements: November 27, 2023.

**AUTOMATED BANKING SERVICES LTD.**  
**INTERIM FINANCIAL INFORMATION**  
**(UNAUDITED)**  
**AS OF SEPTEMBER 30, 2023**



**AUTOMATED BANKING SERVICES LTD.**  
**CONDENSED INTERIM FINANCIAL INFORMATION**  
**(UNAUDITED)**  
**AS OF SEPTEMBER 30, 2023**

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## **Auditors' review report to the shareholders of Automated Banking Services Ltd.**

### *Introduction*

We have reviewed the attached financial information of Automated Banking Services Ltd. (hereinafter - "the Company"), which is comprised of the condensed consolidated statement of financial position as of September 30, 2023, and the condensed consolidated statements of profit or loss, comprehensive income, changes in shareholder's equity and cash flows for the nine-month and three month periods ended on that date. The Board of Directors and management are responsible for the preparation and presentation of the financial information for these interim periods in accordance with the provisions of IAS 34 "Interim Financial Reporting" and are also responsible for preparing financial information for these interim periods in accordance with Chapter D of the Securities Regulations (Periodic and Immediate Reports), -1970. Our responsibility is to express a conclusion with respect to the financial information for these interim periods, based on our review.

### *Scope of review*

Our review was conducted in accordance with the provisions of Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel concerning "Review of financial information for interim periods undertaken by the entity's auditor". A review of financial information for interim periods consists of making enquiries, in particular, of those officials responsible for financial and accounting matters, and of the application of analytical and other review procedures. A review is substantially lesser in scope than an audit conducted in accordance with auditing standards generally accepted in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the above financial information is not prepared, in all material respects, in accordance with IAS 34.

Further to the preceding paragraph, based on our review, nothing has come to our attention that causes us to believe that the above financial information is not in compliance, in all material respects, with the disclosure provisions in Chapter D of Israel Security Regulations (Periodic and Immediate Reports), 1970.

### *Emphasis of matter paragraph*

Without qualifying our opinion, we draw attention to note 3 to the financial statements which describes a decision by the Commissioner of Competition to grant a conditioned exemption from recognition as a restrictive arrangement.

Tel Aviv  
August 23, 2023

Kesselman & Kesselman  
Certified Public Accountants  
Member firm of PricewaterhouseCoopers International Limited

**AUTOMATED BANKING SERVICES LTD.**  
**CONDENSED STATEMENTS OF FINANCIAL POSITION**  
Amounts in thousand NIS

	As of September 30		As of December 31,
	2023	2022	2022
	(Unaudited)		(Audited)
<b>A s s e t s</b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	30,457	15,624	37,941
Short term deposits	5,007	25,022	10,087
Marketable securities	129,975	124,982	127,554
Trade receivables	26,641	23,438	21,959
Other receivables	5,064	4,514	3,447
Current tax assets	2,069	-	-
<b>Total current assets</b>	<b>199,213</b>	<b>193,580</b>	<b>200,988</b>
<b>NON-CURRENT ASSETS:</b>			
Excess plan assets for post-retirement employee benefits	1,300	161	953
Property, plant and equipment, net	24,848	23,110	24,891
Intangible assets – software and licenses, net	10,879	2,484	3,720
Right-of-use assets	20,100	21,344	20,788
Prepaid expenses	5,467	1,626	1,922
Deferred taxes	608	835	664
<b>Total non-current assets</b>	<b>63,202</b>	<b>49,560</b>	<b>52,938</b>
<b>Total assets</b>	<b>262,415</b>	<b>243,140</b>	<b>253,926</b>

**AUTOMATED BANKING SERVICES LTD.**  
**CONDENSED STATEMENT OF FINANCIAL POSITION**  
Amounts in thousand NIS

	As of September 30		As of December 31,
	2023	2022	2022
	(Unaudited)		(Audited)
<b>Liabilities and equity</b>			
<b>CURRENT LIABILITIES:</b>			
Current maturities of lease liabilities	2,226	2,193	2,120
Trade payables	2,527	2,416	3,561
Other payables	16,120	12,409	13,033
Current tax liabilities	-	1,676	2,170
<b>Total current liabilities</b>	<b>20,873</b>	<b>18,694</b>	<b>20,884</b>
<b>NON-CURRENT LIABILITIES:</b>			
Lease liabilities	18,676	19,632	19,252
Liability for employee benefits	1,308	1,548	1,342
<b>Total non-current liabilities</b>	<b>19,984</b>	<b>21,180</b>	<b>20,594</b>
<b>Total liabilities</b>	<b>40,857</b>	<b>39,874</b>	<b>41,478</b>
<b>EQUITY</b>			
Share capital	4,587	4,587	4,587
Share premium	150	150	150
Capital reserve for share based payment	4,109	1,466	2,139
Other comprehensive loss	(1,624)	(2,483)	(1,870)
Retained earnings	214,336	199,546	207,442
<b>Total equity attributed to shareholders of the Company</b>	<b>221,558</b>	<b>203,266</b>	<b>212,448</b>
<b>Total liabilities and equity</b>	<b>262,415</b>	<b>243,140</b>	<b>253,926</b>

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**Shalom Bisteri**  
Chairman of the  
Board

\_\_\_\_\_  
**Eitan lev Tov**  
Chief Executive  
Officer

\_\_\_\_\_  
**Ofer Eden**  
CFO and Chief  
Accountant

Date of approving the financial information: November 27, 2023.

The notes to the condensed financial information are an integral part thereof.

**AUTOMATED BANKING SERVICES LTD.**  
**CONDENSED STATEMENT OF PROFIT OR LOSS**  
Amounts in thousand NIS

	For the nine-month period ended September 30		For the three-month period ended September 30		For the year ended December 31
	2023	2022	2023	2022	2022
	(Unaudited)		(Unaudited)		(Audited)
<b>Revenues</b>					
From the provision of services to credit card companies	<b>90,183</b>	80,613	<b>31,540</b>	27,670	108,495
From the provision of services to others	<b>10,249</b>	6,644	<b>4,397</b>	2,355	8,788
<b>Total Revenues</b>	<b>100,432</b>	87,257	<b>35,937</b>	30,025	117,283
<b>Operating, general and administrative expenses</b>	<b>66,732</b>	52,470	<b>24,328</b>	19,108	71,452
<b>Operating profit</b>	<b>33,700</b>	34,787	<b>11,609</b>	10,917	45,831
Finance Income (expenses) from marketable securities, net	<b>3,109</b>	(10,241)	<b>(46)</b>	(2,265)	(11,142)
Finance income	<b>813</b>	97	<b>313</b>	41	325
Finance expenses	<b>(565)</b>	(388)	<b>(148)</b>	(187)	(574)
<b>Finance income (expenses), net</b>	<b>3,357</b>	(10,532)	<b>119</b>	(2,411)	(11,391)
<b>Profit before taxes on income</b>	<b>37,057</b>	24,255	<b>11,728</b>	8,506	34,440
Income tax	<b>8,163</b>	8,066	<b>3,037</b>	3,096	10,355
<b>Net profit attributable to Company shareholders</b>	<b>28,894</b>	16,189	<b>8,691</b>	5,410	24,085
<b>Net basic and diluted earnings per share attributable to shareholders (in NIS)</b>	<b>0.72</b>	0.40	<b>0.22</b>	0.14	0.60

The notes to the condensed financial information are an integral part thereof.

**AUTOMATED BANKING SERVICES LTD.**  
**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
Amounts in thousand NIS

	For the nine-month period ended September 30		For the three-month period ended September 30		For the year ended December 31
	2023	2022	2023	2022	2022
	(Unaudited)		(Unaudited)		(Audited)
<b>Net income</b>	<b>28,894</b>	16,189	<b>8,691</b>	5,410	24,085
Components of other comprehensive income					
Amounts not reclassified to profit or loss:					
Adjustments required for employee benefits	<b>320</b>	1,043	<b>320</b>	288	1,839
Relevant tax impact	<b>(74)</b>	(240)	<b>(74)</b>	(66)	(423)
<b>Other comprehensive income attributed to shareholders, after tax</b>	<b>246</b>	803	<b>246</b>	222	1,416
<b>Total comprehensive income attributed to shareholders</b>	<b>29,140</b>	16,992	<b>8,937</b>	5,632	25,501

The notes to the condensed financial information are an integral part thereof.

Condensed Interim Financial Statements as of September 30, 2023

**AUTOMATED BANKING SERVICES LTD.**  
CONDENSED STATEMENT OF CHANGES IN EQUITY  
Amounts in thousand NIS

For the nine-month period ended September 30, 2023 (unaudited)

	Share capital	Share premium	Capital reserve for share based payment	Accumulated other comprehensive loss	Retained earnings	Total equity
<b>Balance at January 1, 2023</b>	4,587	150	2,139	(1,870)	207,442	212,448
Changes during period:						
Net income for the period	-	-	-	-	28,894	28,894
Other comprehensive income	-	-	-	246	-	246
Total comprehensive income	-	-	-	246	28,894	29,140
Cost of share based payment	-	-	1,970	-	-	1,970
Dividend distributed	-	-	-	-	(22,000)	(22,000)
<b>Balance at September 30, 2023</b>	<u>4,587</u>	<u>150</u>	<u>4,109</u>	<u>(1,624)</u>	<u>214,336</u>	<u>221,558</u>

For the nine-month period ended September 30, 2022 (unaudited)

	Share capital	Share premium	Capital reserve for share based payment	Accumulated other comprehensive loss	Retained earnings	Total equity
<b>Balance at January 1, 2022</b>	4,587	150	-	(3,286)	205,357	206,808
Changes during period:						
Net income for the period	-	-	-	-	16,189	16,189
Other comprehensive income	-	-	-	803	-	803
Total comprehensive income	-	-	-	803	16,189	16,992
Cost of share based payment	-	-	1,466	-	-	1,466
Dividend payable	-	-	-	-	(22,000)	(22,000)
<b>Balance at September 30, 2022</b>	<u>4,587</u>	<u>150</u>	<u>1,466</u>	<u>(2,483)</u>	<u>199,546</u>	<u>203,266</u>

The notes to the condensed financial information are an integral part thereof.

## Condensed Interim Financial Statements as of September 30, 2023

For the three-month period ended September 30, 2023 (unaudited)

	Share capital	Share premium	Capital reserve for share based payment	Accumulated other comprehensive loss	Retained earnings	Total equity
<b>Balance at July 1, 2023</b>	4,587	150	3,443	(1,870)	205,645	211,955
Changes during period:						
Net income for the period	-	-	-	-	8,691	8,691
Other comprehensive income	-	-	-	246	-	246
Total comprehensive income	-	-	-	246	8,691	8,937
Cost of share based payment	-	-	666	-	-	666
<b>Balance at September 30, 2023</b>	<u>4,587</u>	<u>150</u>	<u>4,109</u>	<u>(1,624)</u>	<u>214,336</u>	<u>221,558</u>

For the three-month period ended September 30, 2022 (unaudited)

	Share capital	Share premium	Capital reserve for share based payment	Accumulated other comprehensive loss	Retained earnings	Total equity
<b>Balance at July 1, 2022</b>	4,587	150	887	(2,705)	194,136	197,055
Changes during period:						
Net income for the period	-	-	-	-	5,410	5,410
Other comprehensive income	-	-	-	222	-	222
Total comprehensive income	-	-	-	222	5,410	5,632
Cost of share based payment	-	-	579	-	-	579
<b>Balance at September 30, 2022</b>	<u>4,587</u>	<u>150</u>	<u>1,466</u>	<u>(2,483)</u>	<u>199,546</u>	<u>203,266</u>

The notes to the condensed financial information are an integral part thereof.

**Condensed Interim Financial Statements as of September 30, 2023**

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**For the year ended December 31, 2022 (audited)**

	<u>Share capital</u>	<u>Share premium</u>	<u>Capital reserve for share based payment</u>	<u>Accumulated other comprehensive loss</u>	<u>Retained earnings</u>	<u>Total equity</u>
Balance at January 1, 2022	4,587	150	-	(3,286)	205,357	206,808
Changes during period:						
Net income	-	-	-	-	24,085	24,085
Other comprehensive income	-	-	-	1,416	-	1,416
Total comprehensive income	-	-	-	1,416	24,085	25,501
Cost of share based payment	-	-	2,139	-	-	2,139
Dividend paid	-	-	-	-	(22,000)	(22,000)
Balance at December 31, 2022	<u>4,587</u>	<u>150</u>	<u>2,139</u>	<u>(1,870)</u>	<u>207,442</u>	<u>212,448</u>

**The notes to the condensed financial information are an integral part thereof.**

**AUTOMATED BANKING SERVICES LTD.**  
**CONDENSED STATEMENT OF CASH FLOWS**  
Amounts in thousand NIS

	For the nine-month period ended September 30		For the three-month period ended September 30		For the year ended December 31
	2023	2022	2023	2022	2022
	(Unaudited)		(Unaudited)		(Audited)
<b>Cash flows from operating activity:</b>					
<b>Net income for the period</b>	<b>28,894</b>	16,189	<b>8,691</b>	5,410	24,085
Adjustments required to present cash flows from operating activity					
Adjustments to profit and loss items:					
Depreciation and amortization	6,407	4,915	2,299	1,875	6,852
Capital loss	-	3	-	3	3
Expenses in respect of share based payment transactions	1,970	1,466	666	579	2,139
Liability for post-retirement employee benefits, net	(42)	43	(27)	15	47
Changes in liabilities for employee benefits, net	(19)	(320)	4	(196)	(526)
Income tax	8,163	8,066	3,037	3,096	10,355
Finance expenses (income), net	(3,357)	10,532	(119)	2,411	11,391
<b>Change in asset and liability items:</b>					
Decrease (increase) in trade receivables	(4,682)	(1,072)	1,908	(268)	407
Decrease (increase) in other receivables	(5,204)	1,427	2,208	(1,443)	2,271
Increase (decrease) in trade payables	(1,034)	1,261	(537)	661	2,406
Increase (decrease) in other payables	3,087	(1,475)	2,017	4,730	(851)
<b>Cash flows from operating activity before finance and taxes</b>	<b>34,183</b>	41,035	<b>20,147</b>	16,873	58,579
Interest received	2,541	2,102	1,485	1,320	3,077
Interest and fees paid	(675)	(474)	(136)	(229)	(824)
Taxes paid, net	(12,421)	(11,891)	(4,019)	(2,837)	(13,698)
<b>Net cash provided by operating activity</b>	<b>23,628</b>	30,772	<b>17,478</b>	15,127	47,134

The notes to the condensed financial information are an integral part thereof.

**Condensed Interim Financial Statements as of September 30, 2023**

	For the nine-month period ended September 30		For the three-month period ended September 30		For the year ended December 31
	2023	2022	2023	2022	2022
	(Unaudited)		(Unaudited)		(Audited)
<b>Cash flows from investing activity:</b>					
Repayment (investment) in short term deposits	5,000	(25,000)	5,000	(25,000)	(10,000)
Purchase of marketable securities	(77,243)	(57,830)	(25,200)	(35,186)	(77,827)
Proceeds from sale of marketable securities	76,393	57,537	25,057	34,792	73,413
Acquisitions and investments in property, plant and equipment and intangible assets	(11,531)	(10,377)	(3,333)	(8,942)	(14,691)
<b>Net cash provided by (used in) investing activity</b>	<b>(7,381)</b>	<b>(35,670)</b>	<b>1,524</b>	<b>(34,336)</b>	<b>(29,105)</b>
<b>Cash flows from financing activity:</b>					
Maturity of lease liabilities	(1,731)	(1,305)	(581)	(555)	(1,915)
Dividend paid	(22,000)	(22,000)	-	-	(22,000)
<b>Net cash used in financing activity</b>	<b>(23,731)</b>	<b>(23,305)</b>	<b>(581)</b>	<b>(555)</b>	<b>(23,915)</b>
<b>Change in cash and cash equivalents</b>	<b>(7,484)</b>	<b>(28,203)</b>	<b>18,420</b>	<b>(19,764)</b>	<b>(5,886)</b>
<b>Balance of cash and cash equivalents at beginning of the period</b>	<b>37,941</b>	<b>43,827</b>	<b>12,036</b>	<b>35,388</b>	<b>43,827</b>
<b>Balance of cash and cash equivalents at end of the period</b>	<b>30,457</b>	<b>15,624</b>	<b>30,457</b>	<b>15,624</b>	<b>37,941</b>

The notes to the condensed financial information are an integral part thereof.

**Condensed Interim Financial Statements as of September 30, 2023**

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	For the nine-month period ended September 30		For the three-month period ended September 30		For the year ended December 31
	2023	2022	2023	2022	2022
	(Unaudited)		(Unaudited)		(Audited)
<b>Appendix A – material non-cash transactions</b>					
Recognition of right-of-use assets against lease liability	1,262	10,962	264	741	11,119

**The notes to the condensed financial information are an integral part thereof.**

**AUTOMATED BANKING SERVICES LTD.****NOTES TO FINANCIAL STATEMENTS****NOTE 1 - GENERAL****a. The reporting entity**

1. Automated banking Services Ltd. (hereinafter: the “**Company**”) was incorporated in Israel on September 13, 1978, and its official corporate address is 26 HaRokmim St., Holon.
2. On May 27, 2019, the Company published a supplementary prospectus and a shelf prospectus dated May 28, 2019 (hereinafter: the “Prospectus”), in which Company's shares were sold to the public by Company's shareholders. The Company's shares were also listed on the Tel Aviv Stock Exchange and trading of the shares began on June 12, 2019, and the Company became a public company (reporting corporation).
3. On June 20, 2022, a notification was received on behalf of the supervisor of banks about the end of the period of application of proper banking management directives to the Company.
4. The Company is currently operating in a single operating segment, the clearing segment, which includes the operation of a bidirectional communication system connecting acquirers and charge card issuers and businesses, management and operation of a clearing interface for communication between acquirers and charge card issuers, which allows the settling of accounts and the transfer of information between them in connection with such transactions, management and operation of a switching system that connects ATM networks and development and distribution of the Ashrait PC and Ashrait EMV software and other related services. 21
5. Most of the Company's revenues derive from the provision of services to credit card companies. For details regarding the Competition Commissioner's decision to grant an additional exemption for the Company's activity in the transaction collection and authorization services and in interface services for acquirers and issuers, see Note 17 in Part CF of the periodic report for 2022.

**b. The interim financial information is reviewed and not audited.****c. The condensed interim financial information was approved for publication by the Company's Board of Directors on November 27, 2023.**

**AUTOMATED BANKING SERVICES LTD.****NOTES TO FINANCIAL STATEMENTS****NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES****a. Basis of presentation of the present financial information**

The interim condensed consolidated financial information of the Company as of September 30, 2023 (hereinafter – the "Interim Financial Information") was prepared in accordance with IAS 34 "Interim Financial Reporting", including the additional disclosure required by Chapter D of Securities Regulation (Periodic and Immediate Reports), 1970.

The interim financial information does not include all the information and disclosures required in the annual financial statements. The interim financial information should be read in conjunction with the annual financial statements for 2022 and the accompanying notes, which comply with the International Financial Reporting Standards, which are standards and interpretations published by the International Accounting Standards Board (hereinafter - IFRS) and include the additional disclosure required in accordance with the Securities Regulations (Annual Financial Statements), 2010.

**b. Use of estimates and judgment**

The preparation of interim financial information in accordance with IFRS requires management to make judgment in estimates and assumptions that affect application of policy and the carrying amounts of assets and liabilities, income and expenses items. It is clarified that actual results may differ from those estimates.

When formulating the accounting estimates used in the preparation of the Company's financial statements, management is required to make assumptions regarding circumstances and events that involve significant uncertainty. When using its discretion in determining these estimates, the Company's management relies on past experience, various facts, external factors, and reasonable assumptions according to the relevant circumstances for every estimate.

The estimates and assumptions underlying them, including those arising from the Company's economic operating environment, are reviewed on an ongoing basis. Changes in accounting estimates are recognized in the period in which the estimates are amended and in all affected periods in the future.

**Critical estimates**

The Company does not have critical estimates.

**c. Significant accounting policies and calculation methods applied in preparing the interim financial information are consistent with those used in preparing the 2022 annual financial statements of the Company:****Income tax**

Taxes on income for interim periods are recognized based on the best management estimate of the average tax rate that will apply to the projected annual profits.

**AUTOMATED BANKING SERVICES LTD.**

## NOTES TO FINANCIAL STATEMENTS

**NOTE 3 – CONTINGENT LIABILITIES AND COMMITMENTS****a. Decisions of the Commissioner of Competition****Exemption from restrictive arrangement**

Since 2002, the Company has operated in compliance with decisions of the Competition Authority regarding an exemption from approval of a restrictive arrangement between Bank Hapoalim Ltd, Bank Leumi Ltd, Bank Discount Ltd, the First International Bank of Israel Ltd and the Company.

The latest decision regarding the exemption from approval of a restrictive arrangement was issued on December 28, 2022 for a period of five years (hereinafter: the “**Exemption Decision**”).

The exemption decision refers to several main points:

- (a) As part of the exemption decision, the Commissioner did not accept the Company's request to cancel the condition which limits the areas of activity permitted and which requires that its entry into any additional area of activity be subject to the approval of the commissioner. Also, the Commissioner expressed her position that to the extent that the banks' share in the Company's shares was lower than the current situation, so that each bank's share would not exceed 5%, this was to significantly alleviate the competitive concerns, as per the commissioner's position and to eliminate the need for this exemption.
- (b) The Company may only be engaged in the following areas of activity:
  - (1) Operation of an ATM switch;
  - (2) Operation of a charge cards switch and systems for collecting and processing transactions;
  - (3) Engagement in activity related to the protocol for a limited period, as specified in (b) below;
  - (4) Engagement in activities involving the Ashrait 96 protocol;
  - (5) Development, operation and distribution of the Ashrait PC software;
  - (6) End-to-end certification services for the EMV standard;
  - (7) Activities associated with the aforementioned fields of activity;
  - (8) Any additional field of activity that may be approved by the Commissioner.
- (c) The terms of the services the Company is obligated to provide, including various instructions regarding the conditions for connecting to the Company's systems, as well as instructions regarding activity with manufacturers and the execution of end-to-end certifications to EMV standard.
- (d) Also, the exemption decision stipulates that the Company will publish on its website a rate for each of the services it provides within the Company's systems as defined in the definitions section, as follows: one or more of these: an ATM switch, a charge card switch and a transaction collection and processing system.

**AUTOMATED BANKING SERVICES LTD.****NOTES TO FINANCIAL STATEMENTS****NOTE 3 – CONTINGENT LIABILITIES AND COMMITMENTS (CONT.)****Approval of the Competition Commissioner for the Company to engage in the provision of aggregate information**

The foregoing is added to the Commissioner approval dated April 25, 2011, in which the Commissioner approved for the Company to engage in providing aggregate information based on the data stored in the Company's databases according to the conditions specified in the exemption decision.

**The Company's request to engage in providing a financial information service**

Under the conditions established within the Commissioner's exemption decision of September 24, 2017, the areas of activity in which the Company may engage were defined. In addition, the Company was also allowed to engage in any additional field of activity that the Commissioner would approve. In accordance with the aforementioned, the Company applied to the Commissioner with a request to engage in providing a financial information service in accordance with the Financial Information Service Law, 2021 (hereinafter: "Financial Information Service Law"). As part of this request, the Company stated that in its activity of providing information services, it is expected to allow the competitive activity in the field of open banking, by establishing an infrastructure separate from the controlled payment system, which will provide technological back-office services, aggregation services and a link (based on an API interface) between financial service providers (such as fintech companies and other financial entities) to all information sources in Israel (such as banks, credit card companies, institutional bodies, etc.).

After negotiations conducted between the Company and the competition authority, including a conversation of concerns and a hearing, on March 12, 2023, the commissioner's decision was made not to approve at this stage the Company's request to engage in the activity of providing a financial information service in accordance with the Financial Information Service Law because the current activity may raise concerns of harming competition.

**Separation of the Company from Masav – separation outline**

On February 27, 2022, the Company and Masav submitted an application for approval of a restrictive arrangement under conditions with the consent of the Commissioner to the Competition Court. The Commissioner and the companies requested the court to approve under the conditions attached as an appendix to their application (the "conditions") the restrictive arrangement between the companies that was submitted to the court's approval on May 10, 2020, until December 31, 2029.

Simultaneously with the submission of the application for approval of a restrictive arrangement under conditions with consent, the companies' application for a temporary permit for the restrictive arrangement between them for a period of two months was submitted, in order to allow the court to decide on the application for approval of a restrictive arrangement and a recommendation of the Commissioner for temporary permit was submitted.

**AUTOMATED BANKING SERVICES LTD.****NOTES TO FINANCIAL STATEMENTS****NOTE 3 – CONTINGENT LIABILITIES AND COMMITMENTS (CONT.)**

The following are the main terms agreed upon between the parties:

- Until December 31, 2027, all joint affiliations between the applicants will be completely disconnected, so that at the end of the date for approving the restrictive arrangement, no joint affiliations will remain between them and no services will be provided from one company to another that are not as part of the services they sell to the public.
- Severing the joint affiliations will be done gradually and in a controlled manner. In general, affiliations that have a greater impact on competition and that may raise more significant competitive concerns will be separated sooner. Affiliations whose impact on competition is lesser and whose separation involves greater technical complexity will be separated later.
- In the interim period until the complete separation of all affiliations, the applicants will cooperate in a manner that reduces the fear of reducing competition between them, and only between the officers required for a particular matter, in accordance with the conditions.
- The terms and conditions require the documentation of the meetings and joint conversations of the companies' managements, in a manner that will allow the Commissioner, if necessary, to monitor the implementation of the terms and the affiliations among the applicants.

The approval of the restrictive arrangement is valid until December 31, 2029.

On March 27, 2022, approval of the restrictive arrangement under conditions was granted by the Competition Court, in light of the grounds for the application and the consent of the parties. The approval of the restrictive arrangement under conditions is valid until December 31, 2029.

On April 12, 2022, the Company issued an immediate report according to which, in view of the grounds for the request and the consent of the parties, approval of the restrictive arrangement under conditions was given by the Competition Court. The approval of the restrictive arrangement under conditions is valid until December 31, 2029, as requested.

**AUTOMATED BANKING SERVICES LTD.****NOTES TO FINANCIAL STATEMENTS****NOTE 3 – CONTINGENT LIABILITIES AND COMMITMENTS (CONT.)**

In accordance with the terms of the restrictive arrangement and the separation outline approved by the Competition Court on March 27, 2022 and in accordance with the provisions of mutual billing agreement dated June 12, 2019, the Company and Masav agreed during June 2022, on moving to a customer-supplier arrangement, temporarily until September 30, 2022 or until the signing of a new agreement, whichever is later and in any case not later than June 15, 2023. As part of the temporary agreement the date of which has elapsed the Company and Masav agreed on principles towards signing a permanent agreement including mediation procedure and arbitration outline. Until the approval date of the financial statements, Despite the many efforts and resources taken on the Company's part until the approval of the financial statements, no new permanent supplier – customer agreement was signed and the companies continue to negotiate regarding the continued procedures amongst them, the continued mediation and arbitration procedure to reach a permanent supplier-customer agreement.

For further details regarding the separation between the Company and Masav see the periodic report for 2022.

**a. Lawsuits and class actions**

Various legal proceedings are pending against the Company in the ordinary course of business.

Presented below are details regarding the main legal proceedings:

On June 14, 2017, Mitug Distributed Systems Ltd. ("Mitug") filed a claim against the Company and against Smart Advanced ATM Services and Hatamar Fund Ltd. ("Hatamar Fund"). In the claim, Mitug brought various allegations against the Company in connection with rights and the use of a software application called MultiXFS, which was developed by Mitug for the Company in 2006, and which is installed in ATMs.

On March 7, 2023, a partial ruling (partial ruling) was rendered in Mitug claim by the Tel Aviv District Court where it was determined, among others:

- That the ownership of the MultiXFS software belongs to Mitug and has not been transferred to the Company. However, the court ruled that the Company purchased, in accordance with contractual system between the Company and Mitug, 290 licenses to install the software in the ATM devices, and therefore the Company was entitled to transfer those 290 ATM devices in which the software was installed to Hatamar Fund as part of the transaction, contrary to what was claimed by Mitug and there was no infringement of Mitug's rights.

Accordingly, the court ruled that "Shva was entitled to transfer to Hatamar Fund the copies for which it had acquired the use licenses from Mitug". In addition, it was determined that the transfer of one more copy (beyond the 290 copies) for which no consideration was paid to Mitug constitutes a violation of Mitug's copyright as an "infringing copy".

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**NOTE 3 – CONTINGENT LIABILITIES AND COMMITMENTS (CONT.)**

- With regard to the additional copies that were installed on Hatamar Fund devices (apparently there are several hundred additional copies), it was determined that "the copies of the software that were installed on additional ATM machines in Hatamar Fund were created in a manner contrary to the license agreements assigned to it and the conduct of the fund can be seen as a violation of the agreements or a violation of copyrights".
- In light of these determinations, it was determined among others that:
  - The court prohibits the Company from using the source code or transferring it to Hatamar Fund or any third party.
  - Since the Company was entitled to transfer to Hatamar Fund the 290 copies for which it had paid, these copies do not entitle Mitug to any compensation. Mitug will probably be entitled to compensation from the Company only for the additional copy (No. 291) for which the Company did not pay Mitug a license fee - a value of 1,821 NIS.
  - Mitug will be entitled to compensation for the additional copies (beyond the 290 copies for which license fees were paid by Shva) that were installed in Hatamar Fund devices without a permit from Mitug after the transaction with Shva. The compensation is NIS 1,821 per copy.

On July 16, 2023, after the reported period, a decision and supplementary judgment was issued by the court ("supplementary judgment") which determined, among other things, that the Company was charged with the amount of NIS 2,188.31 and Mitug was charged with the amount of NIS 708,352.36 as of the date of the partial ruling. In addition, it was determined that the Company and the Tamar Fund are obligated to pay the plaintiff's expenses regarding the fee paid, the plaintiff's share of the recording and transcription expenses) the expenses bear linkage differences and interest from the date they were spent and participation in its additional expenses amounting to NIS 75,000. It was clarified that despite the difference in the financial liability between the defendants regarding the remedies, based on the findings of the hearing in the partial ruling, the court deemed it appropriate to oblige the Company and the Tamar Fund jointly and severally.

The Company acted according to the ruling and paid the expenses to the plaintiff as requested.

**AUTOMATED BANKING SERVICES LTD.****NOTES TO FINANCIAL STATEMENTS****NOTE 4 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT****a. Financial instruments**

The Company's financial instruments include the following assets and liabilities: cash and cash equivalents, bank deposits, held-for-trading securities, other accounts receivable and other accounts payable. Due to their nature, the fair value of the Company's financial instruments is identical to, or approximates their carrying amounts in the financial statements.

**b. Financial risk management**

The activity of the Company exposes it to a range of financial risks: market risk (including inflation risk, exchange rate risk, price risk and interest rate risk), credit risk and liquidity risk.

As discussed above, the interim financial information does not include all information and disclosures required in annual financial statements, including regarding financial risk management of the Company, and therefore, the interim financial information should be read together with the 2022 annual financial statements and accompanying notes.

No material changes in the financial risk management policy of the Company took place relative to that reported in the 2022 annual financial statements.

**NOTE 5 – EVENTS AFTER THE REPORTED PERIOD**

- a. After the reported period, on October 7, 2023, a murderous attack from Gaza strip was launched in which hundreds of terrorists infiltrated settlements in southern Israel from land, air and sea and massive shooting of rockets was carried out towards Israel's territory. In this terror attack more than one thousand civilians including personnel of the various armed forces were murdered and thousands were wounded. In addition, it was reported that dozens of civilians and soldiers were captured by the terrorist organization Hamas and transferred to the Gaza Strip. On this day, the "Iron Swords" war (hereinafter: "the war") broke out in the State of Israel. The war going on around the Gaza Strip and the border of the Gaza Strip has also expanded to the northern region and is also affecting the center of the country and the Israeli home front throughout the country. As part of the war, hundreds of thousands of Israelis were evacuated from their homes and a massive recruitment of reservists was carried out for an unknown period. In addition, the war resulted in a series of consequences and restrictions, such as the closing of many businesses, and in particular the closing of factories in the south and north of the country, restrictions on gatherings, restrictions on studies in the education system, damage to infrastructure and more. The war situation led to a slowdown in business activity in the entire Israeli economy which led to sharp declines in the financial markets in Israel, as well as a significant decrease in the use of charge cards.

**NOTE 5 – EVENTS AFTER THE REPORTED PERIOD (Cont.)**

In view of the foregoing, the Company experienced a decrease in the amount of transactions with charge cards from the inception of the war. The extent of the decrease in the use of charge cards is not stable and it changes throughout the days of the war until now. As per the Company's estimate, in accordance with data accumulated by the Company, this decrease, as long as it continues, is expected to have a material (negative) effect on the Company's revenues and profitability in the last quarter of 2023 and, accordingly, on the entire 2023. See the Company's immediate report of November 16, 2023 (reference number 2023-01-125034).

- b. On October 11, the Company published an immediate report (reference number: 2023-01-114948) according to which the Company's general meeting approved:
- The re-appointment of Kesselman and Kesselman PWC Israel as the Company's auditors until the next annual general meeting.
  - The re-appointment of Mr. Shay On as an independent director of the Company for an additional term of three years.
  - The re-appointment of Ms. Esther Levy as an independent director of the Company for an additional term of three years.
  - The re-appointment of Ms. Shani Federman as a director of the Company for an additional term of three years.
  - The appointment of Mr. Baruch Gesol as a director of the Company for a term of three years.
  - The appointment of Mr. Dan Cohen as a director of the Company for a term of three years.
  - The appointment of Mr. Ron Shamir as an independent director of the Company for a term of three years.

**Quarterly Report on Effectiveness of Internal Control over Financial Reporting and Disclosure according to Regulation 38C(a)**

Management, supervised by the Board of Directors of Automated Banking Services Ltd. (the "**Company**"), is responsible to set and maintain proper internal control over financial reporting and disclosure by the corporation.

For this matter, management consists of:

1. Eitan Lev Tov, General Manager (CEO);
2. Ofer Eden, VP Finance (CFO);

Internal control over financial reporting and disclosure consists of controls and procedures in place at the Company, which have been designed by the General Manager and the most senior financial officer, or under their supervision, or by those performing in practice said capacities, under oversight of the Company's Board of Directors, and which are intended to provide reasonable assurance regarding the reliability of financial reporting and preparation of reports pursuant to statutory provisions, and to ensure that information the Company is required to disclose in reports it issues pursuant to statutory provisions is collected, analyzed, summarized and reported duly and in the format prescribed by law.

Internal control includes, inter alia, controls and procedures designed to ensure that information that the Company is required to disclose, as above, is collected and submitted to corporate management, including to the General Manager and to the most senior financial officer, or to those performing in practice said capacities, so as to enable decisions to be duly made with regards to the required disclosure.

Due to its inherent limitations, internal control over financial reporting and disclosure is not designed to provide absolute assurance that misrepresentation or omission of information on the reports is prevented or detected.

In the quarterly report on the effectiveness of internal control over financial reporting and disclosure that accompanies the quarterly report for the period ended June 30, 2023 (hereinafter - **the Latest Annual Report on Internal Control**), internal control was effective.

Through the date of this report, no event or matter has been brought to the attention of the Board of Directors and management that may change the evaluation of internal control effectiveness as presented in the Latest Annual Report on Internal Control.

As of the date of this report, based on the Latest Quarterly Report on the last Internal Control, and based on the information that was brought to the attention of management and the Board of Directors, the internal control is effective.

**CEO declaration pursuant to Regulation 38C(d)(1)**

I, Eitan Lev Tov, declare that:

- (1) I have reviewed the interim report of Automated Banking Services Ltd. (hereinafter: "the Company") for the third quarter of 2023 (hereinafter "**the Reports**" or "**the Interim Reports**");
- (2) To my knowledge, the interim reports are free of any misrepresentation of any material fact and no representation of any material fact required for making the representations therein, under the circumstances in which they were made, not misleading in reference to the period covered by the report is missing.
- (3) To my knowledge, the interim reports and the other financial information included in the interim reports present fairly, in all material respects, the financial position, results of operations and cash flows of the Company as of the dates and for the periods presented in the Reports.
- (4) I have disclosed to the Company's independent auditor, Board of Directors and the Board's Audit Committee, based on my most up-to-date assessment of the internal control over financial reporting and disclosure:
  - (a) All significant deficiencies and material weaknesses in the design or implementation of internal control over financial reporting and disclosure which may reasonably and adversely impact the corporation's ability to collect, analyze, summarize or report financial information in a manner that may cast doubt over the reliability of financial reporting and preparation of financial statements pursuant to statutory provisions; and
  - (b) Any fraud, whether or not material, involving the General Manager or any of the direct reports thereof, or involving any other employees with significant capacity in internal control over financial reporting and disclosure.
- (5) I, alone or together with others in the Company:
  - (a) have established controls and procedures, or have verified their determination and existence under my supervision of controls and procedures, designed to ensure that material information relating to the Company is brought to my attention by others in the Company, in particular during the preparation period of the reports; and-
  - (b) have established controls and procedures, or have verified their establishment and existence under my supervision of controls and procedures, designed to reasonably ensure the reliability of the financial reporting and the preparation of the financial statements in accordance with the provisions of the law, including in accordance with generally accepted accounting principles;
  - (c) I have not been informed of any event or matter that occurred during the period between the date of the last quarterly report and the date of this report, which may change the conclusions of the board of directors and management regarding the effectiveness of internal control over financial reporting and disclosure of the corporation.

The foregoing shall not derogate from my statutory responsibility, or that of any other person, under any law.

November 27, 2023

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**Eitan Lev Tov**  
**CEO**

**Declaration of the most senior financial officer pursuant to Regulation 38C(d)(2)**

I, Ofer Eden, declare that:

- (1) I have reviewed the interim financial statements and other financial information included in the interim reports of Automated Banking Services Ltd. (hereinafter: "**the Company**") for the third quarter of 2023 (hereinafter "**the Reports**" or the "**Interim Reports**");
- (2) To my knowledge, the Interim Reports and the other information included in the Interim Reports is free of any misrepresentation of any material fact and no representation of any material fact required for making the representations therein, under the circumstances in which they were made, not misleading in reference to the period covered by the report is missing.
- (3) To my knowledge, the Interim Reports and the other information included in the Interim Reports present fairly, in all material respects, the financial position, results of operations and cash flows of the Company as of the dates and for the periods presented in the Reports.
- (4) I have disclosed to the Company's independent auditor, Board of Directors and the Board's Audit Committee, based on my most up-to-date assessment of the internal control over financial reporting and disclosure:
  - (a) All significant deficiencies and material weaknesses in the design or implementation of internal control over financial reporting and disclosure, to the extent is refers to the Interim Reports and the other information included in the Interim Reports, which may reasonably and adversely impact the Company's ability to collect, analyze, summarize or report financial information in a manner that may cast doubt over the reliability of financial reporting and preparation of financial statements pursuant to statutory provisions; and
  - (b) Any fraud, whether or not material, involving the General Manager or any of the direct reports thereof, or involving any other employees with significant capacity in internal control over financial reporting and disclosure.
- (5) I, alone or together with others in the Company:
  - (a) have established controls and procedures, or have verified their determination and existence under my supervision of controls and procedures, designed to ensure that material information relating to the Company is brought to my attention by others in the Company, in particular during the preparation period of the reports; and-
  - (b) have established controls and procedures, or have verified their establishment and existence under my supervision of controls and procedures, designed to reasonably ensure the reliability of the financial reporting and the preparation of the financial statements in accordance with the provisions of the law, including in accordance with generally accepted accounting principles;
  - (c) I have not been informed of any event or matter that occurred during the period between the date of the last quarterly report and the date of this report, which may change the conclusions of the board of directors and management regarding the effectiveness of internal control over financial reporting and disclosure of the corporation.

The foregoing shall not derogate from my statutory responsibility, or that of any other person, under any law.

November 27, 2023

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**Ofer Eden - VP Finance (CFO)**