



## Continuous Growth Trend

Investor Deck Q1/23 Results Summary

This version is an English translation of the official and original version of the presentation published on the Tel Aviv Stock Exchange website on May 24th 2023, as drafted in Hebrew. This translation is meant to be used as a reference only. In case of any contradiction or incompatibility between the Hebrew and the English versions, the Hebrew version shall prevail.

# Legal Disclaimer

This concise presentation about Isracard Ltd. ("the Company") and its consolidated companies (jointly: "the Group") is intended for convenience and does not exhaust all the data about the Group and its operations, nor does it replace the need to review the Company's 2022 financial statements and Q1/23 financial statements, as well as its current reports (jointly: "the Reports") and it should be read together with the Reports. The information included in this presentation could include data presented in a different manner, preparation or segmentation to those in the Reports.

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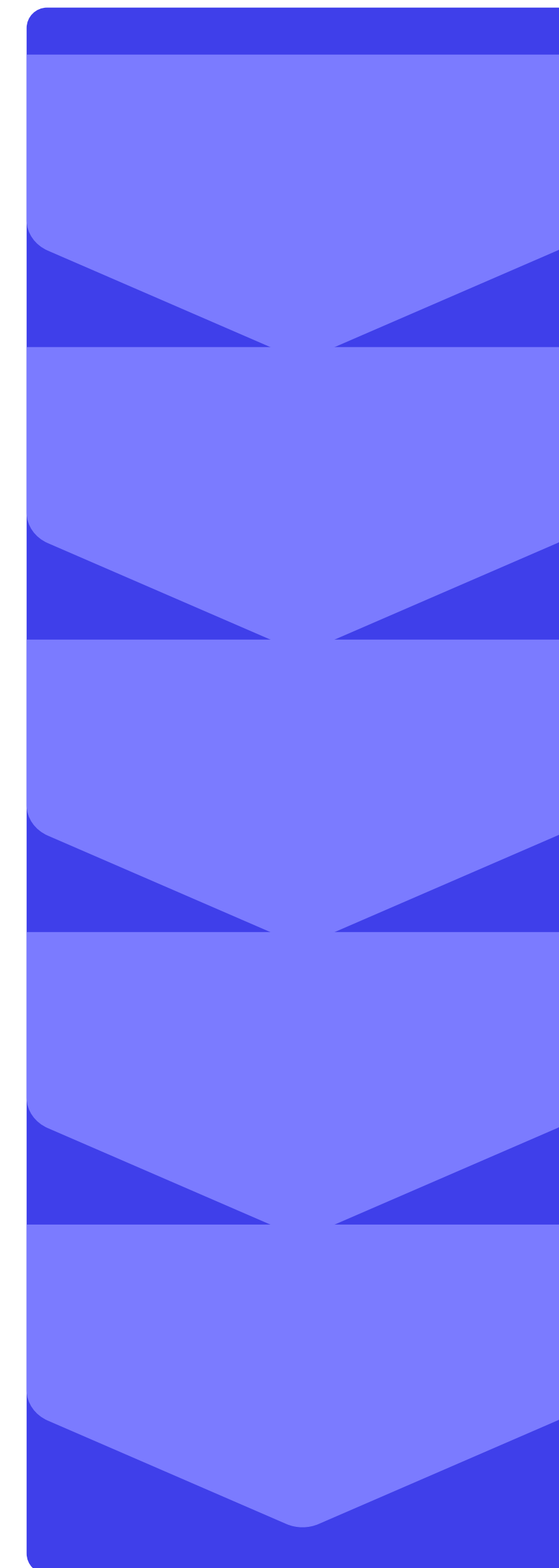
This presentation contains programs, goals, evaluations, assessments and other information that relate to future events, including information regarding the Group's assets, future operations and liquidity.

The aforementioned information constitutes "forward-looking information" as defined in the Securities Law, 5728 – 1968 and may not eventuate, either wholly or partially or could eventuate materially differently to that expected.

Forward-looking information is based on the Company's subjective estimates, inter alia, on facts and data regarding the Group's current business status, the state of the payment and credit markets, and the market situation available to the Company when preparing this presentation. It is also based on macro-economic facts and data, including reports and publications by various external entities, on which the Company relies without any ability to verify them. These include: Data from the Bank of Israel and entities operating in the payments market (including credit card companies and other clearing houses).

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





# Q1/2023: Isracard Maintains the Growth Trend

Pre-tax earnings

**ILS 70M**  
(ILS 71M Q1/2022)

Net earnings

**ILS 55M**  
(ILS 50M Q1/2022)

Net earnings return on equity

**7.8%**  
(7.2% Q1/2022)

Total capital ratio

**13.6%**  
(Minimum Regulatory Requirement 11.5%)

## Net interest Income from customers

A substantial increase in the credit portfolio's contribution to the results

Consumer credit

**ILS 158M**

+86%

Growth from the previous corresponding period

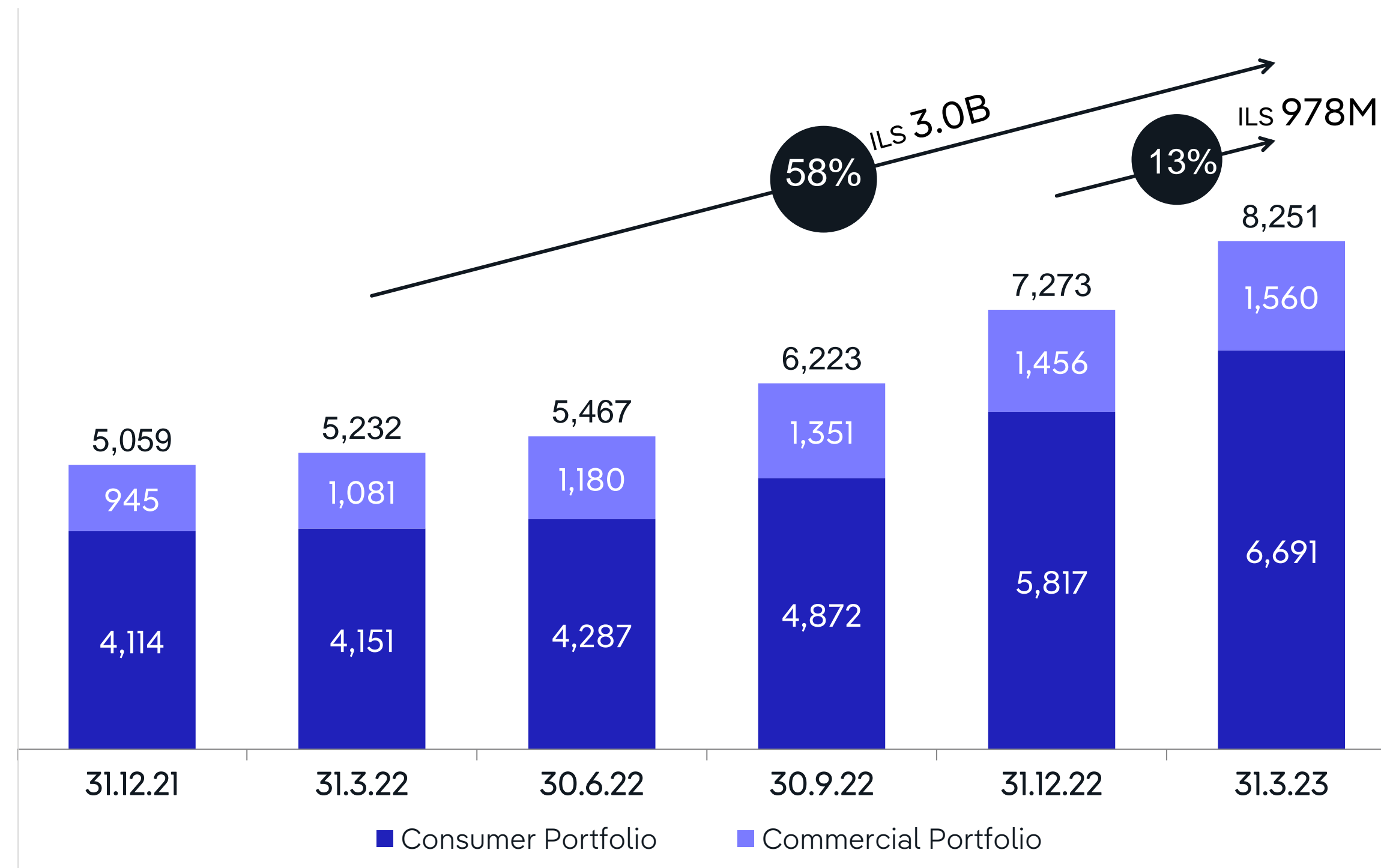
Commercial credit

**ILS 57M**

+128%

Growth from the previous corresponding period

## A substantial growth in the credit portfolio

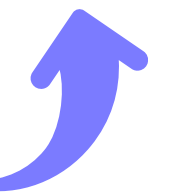


## Transaction turnovers in credit cards issued by the Group

**ILS 54.0B**

**+14.1%**

Growth from the previous corresponding period

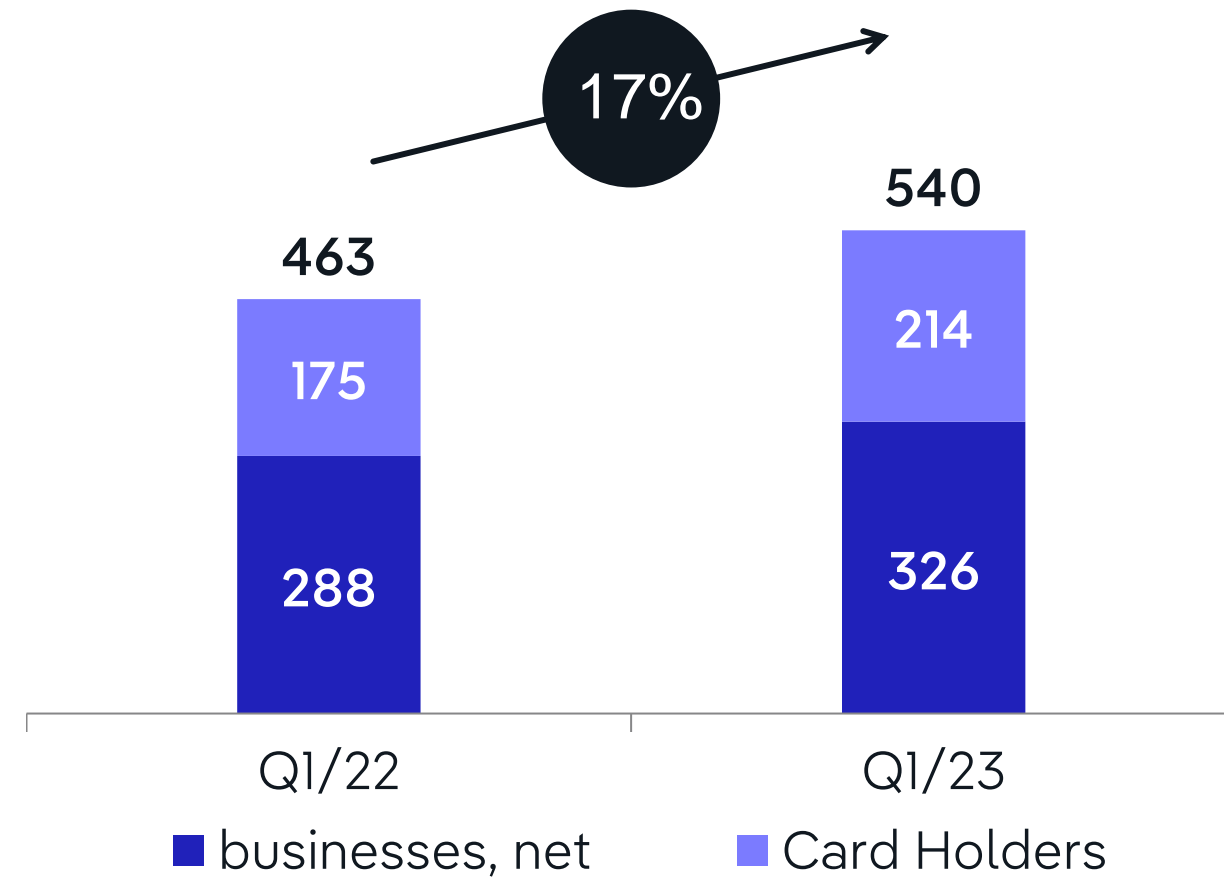




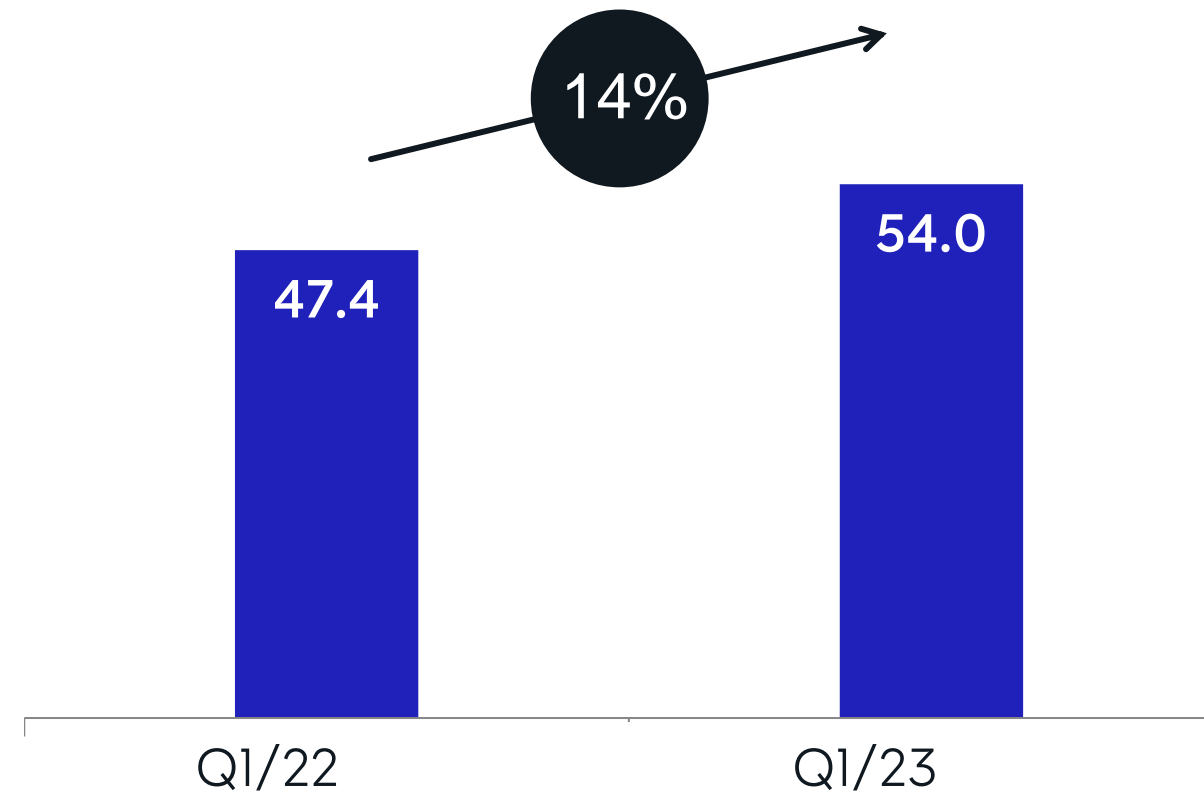
# Key Financial Data

(ILS millions)

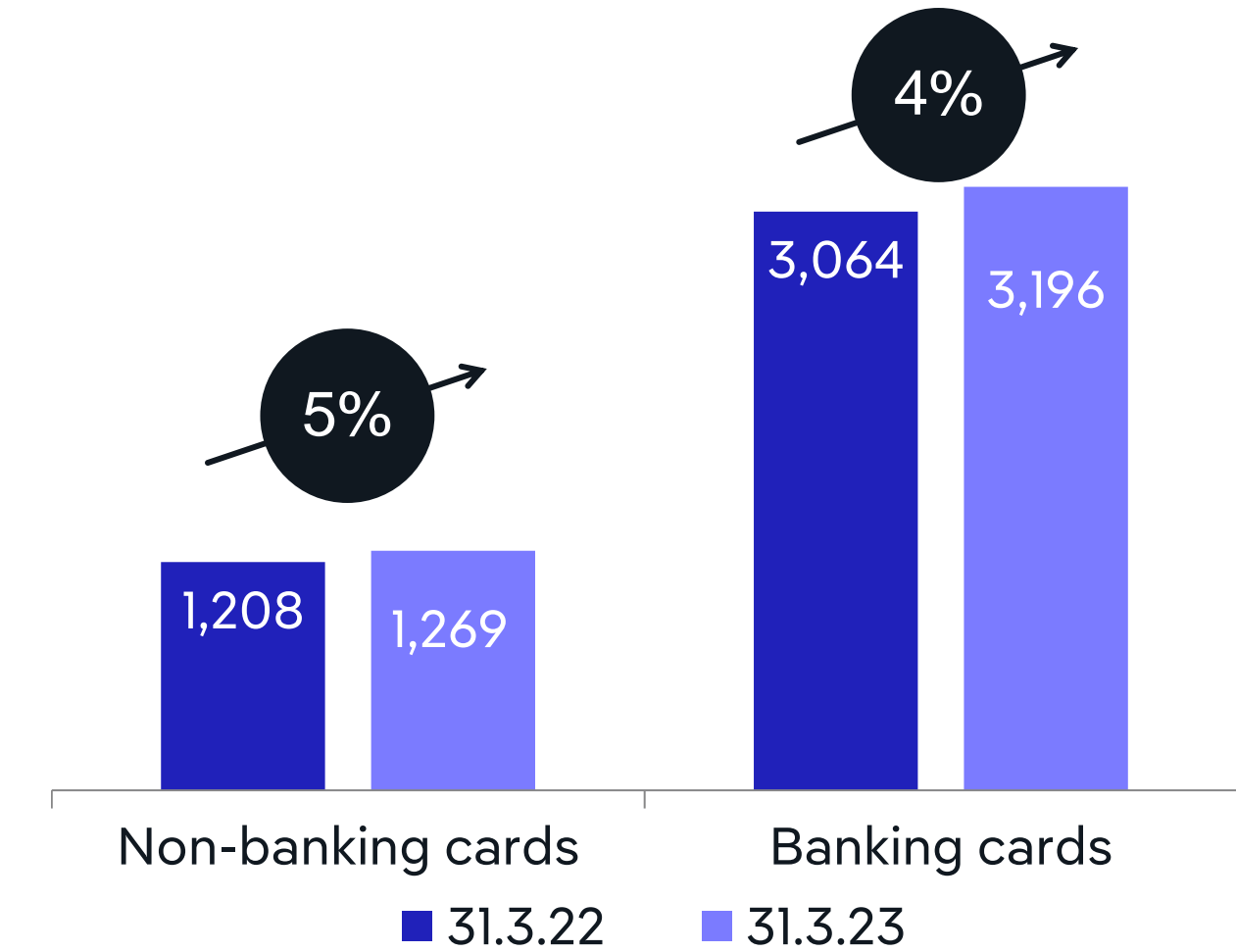
### Income from credit card operations (issue and clearing)



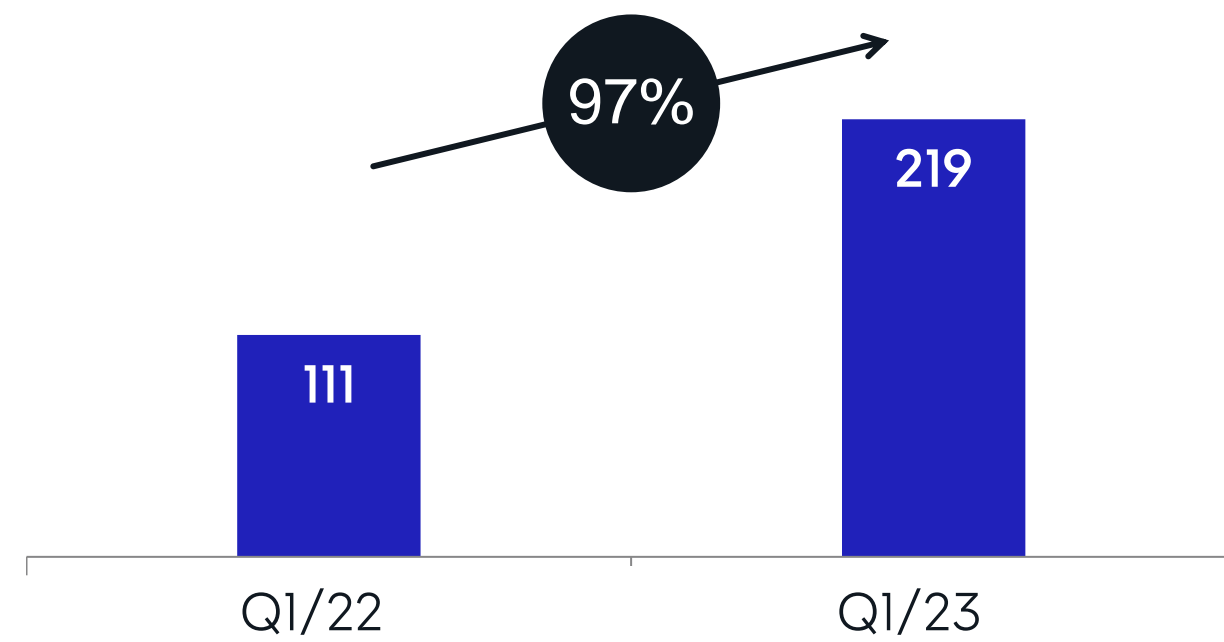
### Transaction turnovers in credit cards issued by the Company (ILS billion)



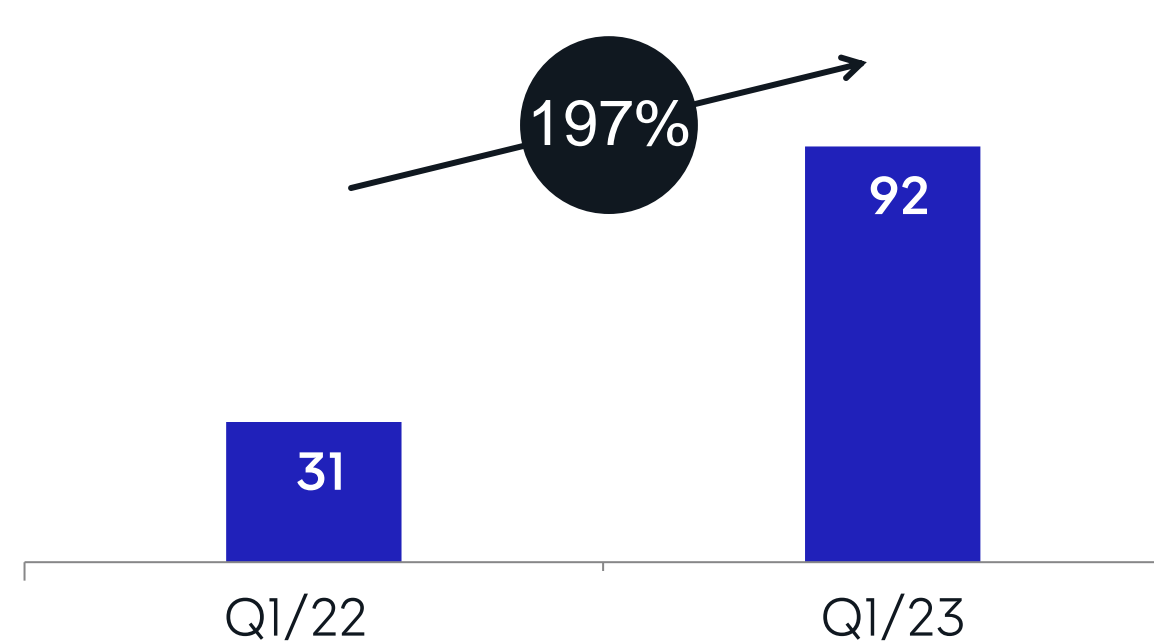
### Number of active cards (thousands)



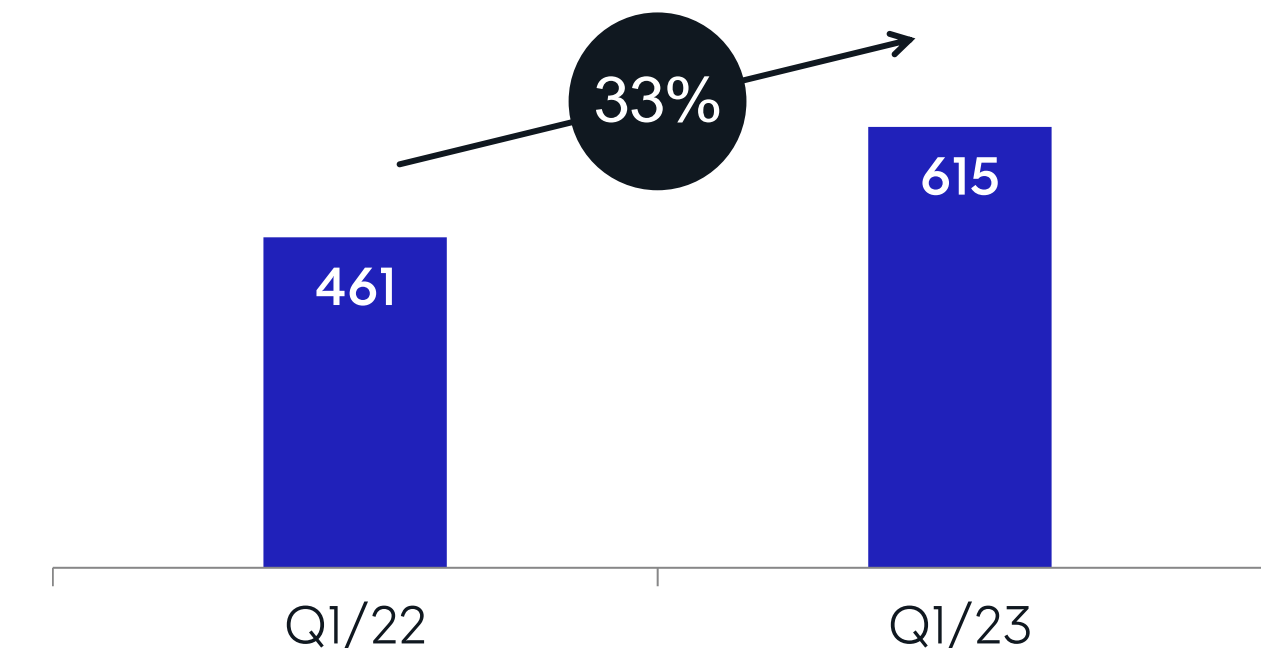
### Net interest income



### Credit loss expenses <sup>(1)</sup>

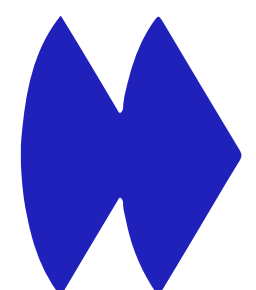


### Total expenses excluding credit losses <sup>(2)</sup>



(1) The expenses increase derives from the effect of the initial implementation of CECL on the collective provision and the increase in the credit portfolio

(2) The expenses increase derives primarily from an increase in the volume of operations, in addition to an increase in payments to Bank Hapoalim in view of the effect of implementing the agreement with Bank Hapoalim.

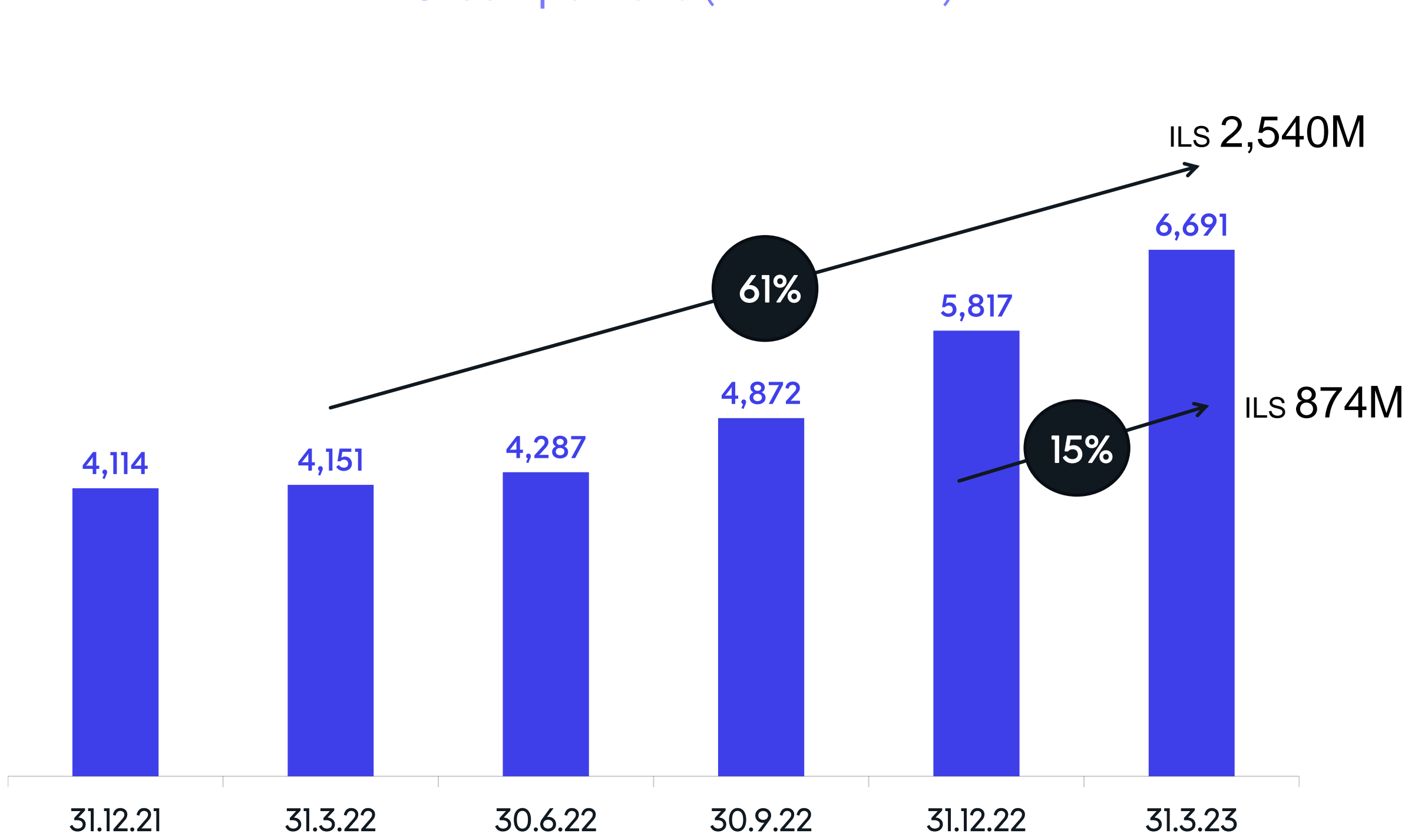


# Private Customers

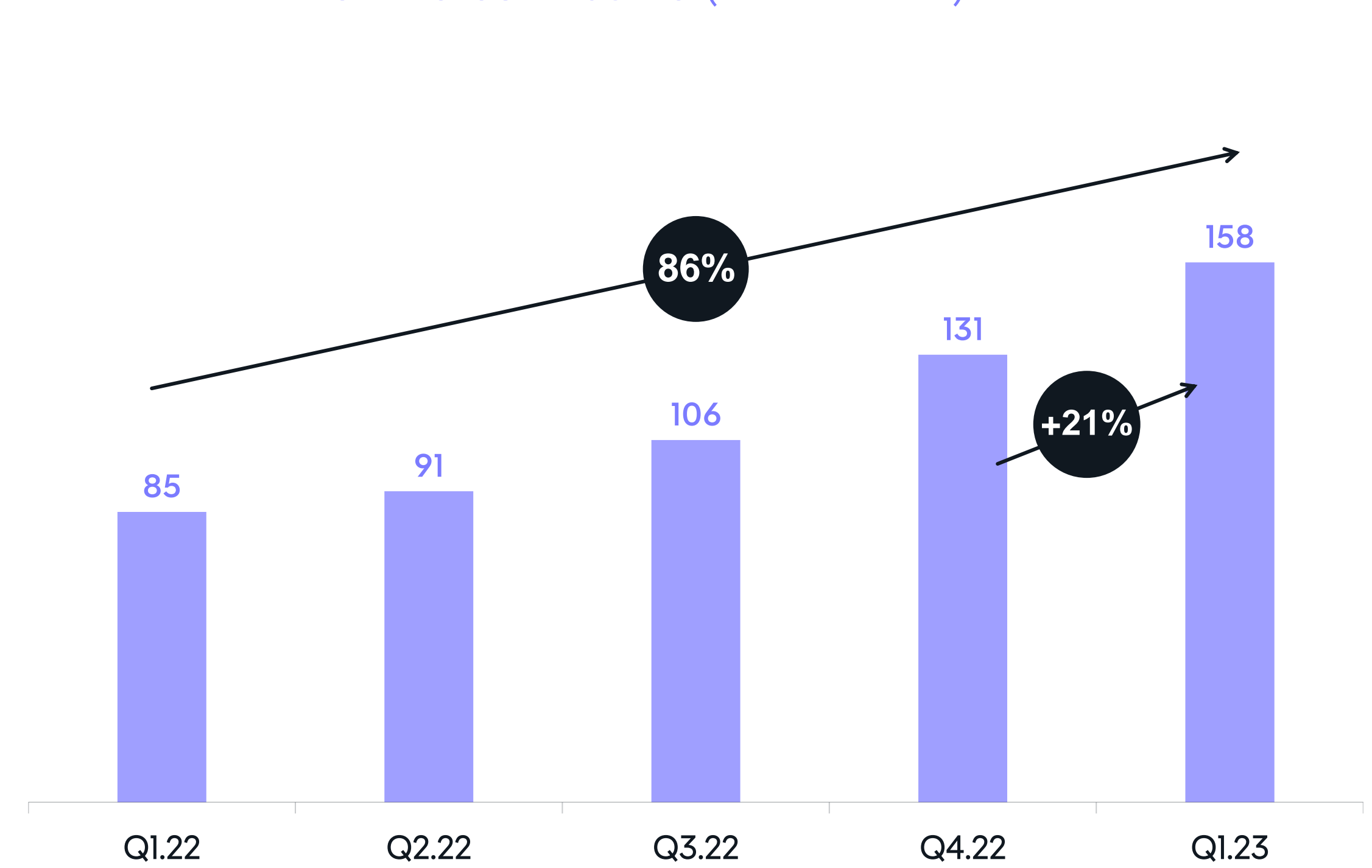
<p>Net interest Income</p> <p><b>ILS 158M</b></p> <p>Compared with ILS 85M in the previous corresponding period</p>	<p><b>+86%</b></p> <p>Increase from the previous corresponding period</p>	<p>Income from interest rate <sup>(1)</sup></p> <p><b>11.54%</b></p> <p>Compared with 8.92% in The previous corresponding period</p>	<p>The income margin rate above prime</p> <p><b>6.11%</b></p> <p>Compared with 7.32% in the previous corresponding period</p>
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- ✓ The updated underwriting models infrastructure
- ✓ Adjusting interest to risk using internal data and the credit database
- ✓ Portfolio and customer mix improvement
- ✓ Advanced monitoring, control and collection processes

Credit portfolio (ILS millions)



Net interest Income (ILS millions)



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

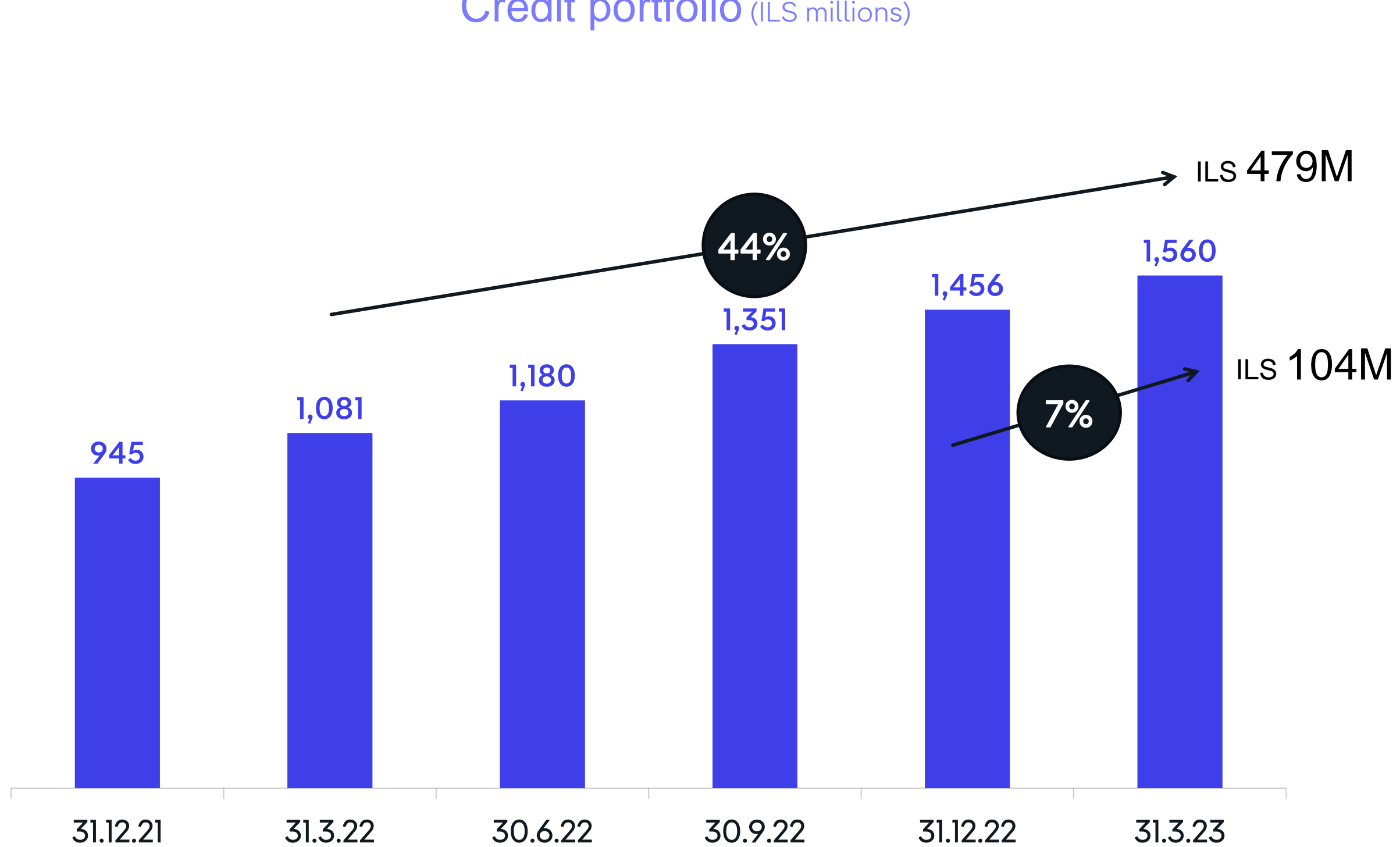


# Business Customers

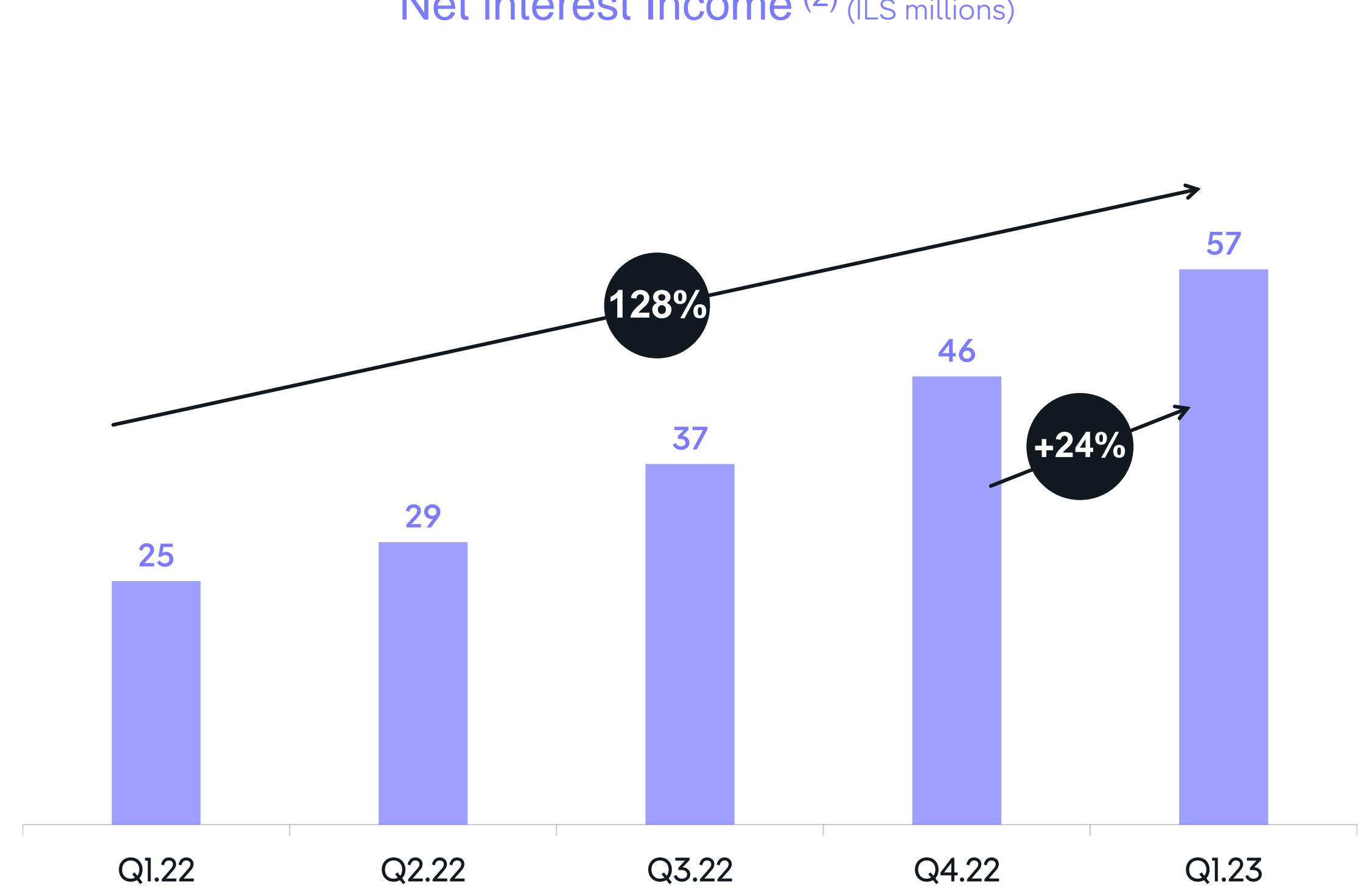
<p>Net interest Income</p> <p><b>ILS 57M</b></p> <p>Compared with ILS 25M in the previous corresponding period</p>	<p><b>+128%</b></p> <p>Increase from the previous corresponding period</p>	<p>Income from interest rate <sup>(1)</sup></p> <p><b>8.95%</b></p> <p>Compared with 5.54% in the previous corresponding period</p>	<p>The income margin rate above prime</p> <p><b>3.52%</b></p> <p>Compared with 3.94% in the previous corresponding period</p>
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- ✓ Organic growth while relating to the macro and competitive environments
- ✓ Leveraging of the accrued financial data for optimal underwriting
- ✓ A combination of digital and manual underwriting pursuant to the volume and risk

Credit portfolio (ILS millions)



Net interest Income <sup>(2)</sup> (ILS millions)



(1) Average Income rate (annual calculation) based on balances at the beginning of the months of the commercial credit portfolio.

(2) Including net interest income for advance payments and discounting of sales slips for merchants



# Credit Losses Expenses

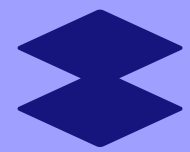
Q1/2023 (ILS millions)



Maintaining a stable average net <sup>(1)</sup> write-off rate on receivables due to credit cards

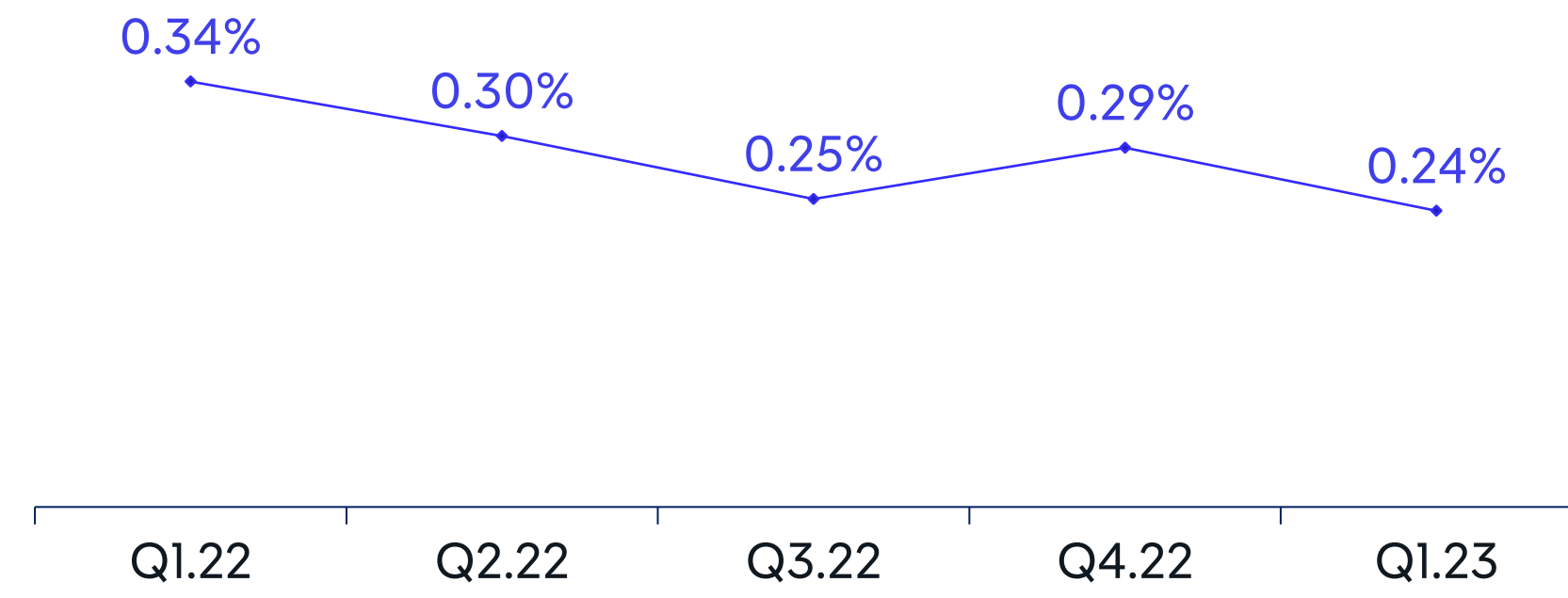


Increased credit loss expenses derived primarily from an increase in the group allowance for credit losses as a result of the initial implementation of the new CECL calculation method, as well as an increase in the portfolio.

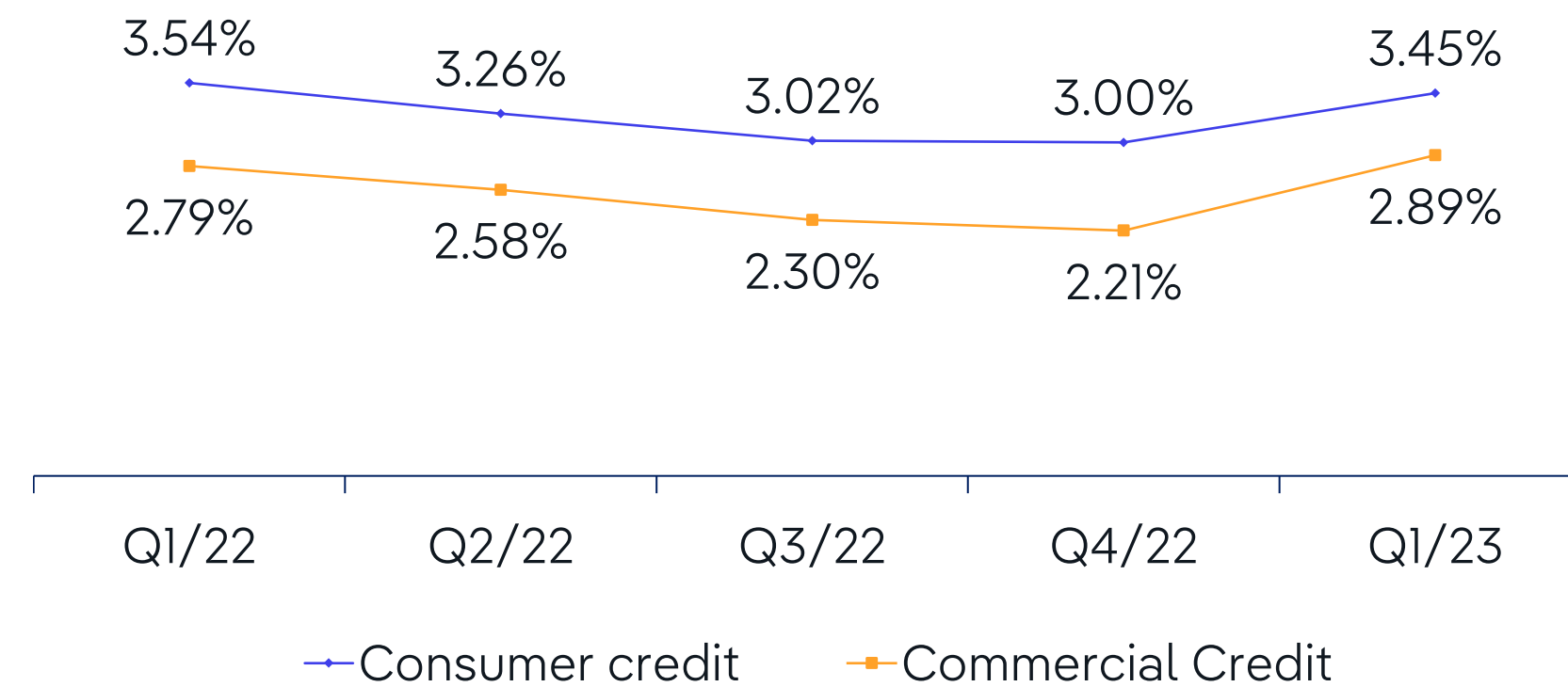


Maintaining a high coverage ratio

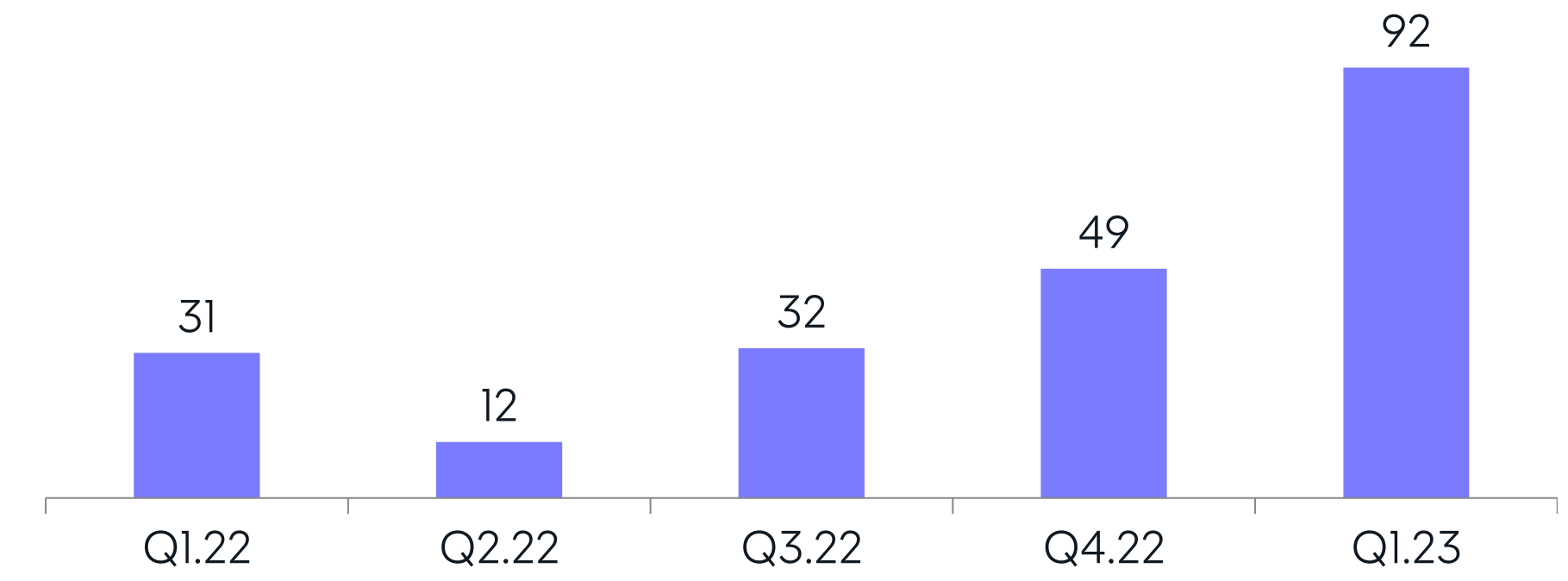
Rate of net individual expense and write-off <sup>(1)</sup> due to average credit card balance (under the Company's responsibility)



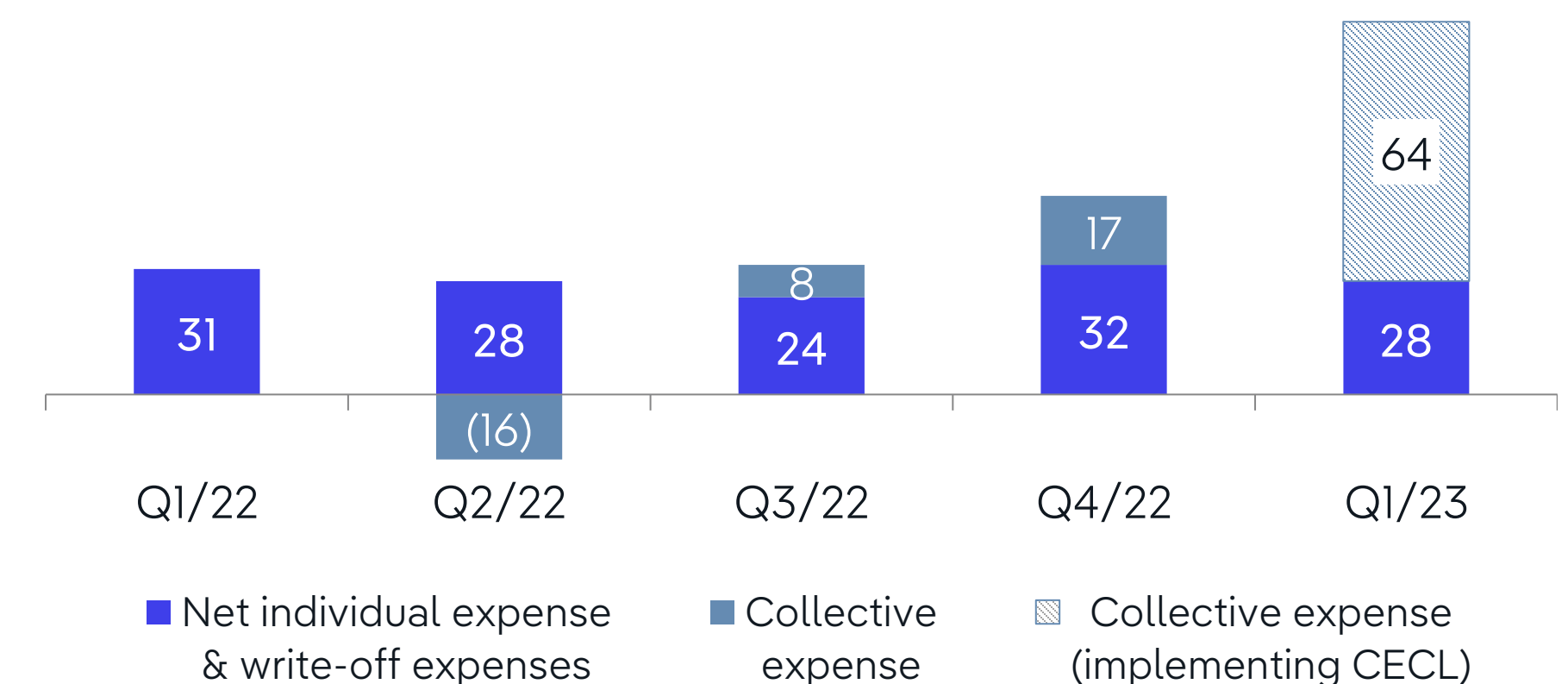
Coverage Ratio – allowance for credit losses out of receivables due to credit cards (under the Company's responsibility)



Credit Loss Expenses



Net credit loss expenses in a distribution for a collective expense and write-offs, with the addition of individual expense for credit loss.



(1) In a quarterly calculation



# Equity, Capital Adequacy and Financing Sources

(as at March 31, 2023)

## Shareholders Equity

**ILS 2.8 billion**

After a Dividend payment of ILS 26.5 million in Q1/2023

## Total capital ratio

**13.6%**

(minimum regulatory requirement 11.5%)

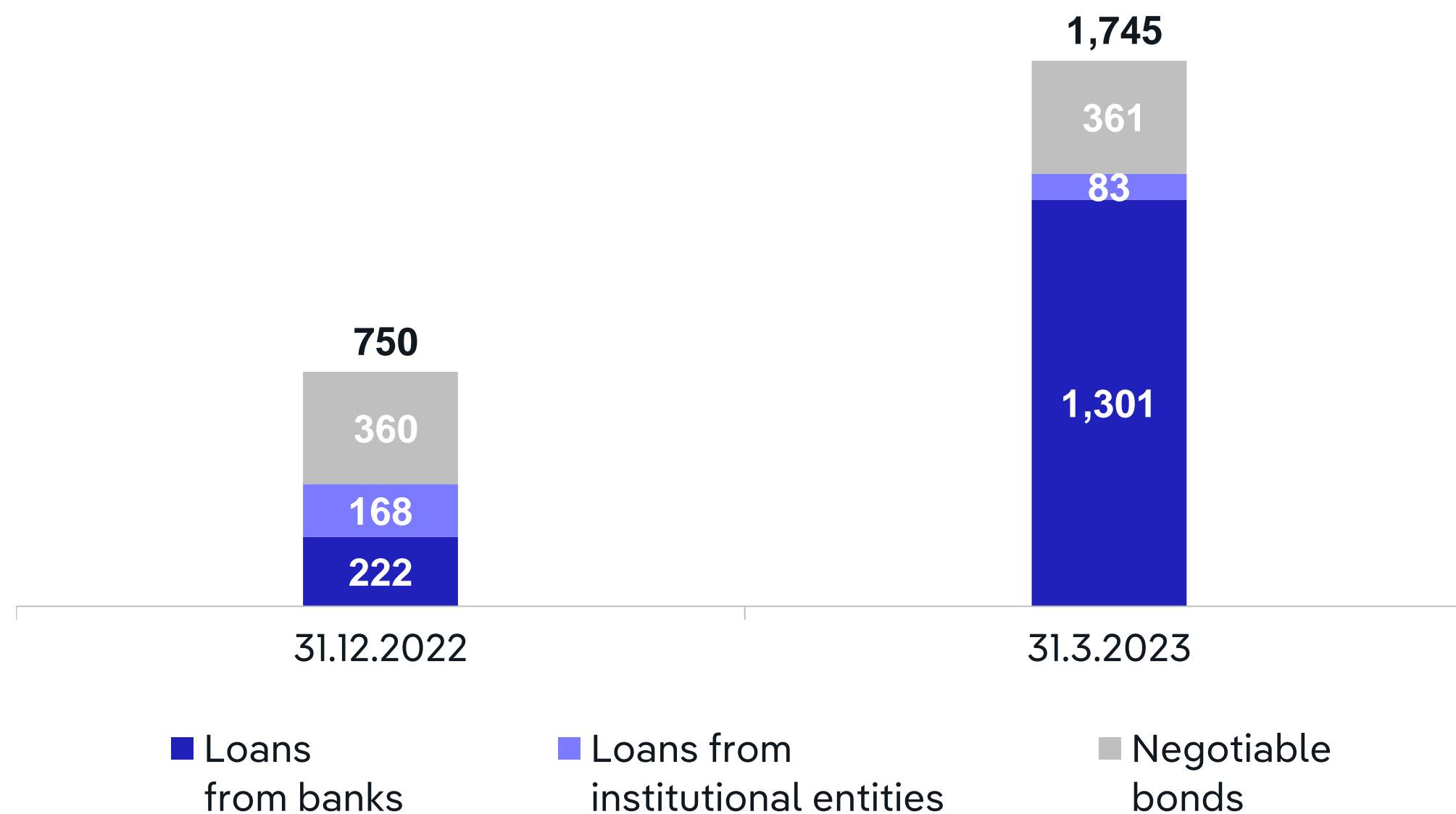
## Tier 1 capital ratio

**12.6%**

(minimum regulatory requirement 8%)

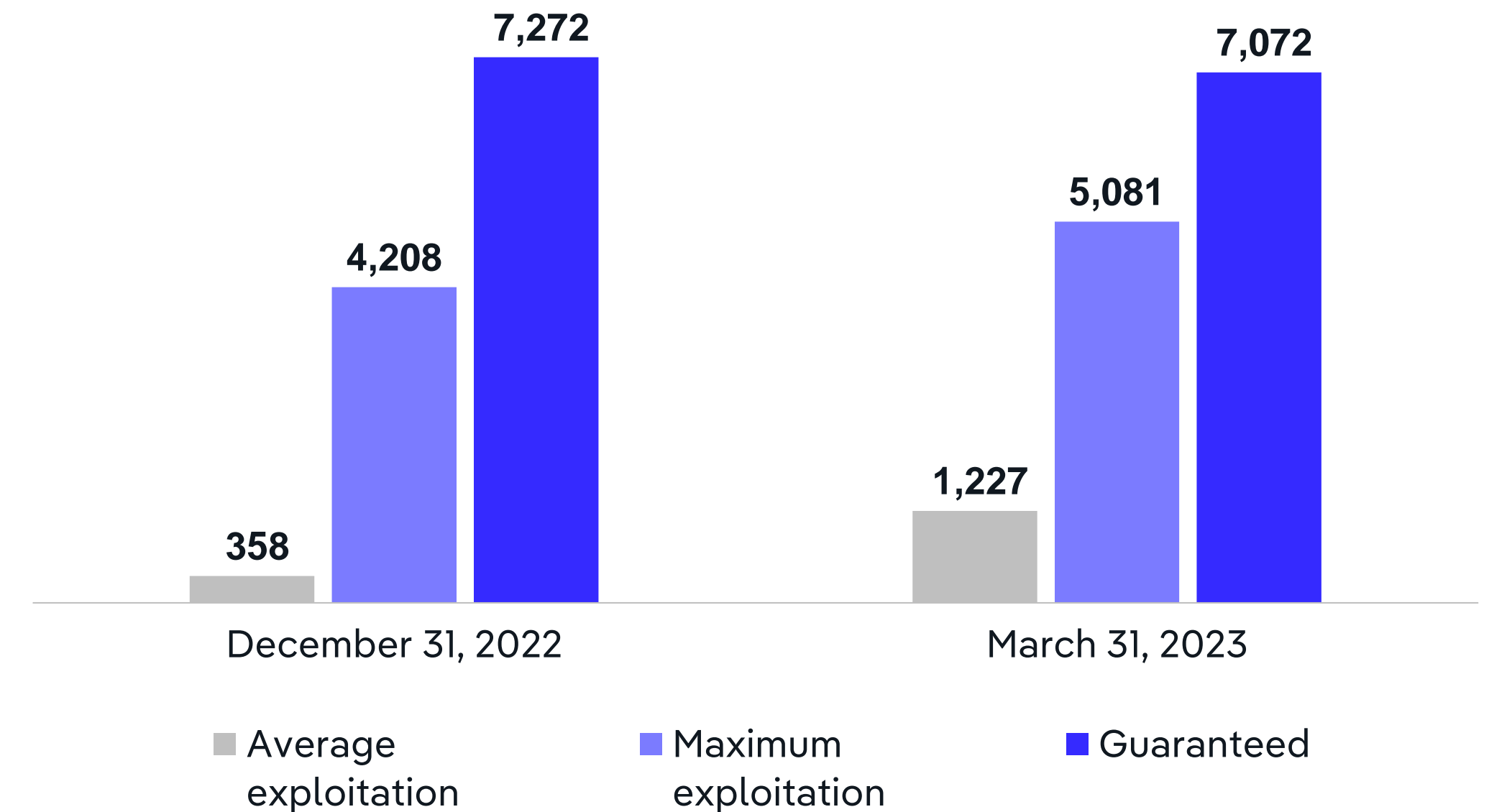
## Financing Sources

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



## The Group's credit facilities <sup>(1)</sup>

Maximum and average exploitation since the beginning of the calendar year (in ILS millions)

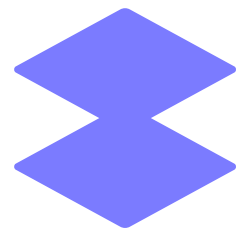


(1) Including autonomous credit facilities

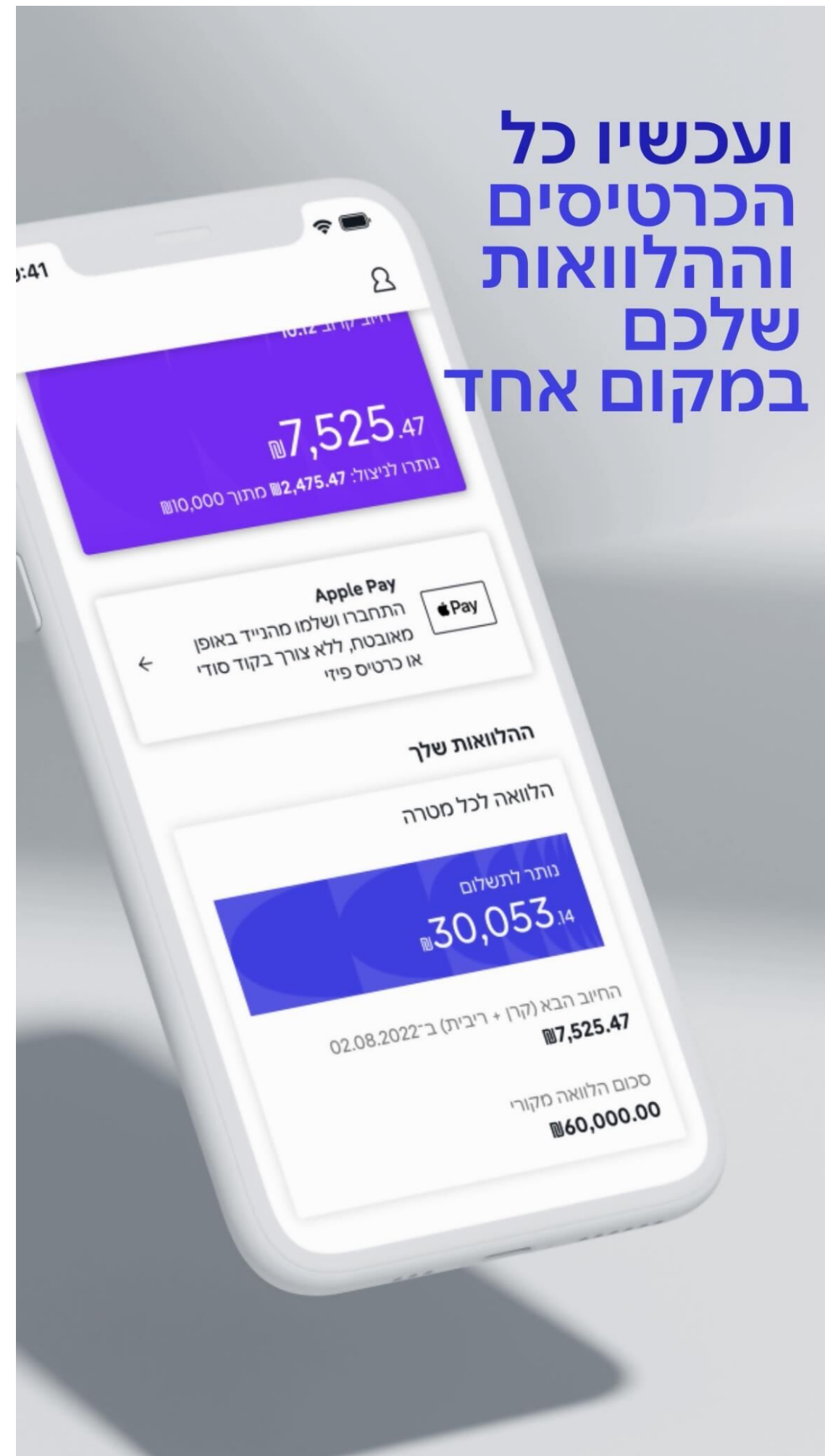




**Committed to  
maintaining  
growth**



We have launched an advanced application as well as unique value offers for private customers



Cashback Card +



Loan from today to tomorrow



הזדמנות להיות ספונטנים לקראת החג  
הלוואה מהיום למחר בישראל

A loan in Control With an option to suspend payments

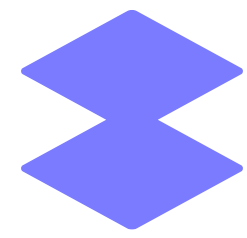


חדש מישראל: הלוואות בקונטרול עם אפשרות עצירת תשלומים והזדמנות להחזיר את השליטה לידיים

A 0.5% discount on interest on loans on digital



נגמרה ההתלבטות! 0.5% הנחה בריבית על הלוואה בדיגיטל



# Solutions Mantle for Promoting Small and Medium Scale Businesses

**ישראלכרט לעסקים**

## כשהזדמנות של פעם בחיים פוגשת את הפתרונות של ישראלכרט לעסקים

<p><b>פתרונות פרסום דיגיטלי</b> בניית קמפיין דיגיטלי מנצח שמביא תוצאות ומגדיל מכירות</p>	<p><b>פתרונות משלום</b> אפשרויות סליקה מתקדמות, בטאץ' מהנייד, מרחוק או בבית העסק</p>	<p><b>פתרונות מימון ואשראי</b> הלוואות וניכיון שוברים למגוון מטרות בעסק, בתנאים מיוחדים</p>
<p><b>פתרונות מכירה אונליין</b> שירות הכולל בניית אתר, חיבור למערכת סליקה מקוונת וקידום ברשת</p>	<p><b>פתרונות ניהול פיננסי</b> שירות התאמות והצלבת מידע בין כלל כרטיסי האשראי של העסק</p>	<p><b>ערבות לעסקים</b> להשכרת נכס לעסק, תשלום לספקים ועוד, ללא פיקדון ובעמלה אטרקטיבית</p>

**ישראלכרט לעסקים**

## כל עסק זקוק למקפצה הנכונה אנחנו קוראים לזה פתרונות מימון ואשראי

בינינו, השקעת לא מעט בעסק שלך. זה הזמן לדחוף אותו לגבהים חדשים עם פתרונות מימון ואשראי מתקדמים - בתנאים מפתיעים. לך נשאר רק לבחור את המסלול המדויק ביותר עבורך.

<p><b>ניכיון שוברים</b> הדרך המהירה שלך למזומן. בעזרת שירות ניכיון שוברים ניתן למנף כל עסקת תשלומים ולהגות מהסכום - במזומן</p>	<p><b>הלוואה לכל מטרה</b> לשיפוץ, להרחבה ולכל מה שחשוב לעסק שלך. עד 300,000 ₪ ועד 60 תשלומים, ללא ערבים או בטחונות</p>	<p><b>הלוואה דיגיטלית</b> הלוואה מהירה עד 300,000 ₪ והכסף אצלך בחשבון תוך 3 ימים. בלעדי לעוסקים מורשים, לקוחות ישראלכרט</p>
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[להלוואה מהירה](#)

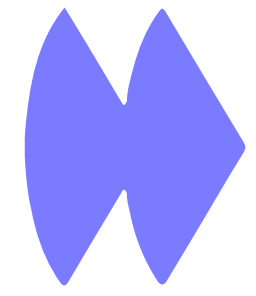
**ישראלכרט לעסקים**

## בעלי עסקים, עליית הריבית עלינו! בכל הלוואה קיימת או חדשה

עטרה גולד "משתלת גולד"

המלווה ישראלכרט מימון בע"מ. בכפוף לאישור המלווה ותנאיה. אי עמידה בפירעון הלוואה עלולה לגרור חיוב בריבית פינורים והליכי הוצאה לפועל. ההטבה הינה ביחס לעליית הריבית כפי שפורסמה על ידי בנק ישראל ביום 22.05.2023 בלבד בשיעור של 0.25% ההטבה תינתן באופן אוטומטי להלוואות עסקיות לבתי עסק עד מיליון ש"ח (קיימות וחדשות שיועמדו עד ליום 30.06.2023) ואשר עומדות בקריטריונים שנקבעו כמזכים להטבה בתקנון.

**להלוואה לעסק חייגו \*9937**



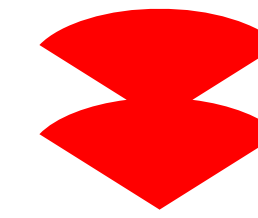
# Concluding the Quarter with Ongoing Growth in all Parameters



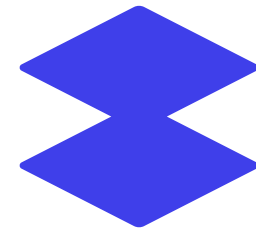
Substantial growth  
In consumer and  
commercial credit



Substantial  
interest Incomes  
growth from  
customers



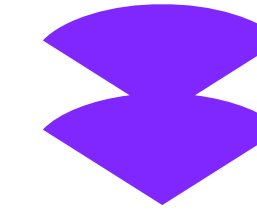
Ongoing growth  
in number of  
active cards



Expanding the  
range of advanced  
digital solutions  
based on data



Intelligent risk  
management  
adapted to the  
economic  
environment



The efficiency  
plan is on track



# ISRACARD

Investor Deck for summing up Q1/23



# Appendices



# Consequential Financial Data for Q1/2023

ILS millions	Q1/2023	Q1/2022		
	Reported	Reported	One-time effects	On neutralizing one-time effects
<b>Income</b>				
Net Income from businesses	326	288	-	288
Income from cardholders	214	175	-	175
Net interest income	219	111	-	111
Other Income (expenses)	18	(11)	-	(11)
<b>Total Income</b>	<b>777</b>	<b>563</b>	<b>-</b>	<b>563</b>
<b>Expenses</b>				
Expenses for credit losses	92	31	-	31
Operating Expenses	281	253	17 <sup>(1)</sup>	236
Sales and marketing expenses	173	122	-	122
Administrative and general expenses	37	32	-	32
Payments to banks	124	54	-	54
<b>Total expenses</b>	<b>707</b>	<b>492</b>	<b>17</b>	<b>475</b>
<b>Pretax profit</b>	<b>70</b>	<b>71</b>	<b>17</b>	<b>88</b>
Provision for taxes on profit	(17)	(22)	(4)	(26)
The Company's share in the profits of affiliates after the tax effect	2	1	-	1
<b>Net Profit</b>				
Before attributing to non-controlling rights holders	55	50	13	63
Attributed to non-controlling rightsholders	*	-	-	-
<b>Attributed to the Company's Shareholders</b>	<b>55</b>	<b>50</b>	<b>13</b>	<b>63</b>

\* A sum lower than ILS 0.5 million

(1) An expense of IL \$10 million, which derives from shortening the contractual lease period at the old "Isracard House" on Hamasger Street in Tel Aviv and an expense of ILS 7 million as a result of suspending the technological project



# Balance Sheet as at

ILS millions	March 31, 2023	March 31, 2022	December 31, 2022
<b>Assets</b>			
Cash and balances at the banks	3,162	5,263	1,854
Receivable sums from the banks for credit card activity, net <sup>(1)</sup>	7,037	6,478	6,928
Accounts Receivable for credit card activity <sup>(1)</sup>	14,168	10,114	12,829
Provision for credit losses <sup>(1)</sup>	(463)	(354)	(363)
Net accounts receivable for credit card activity	<b>13,705</b>	<b>9,760</b>	<b>12,466</b>
Securities	26	65	66
Investments in affiliates	53	44	49
Buildings and equipment	464	411	455
Goodwill	22	-	22
Other assets	902	706	843
<b>Total assets</b>	<b>25,371</b>	<b>22,727</b>	<b>22,683</b>
<b>Liabilities</b>			
Credit from banks and other corporations	1,384	419	390
Accounts Receivable for credit card activity	19,707	18,032	18,079
Negotiable bonds	361	602	360
Other Liabilities	1,085	956	1,048
<b>Total Liabilities</b>	<b>22,537</b>	<b>20,009</b>	<b>19,877</b>
Equity attributed to the Company's Shareholders	2,822	2,718	2,794
Non-controlling rights	12	-	12
<b>Total equity</b>	<b>2,834</b>	<b>2,718</b>	<b>2,806</b>
<b>Total liabilities and equity</b>	<b>25,371</b>	<b>22,727</b>	<b>22,683</b>

(1) As of January 1, 2023, the Company implements the instructions from the Bank of Israel Circular regarding "updates on the report of clearers."