



התחברות לחשבון
איפוס סיסמא
עדין אין לך סופווארע

Investor Presentation

Financial Statements
as of September 30, 2022



ISRACARD GROUP

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This Forward-Looking Information is based on the Company’s subjective assessment, on the basis of facts and data regarding the current position of the Group’s businesses and the state of the payments and credit market and the overall market as such are known to the Company as of the date of preparation of this presentation, as well as on macro-economic facts and data, on which the Company relies without being able to verify them, including reports and publications made by various external entities, such as the Bank of Israel and entities operating in the payments market (including credit card companies and other clearance entities).

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The Company does not undertake to update or change any such assessment or information to reflect events or circumstances that occur after the preparation date of this presentation.

ISRACARD GROUP 3Q2022

The strategic plan is bearing fruit

Pretax
profit

91 ILS million

Net
profit

60 ILS million

Return on
equity⁽¹⁾

8.7%

Credit Portfolio on September 30, 2022

Consumer credit

4.87 ILS billion

14% growth during the
quarter

Interest income, net (3Q2022)

108 ILS million

26% growth over the
corresponding period last year

Commercial credit

1.35 ILS billion

14% growth during the
quarter

Interest income, net (3Q2022)

35 ILS million

46% growth over the
corresponding period last year

Maintaining financial resilience

Equity and capital adequacy

2.8 ILS billion

shareholders' equity

14.7%

Total capital ratio

(1) Annual

1-9.2022

The results reflect implementation of the strategic plan

Pretax profit

[Reported]
215
ILS million

[Adjusted^{1,2}]
257
ILS million

Net profits

[Reported]
142
ILS million

[Adjusted^{1,2}]
174
ILS million

Return on equity*

[Reported] **6.8%**
(net profit, annual*)

[Adjusted^{1,2}] **8.4%**

Total transactions in credit cards issued by the Group in 1-9.2022

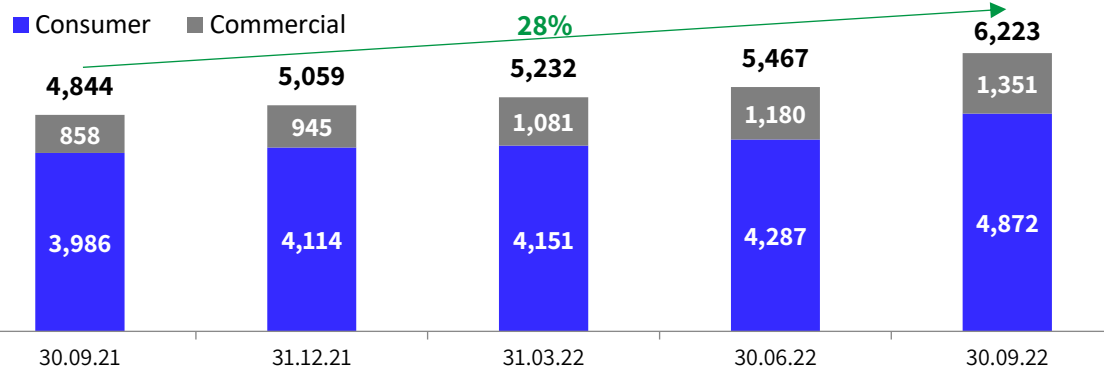
154.1

ILS billion

App. **13.4%**

Increase over 1-9.2021

Credit Portfolio (consumer and commercial), September 30, 2022



Commercial credit Interest income, Net (1-9.2022)

86 ILS million

App. **25%** increase over the corresponding period last year

Consumer credit Interest income, Net (1-9.2022)

287 ILS million

App. **13%** increase over the corresponding period last year

Accelerating the efficiency plan

55-65 ILS million³

Target for savings in operational costs

Additional payment, net, to Bank Hapoalim since April 1, 2022

48 ILS million in Q3.2022

95 ILS million in 1-9.2022

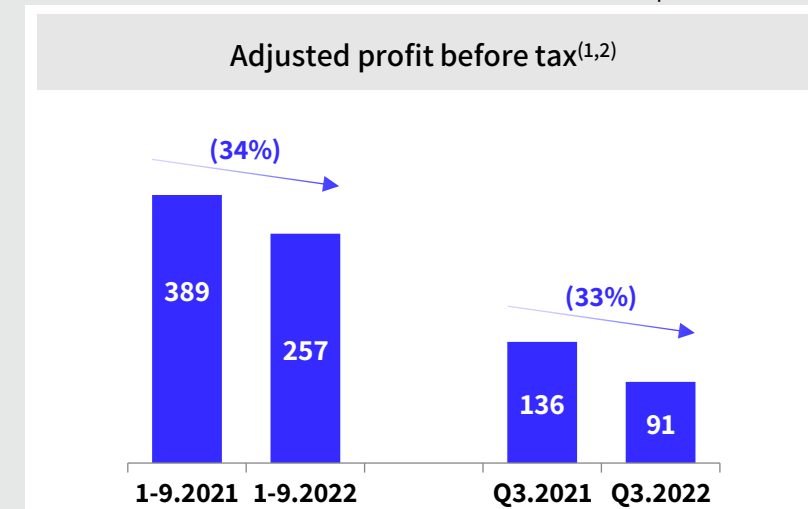
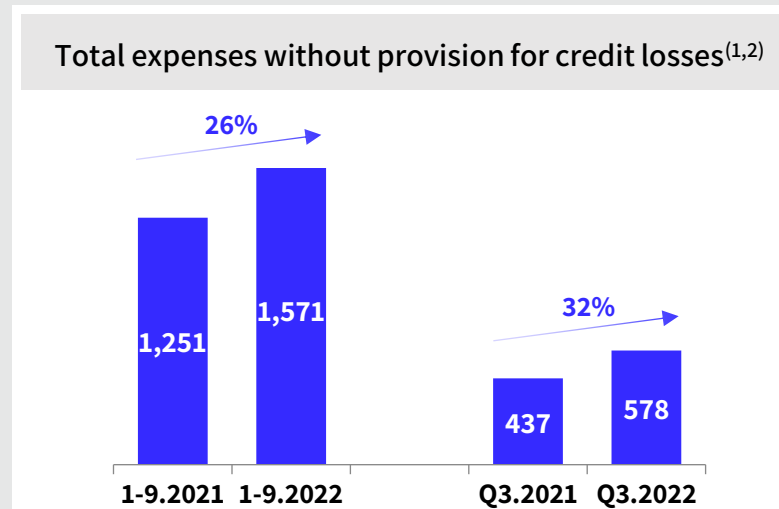
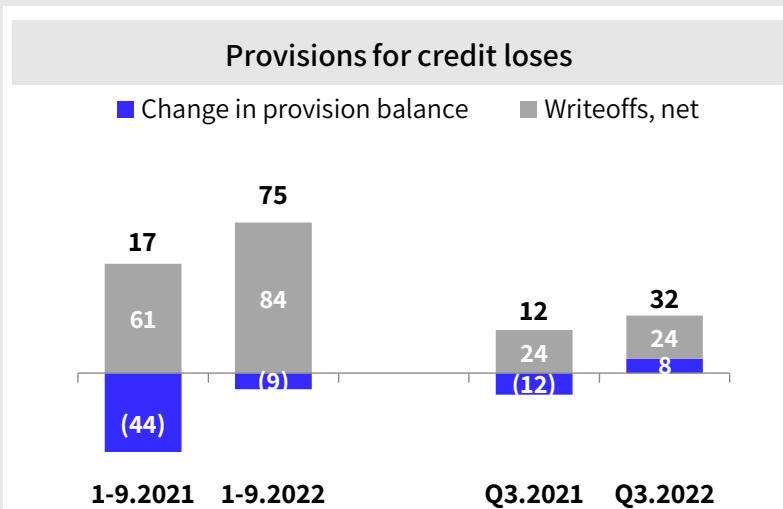
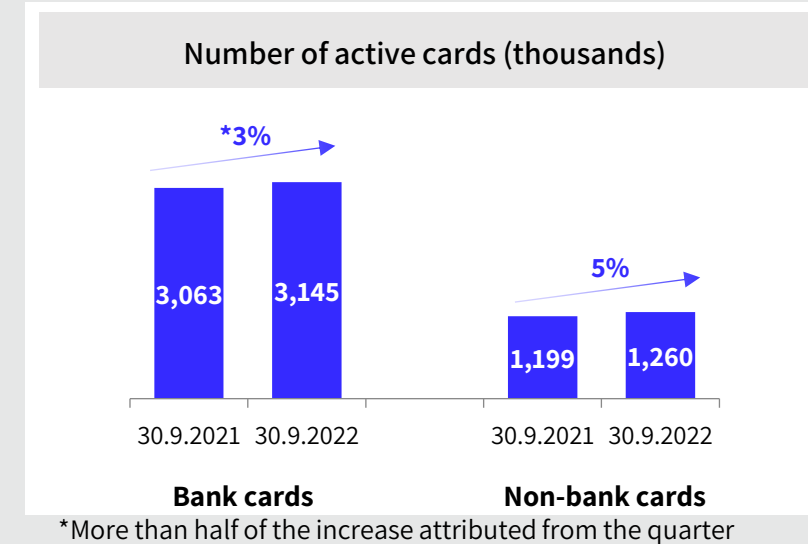
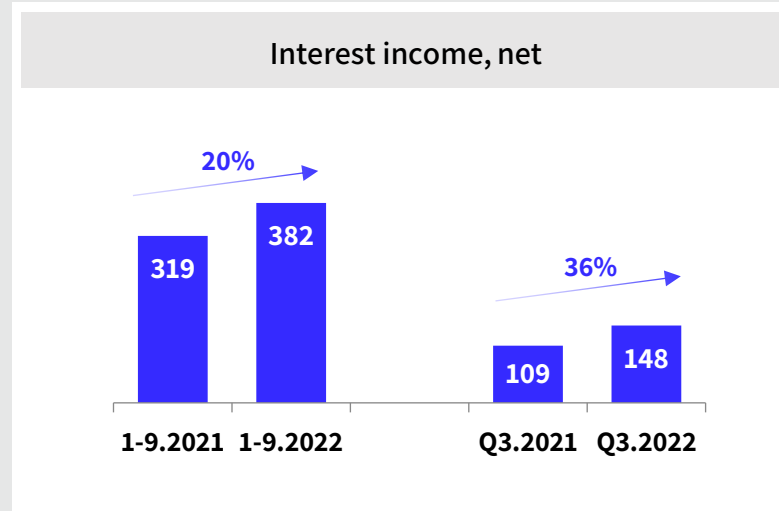
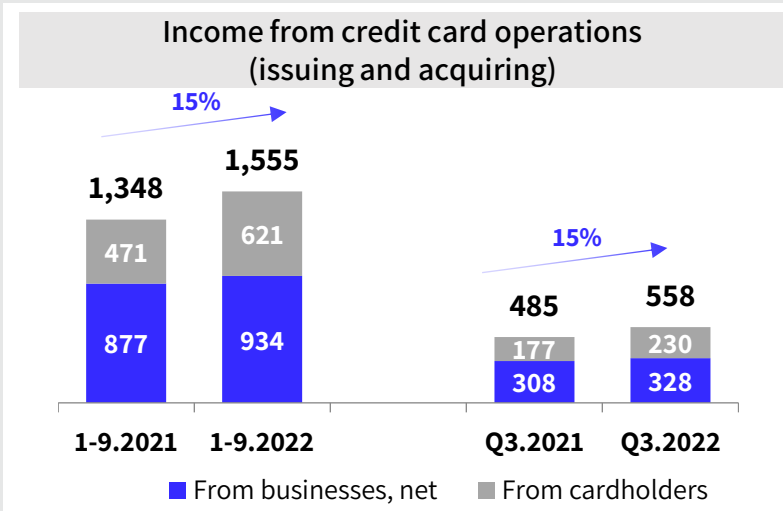
The effect of the update to the agreement with Bank Hapoalim is **included** in the reported and adjusted profit.

(1) Net of an expense of about ILS 25 million (about ILS 19 million after tax), deriving from an increase in provision to VAT assessments, included in the operating expenses. See Slide 17 in the appendices chapter of this presentation.

(2) Net of nonrecurring operating expenses of ILS 17 million (about ILS 13 million after tax). For more information, see also Slide 17 in the appendices chapter of this presentation.

(3) Will be fully reflected in the results of 2024. It is clarified that at the time of approving the report, no decisions have yet been made on the issue.

Key Financial Data (ILS millions)



(1) The Data is presented net of nonrecurring operating expenses of ILS 42 million in 1-9.2022. For information, see also Slide 17 in the appendices chapter.

(2) The data presented for the periods of 3 and 9 months that ended on September 30, 2022 include an increase in the payment to Bank Hapoalim (the effect of the updated agreement) of approximately ILS 48 million and ILS 95 million, respectively, net of income from issuing operations with Bank Hapoalim.

Consumer Credit, September 30, 2022

Acceleration in rate of growth

Consumer credit portfolio^(1,2)

(ILS millions)

14%

Growth rate of the consumer credit portfolio in Q3.
App. ILS 585 million⁽³⁾ increase.

App. 67% annual growth rate.

App. 48% annual growth rate, net of the acquired portfolio balance⁽⁴⁾.

Continued growth in the portfolio also at the time of signing the financial statements

10.1%

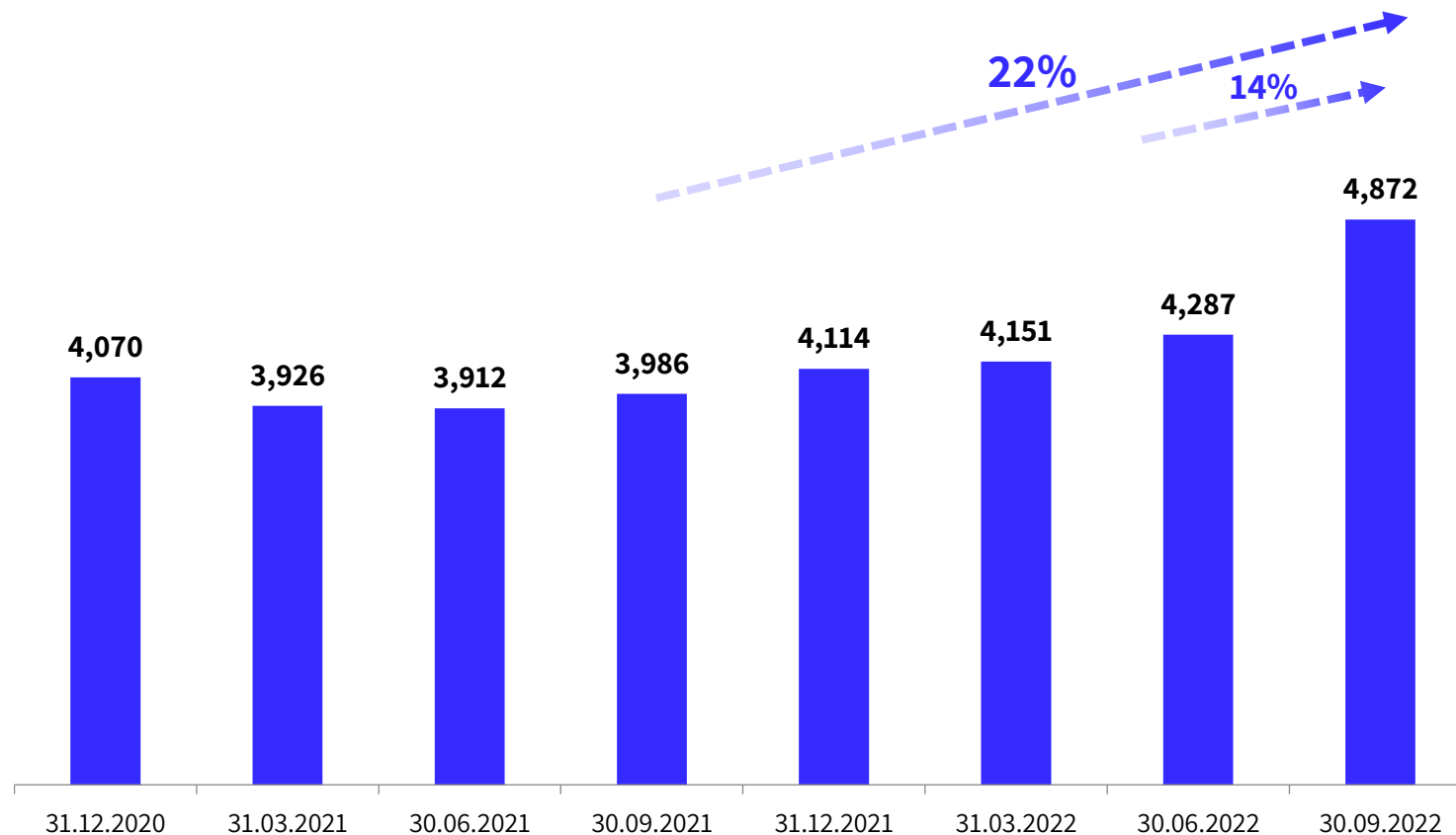
Average annual interest rate on the consumer credit portfolio balance as of September 30, 2022.

6.6% margin above the prime rate, compared to 7.5% on December 31, 2021.

108 ILS millions

Interest income, net, in 3Q2022

App. 26% increase over the corresponding quarter last year



(1) Non-bank guaranteed credit (excluding purchases)

(2) Including vehicle-secured credit (about 234 ILS million as of September 30, 2022).

(3) Including the effect of acquiring a car loan portfolio in August 2022 of about ILS 150 million.

(4) In the amount of about ILS 150 ILS million (see item 3 above).

Commercial Credit, September 30, 2022

Double-digit average quarterly growth in the past year

Commercial credit portfolio

(ILSmillions)

14%

Growth rate of the commercial credit portfolio in Q3.
App. ILS 171 million increase.
App. 72% annual growth rate.

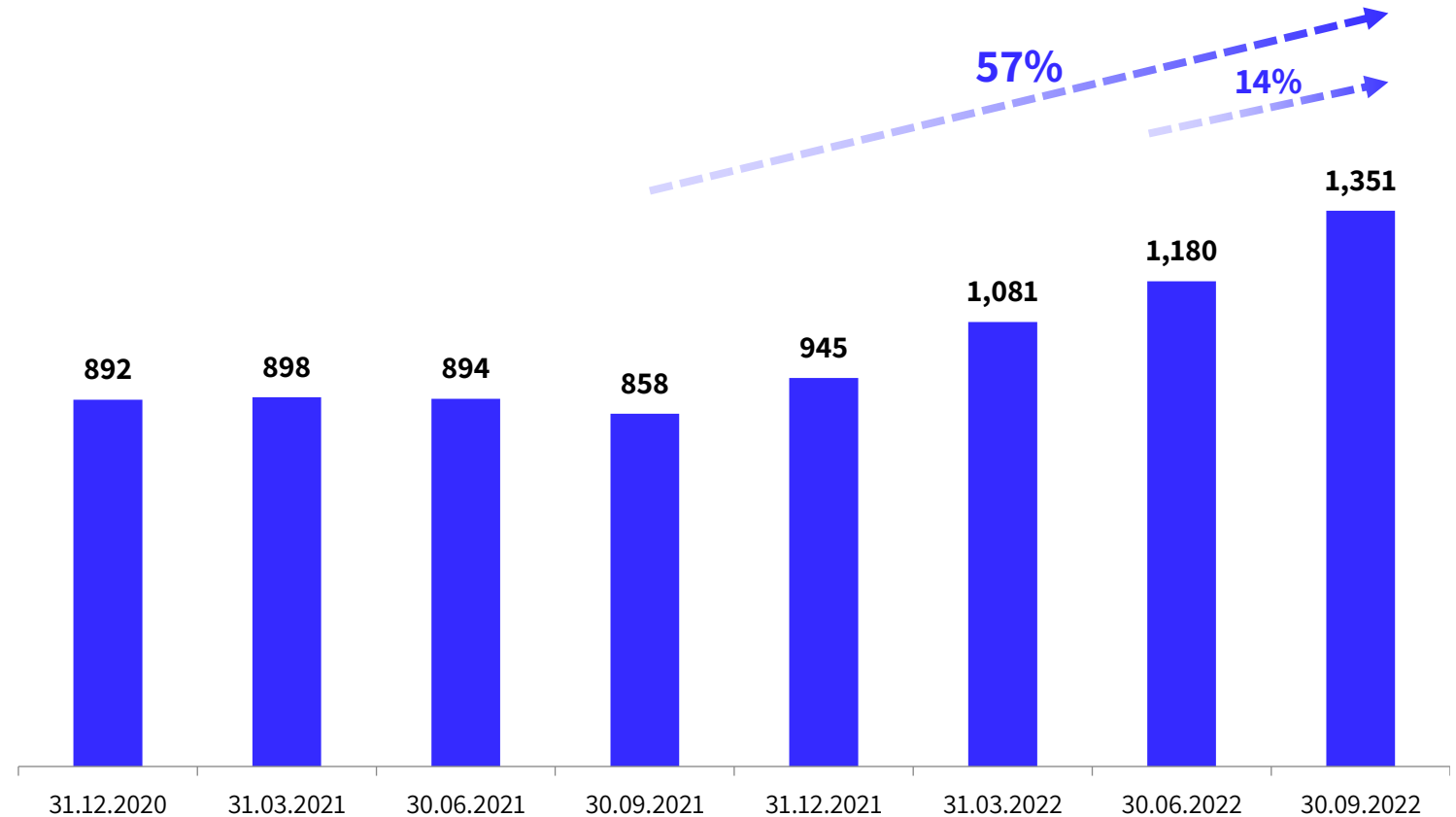
7.0%

Average annual interest rate on the commercial credit portfolio balance as of September 30, 2022.
3.5% margin above the prime rate, compared to 4.5% on December 31, 2021.

35 ILS millions

Interest income, net*, in Q3.2022

App. 46% increase over the corresponding quarter last year



* Including net interest income from discounting of sales slips for merchants.

Provision for Credit Losses

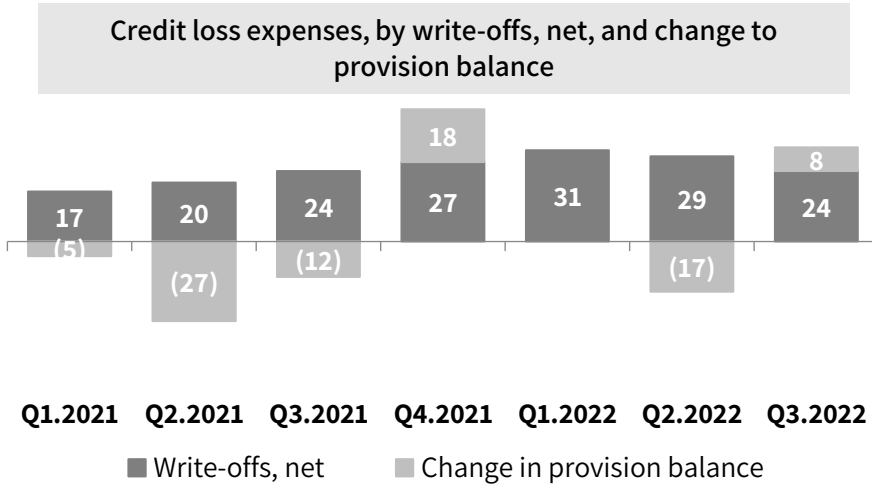
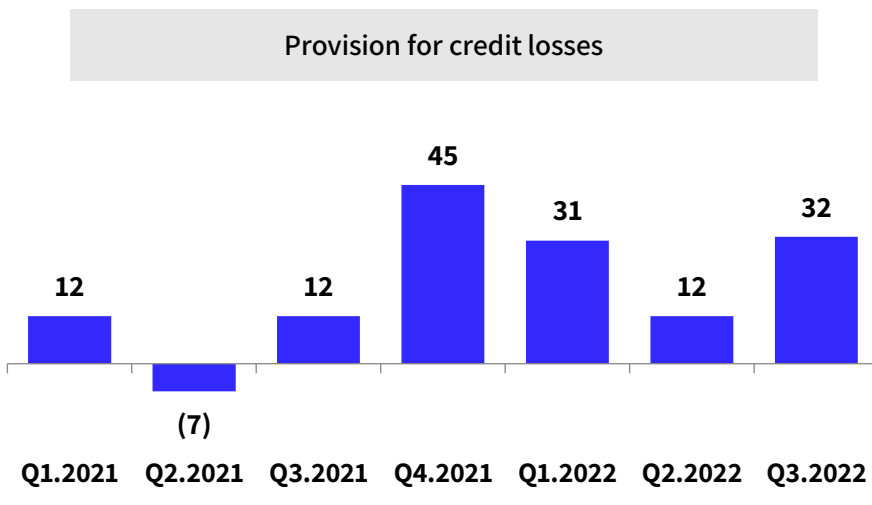
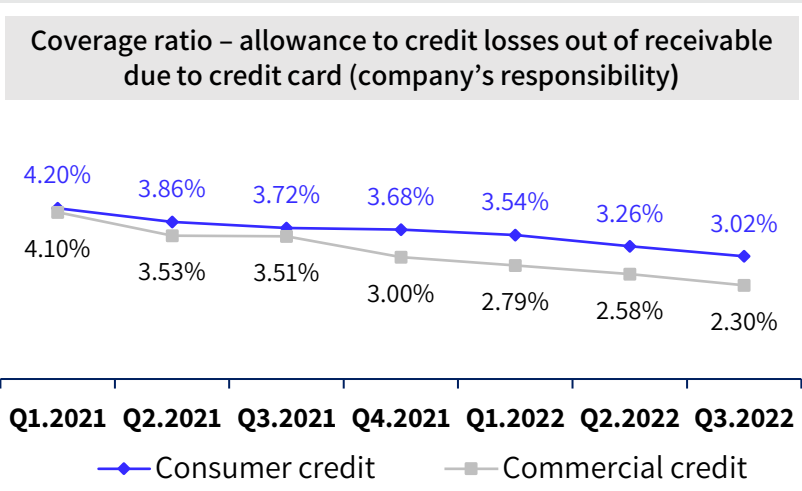
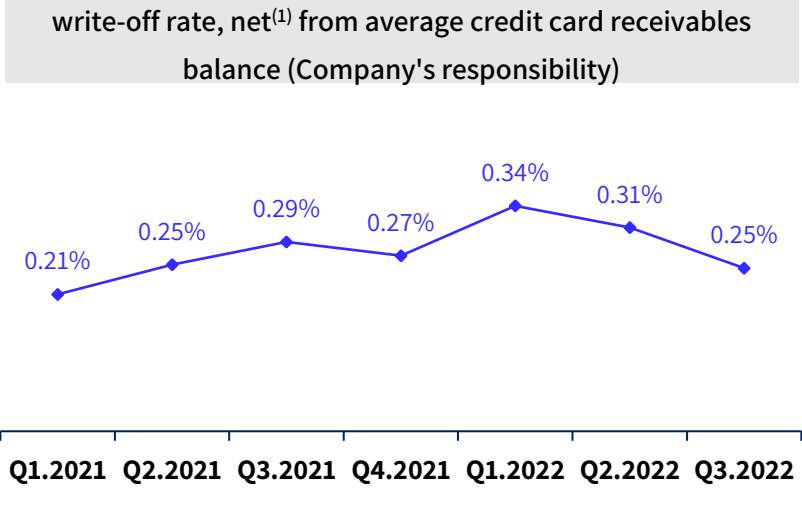
3rd Quarter, 2022

(ILS millions)

- A downward trend in the write-off rate, net,⁽¹⁾ from average credit card receivables balance in 2022.
- The increase in provision for credit losses in the quarter, compared to the previous quarter and the corresponding quarter last year, is mainly due to a double-digit growth in the Company's credit portfolio, together with an increase in credit card receivable balances.

Maintaining high coverage ratios

(1) Calculated quarterly

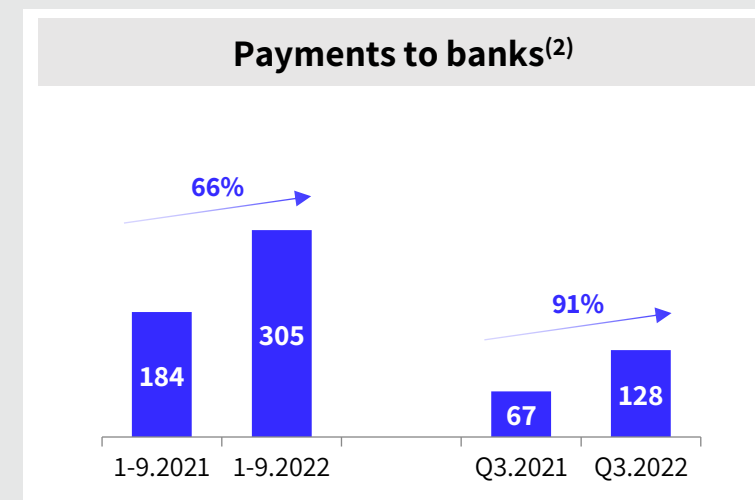
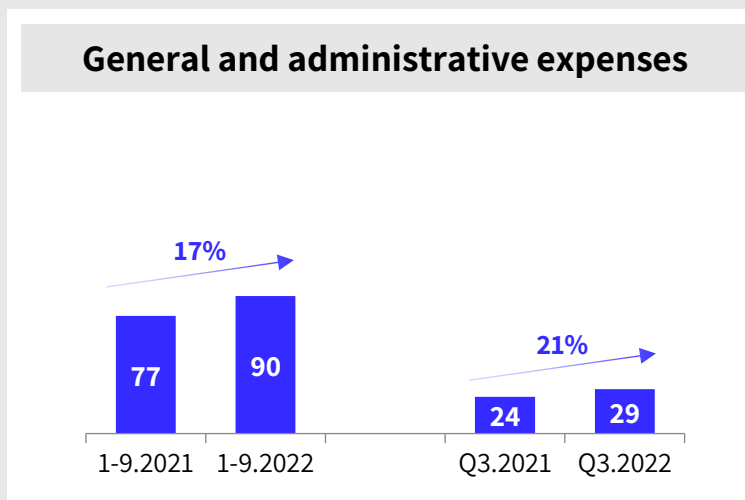
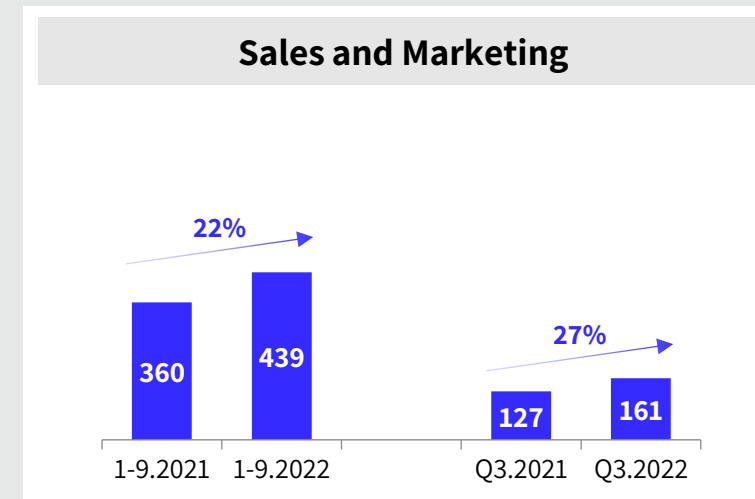
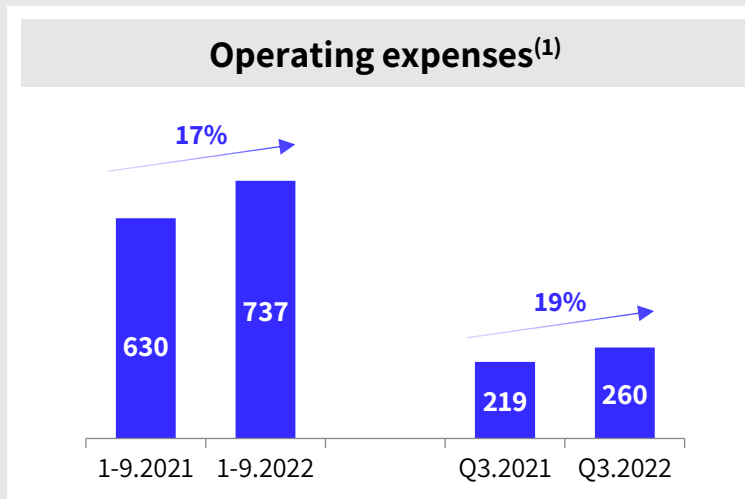


Expenses (excluding credit losses)

3rd Quarter, 2022

(ILS millions)

- ◆ **Operating expenses** – are mostly affected by the increase in transaction volumes in Israel and abroad, which brought an increase in payments to international organizations, as well as by growth of credit portfolio and increase in depreciation expenses as a result of group investments.
- ◆ **Sales & Marketing expenses** – most of the increase in the 3-month and 9-month periods compared to the corresponding periods last year derive from an increase in club management fee expenses, affected by renewal of agreements, as well as an increase in transaction volumes, increase in expenses of gift promotions to cardholders and in marketing campaigns.
- ◆ **Payments to banks** – most of the increase in the 3-month and 9-month periods compared to the corresponding periods last year derive from an increase in payments, net, to Bank Hapoalim, according to understandings in principle, beginning on April 1, 2022, of ILS 48 million and 95 million in 3-month and 9-month periods respectively ended on September 30, 2022, and from increase in transaction volumes, partial set off by a decrease in the local inter-charge fee rate.



(1) The Data is presented net of nonrecurring operating expenses of ILS 42 million in 1-9.2022. For information, see also Slide 17 in the appendices chapter.

(2) For the three and nine month periods that ended on September 30, 2022, the company recognized an increase in the amount of payments to Bank Hapoalim (the effect of the updated agreement) of approximately ILS 48 ILS million and ILS 95 ILS million, respectively, net of income from issuing operations with Bank Hapoalim.

Accelerating an Efficiency Plan

Annual savings of ILS 55-65 million

The plan will be implemented by the end of 2023 with savings fully realized in 2024⁽¹⁾

Digitization and automation



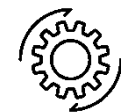
Streamlining operations and cost saving



Workforce



Simplifying organizational structures



The company intends to complete the formulation of the plan and its approval by the authorized entities by the end of 2022

(1) *No decisions have been made on the issue, and no certainty regarding the timing and effect of the measures undertaken, as they will be taken



Equity, Capital Adequacy and Return on Equity

(as of September 30, 2022)

Shareholders' equity

2.8 ILS billion

After dividend distribution of ILS 149 million in 1-9.2022

Total capital ratio

14.7%

(11.5% minimum regulatory requirement)

Tier 1 Capital ratio

13.6%

(8% minimum regulatory requirement)

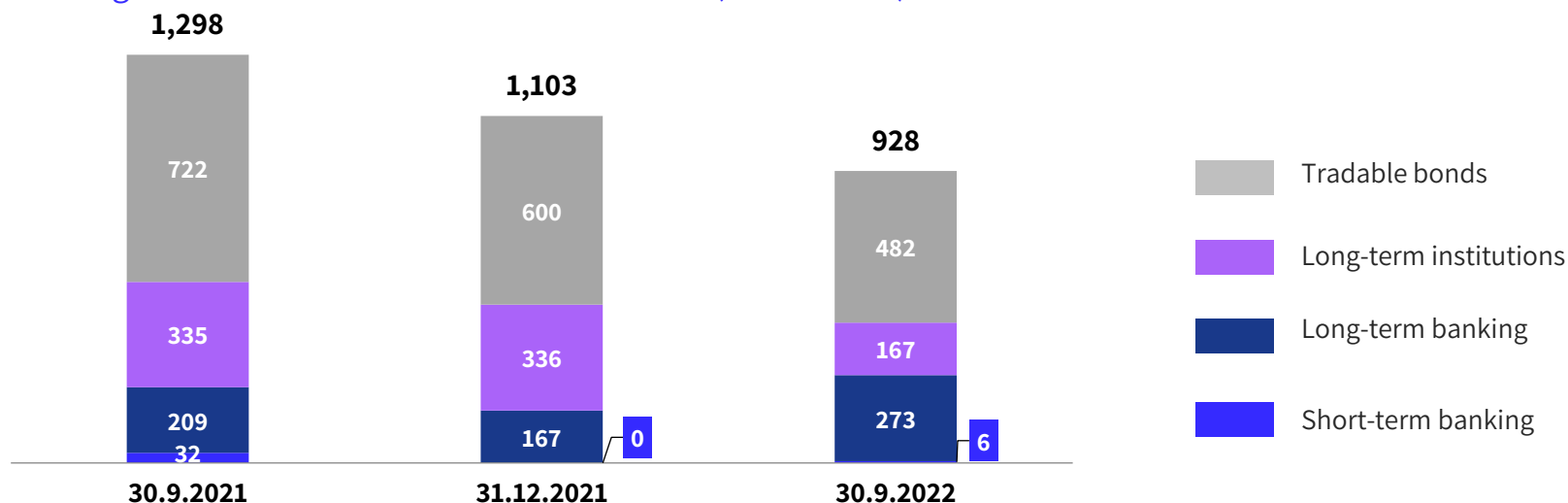
Dividends to shareholders

149 ILS million 

About 35% of the net (consolidated) profit for 2021 and about 35% of the semi-annual net profit for H1.2022

Financing sources

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



Return on Equity (adjusted)

7-9.2022

8.7%

1-9.2022

8.4%⁽¹⁾

(1) Reported return on equity rate – 6.8%

New Products and Services – Consumer Credit

Interest shield – fixed rate loan

**הלוואה עם מגן ריבית
בהחזר חודשי קבוע
שלא מושפע
מהריבית במשק**

להלוואה משעממת
בקטע טוב <<

בכפוף לאישור החברה ותנאיה, המלווה ישראל כרטיס מימן בע"מ, אי עמידה בפירעון ההלוואה או האשראי עלולה לגרום חיוב בריבית פיגורים והליכי הוצאה לפועל. אין בהודעה זו כדי לחייב את ישראל כרטיס בהעמדת האשראי באופן מלא או חלקי ולישראל כרטיס יהיה את שיקול הדעת המוחלט אם להיענות לבקשה או לדחותה. דחיית החזר ההלוואה בכפוף לתשלום ריבית גישור. תקופת ההלוואה היא מ-84 18 תשלומים.

**הלוואה
משעממת
בקטע טוב**

כפוף לאישור החברה ותנאיה, המלווה ישראל כרטיס מימן בע"מ, אי עמידה בפירעון ההלוואה או האשראי עלולה לגרום חיוב בריבית פיגורים והליכי הוצאה לפועל. אין בהודעה זו כדי לחייב את ישראל כרטיס בהעמדת האשראי באופן מלא או חלקי ולישראל כרטיס יהיה את שיקול הדעת המוחלט אם להיענות לבקשה או לדחותה. דחיית החזר ההלוואה בכפוף לתשלום ריבית גישור. תקופת ההלוואה היא מ-84 18 תשלומים.

1% less than the bank

**הלוואה בריבית
משתלמת
ונמוכה ב-1%
מהבנק**

להצעה משתלמת <<

בכפוף לאישור החברה ותנאיה, המלווה ישראל כרטיס מימן בע"מ, אי עמידה בפירעון ההלוואה או האשראי עלולה לגרום חיוב בריבית פיגורים והליכי הוצאה לפועל. אין בהודעה זו כדי לחייב את ישראל כרטיס בהעמדת האשראי באופן מלא או חלקי ולישראל כרטיס יהיה את שיקול הדעת המוחלט אם להיענות לבקשה או לדחותה. דחיית החזר ההלוואה בכפוף לתשלום ריבית גישור. תקופת ההלוואה היא מ-84 18 תשלומים. להצעה משתלמת של כ-3%.

Air supply loans

**הלוואה מישראל כרטיס
שנותנת לכם אוויר**

לוקחים הלוואה עכשיו
ומחזרים אחרי אחרי החגים

תנו לי אוויר <<

**ההלוואה עכשיו,
ההחזר אחרי אחרי החגים**

בפריסה עד 84 תשלומים
ובריבית החל מכריים +1%

להלוואה שמתנת אוויר <<



**הלוואת אוויר
בקטע טוב**

כפוף לאישור החברה ותנאיה, המלווה ישראל כרטיס מימן בע"מ, אי עמידה בפירעון ההלוואה או האשראי עלולה לגרום חיוב בריבית פיגורים והליכי הוצאה לפועל. אין בהודעה זו כדי לחייב את ישראל כרטיס בהעמדת האשראי באופן מלא או חלקי ולישראל כרטיס יהיה את שיקול הדעת המוחלט אם להיענות לבקשה או לדחותה. דחיית החזר ההלוואה עד שישה חודשים. כפוף לתנאי האישור ולתשלום ריבית גישור כמפורט בטופס הבקשה. תקופת ההלוואה היא מ-84 18 תשלומים.

New Products and Services

Gay community card

שווה לקהילה שווה לי

לראשונה בישראל ורק בישראל! כרטיס אשראי לקהילה הגאה

הפקת הכרטיס נעשה במסגרת נתונים לשיקול דעתה הבלעדי של המנפיקה ישראלכרט בע"מ ו/או ישראלכרט מימון בע"מ. בכפוף לתנאי החברה ולתנאים המפורטים באתר. ההטבות עשויות להשתנות מעת לעת. אי עמידה בפירעון ההלוואה או האשראי עלולה לגרום חיוב בריבית פיגורים והליכי הוצאה לפועל.

Card use encouragement

טיסה 750 של ישראלכרט ממריאה בקרוב ליוון! רוצה להיות עליה?

כל מה שצריך זה להשתתף במשחק מהנה וגם לרכוש ב-750 ₪ ומעלה בכרטיס ישראלכרט באתר אונליין במהלך חגיגת הקניות של נובמבר ויש לך סיכוי לקבל נפיש זוגי במתנה!

להשתתפות במשחק

בחו"ל? שלמו פחות עם ישראלכרט בנייד!

משלמים עם כרטיס ישראלכרט בנייד ומקבלים עמלת עסקאות מט"ח מוזלת של 1%

לפרטים נוספים <

Solutions for businesses

ישראלכרט לעסקים מגוון פתרונות העסק שלך

אבי לוי בעל מסעדת "המציא" ירושלים

תשבו בנג'ל *9937

גם עטרה בחרה בפתרונות התשלום של ישראלכרט לעסקים

עטרה נגד בעלת מסעדת "נגד" רחובות

תשבו בנג'ל *9937

גם לימור ועודד בחרו בפתרונות הדימימון של ישראלכרט לעסקים

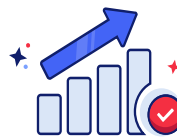
עודד ולימור בעלי דריז'ועסקים טקס אבלי כרמי רחוב הרצליה

תשבו בנג'ל *9937

The strategic plan is bearing fruit



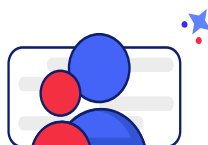
Closing 1-9.2022 with a net profit of ILS 174 million*



Quarterly double-digit growth trend in the consumer credit



Quarterly double-digit growth trend in the commercial credit



Assembling a highly professional management team to lead continued growth



Signing long-term agreements with business partners



Formulating a comprehensive efficiency plan**

Accelerating for continued growth

* Net of a ILS 25-million provision to VAT assessment and ILS 17 million for nonrecurring operating expenses, as described in slide 17 in the appendices chapter of this presentation.

** As of the date of signing the report, no decisions have been made on the issue.



APPENDICES



ISRACARD GROUP

Financial data of the third quarter results

	7-9.2022	7-9.2021
ILS millions	Reported	Reported
Revenues		
Income from merchants, net	328	308
Income from credit card holders	230	177
Interest income, net	148	109
Other income (expenses)	(5)	(9)
Total revenues	701	585
Expenses		
Provision for credit losses	32	12
Operating expenses	260	219
Sales & Marketing expenses	161	127
General & Administrative expenses	29	24
Payments to banks	128	67
Total expenses	610	449
Pretax profit	91	136
Provision for tax on profit	(31)	(39)
Company share in profit of associates	-*	2
Net Profit	60	99

* Less than ILS 0.5 million

Financial data, 1-9.2022 period

ILS millions	1-9.2022			1-9.2021
	Reported	Nonrecurring effects	Net of nonrecurring effects	Reported
Revenues				
Income from merchants, net	934	-	934	877
Income from credit cardholders	621	-	621	471
Interest income, net	382	-	382	319
Other income (expenses)	(34)	-	(34)	(10)
Total revenues	1,903	-	1,903	1,657
Expenses				
Provision for credit losses	75	-	75	17
Operating expenses	779	(1,2)(42)	737	630
Sales & Marketing expenses	439	-	439	360
General & Administrative expenses	90	-	90	77
Payments to banks	305	-	305	184
Total expenses	1,688	(42)	1,646	1,268
Pretax profit	215	42	257	389
Provision for tax on profit	(74)	(10)	(84)	(108)
Company share in profit associates	1	-	1	5
Net earnings of the Company	142	32	174	286

(1) The results of the second quarter of 2022 were affected by an increase in the provision for VAT assessments of about ILS 25 million in accordance with the principles of negotiation of the settlement, which at the time of signing the report was not successful.

(2) The results of the first quarter of 2022 were significantly affected by nonrecurring events and their accounting treatment, which includes: an expense of about ILS 10 million resulting from shortening the contractual lease period at the old "Isracard House" at 40 Hamasger Street, Tel Aviv. As the date of signing the report, the company has no financial liability for the lease. and from an expenditure of about ILS 7 million resulting from a Company decision, as part of implementing the multi-year strategic plan, to discontinue a public transport payment app.

Balance Sheet

ILS millions	30.9.2022	31.12.2021	30.9.2021
Assets			
Cash and deposits in banks	3,722	4,631	3,960
Receivables due to credit card activity	19,099	16,951	15,927
Allowance to credit losses	(346)	(357)	(338)
Receivables due to credit card activity, net	18,753	16,594	15,589
Securities	59	64	65
Investments in associated companies	46	42	35
Buildings and equipment	436	408	375
Other assets	812	697	521
Assets held for sale	-	-	68
Total assets	23,828	22,436	20,613
Liabilities			
Credit from banking and others	446	503	576
Creditors due to credit card activity	19,166	17,615	15,857
Tradable bonds	482	600	722
Other liabilities	941	941	734
Total liabilities	21,035	19,659	17,889
Equity attributable to Company's Shareholders	2,793	2,777	2,724
Total liabilities and equity	23,828	22,436	20,613

Strategic Collaboration with Bank Hapoalim

as of April 1, 2022



8-year agreement provides long-term certainty



main partner for issuing and operating credit cards to Bank Hapoalim's customers



The agreement positively contributes to the Group's profitability



App. ILS 50 million quarterly increase in payments to the bank

Enabling Isracard to continue operating as the company with the largest customer base for continued acceleration of the growth engines



Thank you!

Financial Statements
as of September 30, 2022



ISRACARD GROUP