



Continued Growth trend

Investor Deck Q2/23 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 Aug 16th 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 to be concise 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 and Q2/23 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.

This presentation does not constitute an offer or solicitation to acquire the Company's securities and its content contains nothing to constitute a recommendation or an opinion or alternative to the investor's deliberations. 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

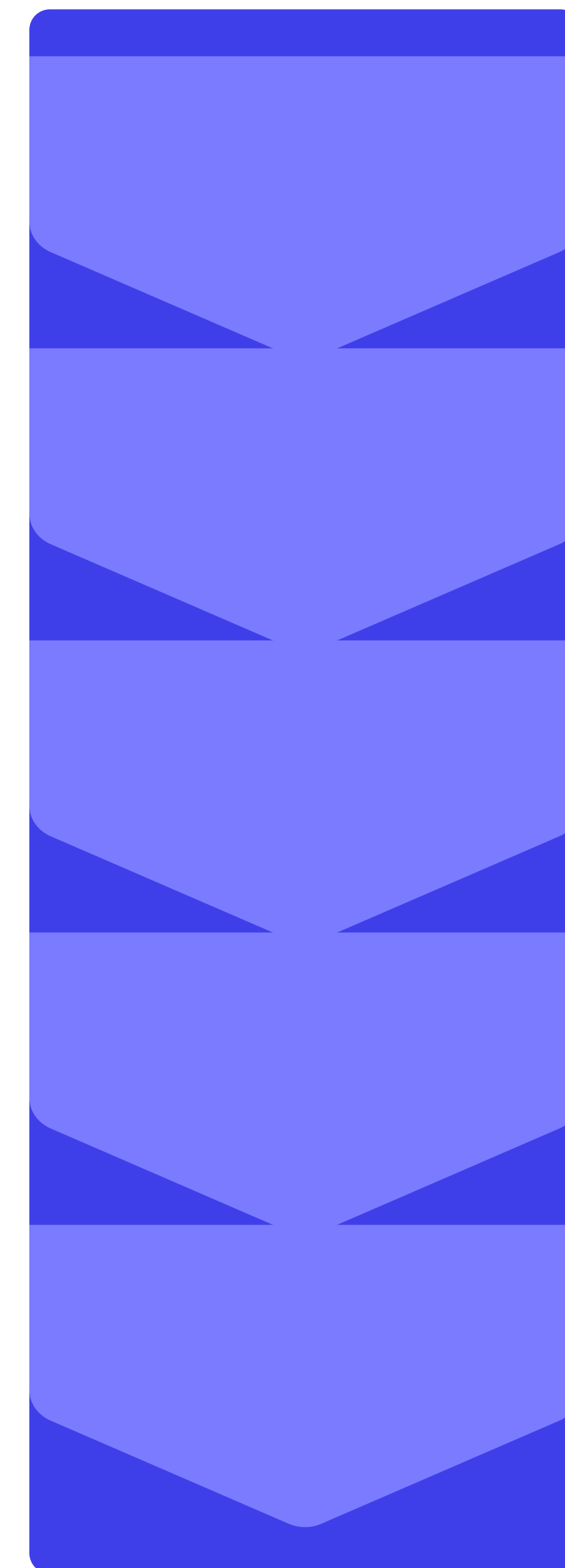
Forward-looking information is based on the Company's subjective estimates, inter alia, on facts and data regarding the Group's current business status, the state of the payment and credit markets, and the market situation available to the Company when preparing this presentation. It is also based on 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 reports and publications of various external entities: such as: Bank of Israel data and entities operating in the payments market (including credit card companies and other acquirers).

The eventuation or non eventuation of the forward-looking information is, inter alia, affected by developments in the Israeli and foreign payments

and credit market, changes in the Group's workplan, changes in market conditions and by external factors that have an effect on the Group's operations, by Global and Israeli consumer conduct, the presence or absence of various resources in the Group, by the activities of entities and players in the Israeli and foreign payments and credit markets, by decisions made by various international entities and organizations with which the Group operates or those whose decisions have an effect on the Group, from changes in the scopes of activity and the number of the Group's cardholders, which includes regulatory changes accounting changes and changes in the taxation rules, changes in competitive conditions, technological developments, economic changes, macroeconomic changes, including changes in the inflation rates interest rates in Israel and/or overseas and recession, the uncertainty in the corporate sector and at major players in the Israeli and global financial markets against the background of promoting the government's plan for executing changes in the judicial system in Israel and its various implications from changes in the geopolitical situation, including the implications of the local and global political and security conflicts, changes in the financing conditions and their effects and changes in other fields that are likely to have an impact on the Group's operations and the corporate environment in which it operates, which are not under the Group and/or Company's control and/or on their eventuation differently and even materially from what was forecast and the eventuation of all or some of the risk factors that characterize the Group's operations.

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.



Q2/2023 Isracard Maintains the Growth Trend

Q2.2023

Pre-tax earnings

ILS94M

(ILS53M Q2/22)

Net earnings

ILS66M

(ILS32M Q2/22)

Net earnings return on equity

9.2%

4.7% Q2/22

1-6.2023

Pre-tax earnings

ILS164M

ILS124M 1-6.2022

Net earnings

ILS121M

ILS82M 1-6.2022

Net earnings return on equity

8.5%

5.9% 1-6.2022

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

A substantial growth in the credit portfolio

Transaction turnovers in credit cards issued by the Group

Q2.2023

Private Customers Operational Sector

ILS 164M

+76%

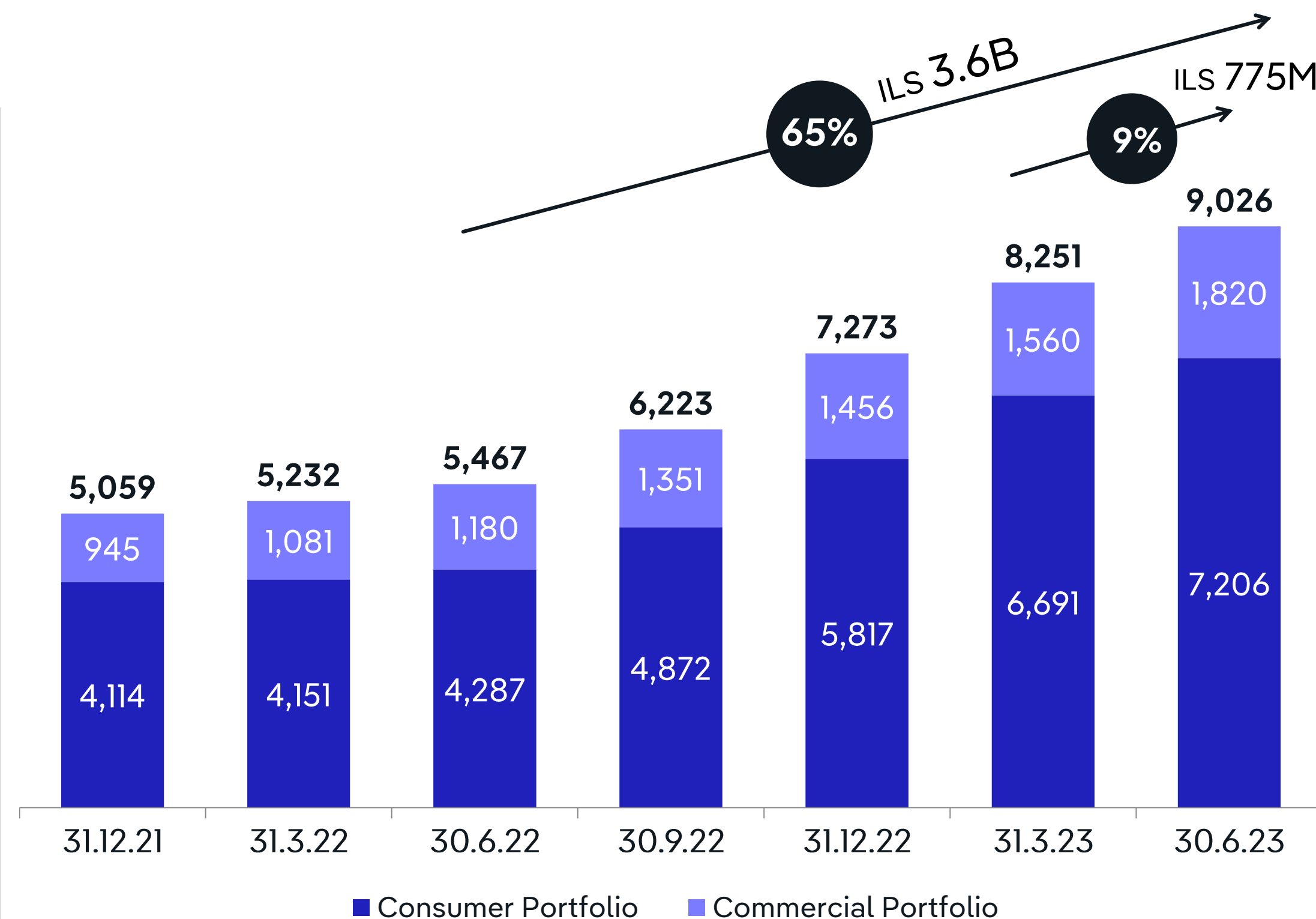
Growth from the corresponding previous period

Business Customers Operational Sector

ILS 69M

+130%

Growth from the corresponding previous period



Q2.2023

ILS 54.4B

+5.4%

Growth from the corresponding previous period

Dividend distribution to Shareholders

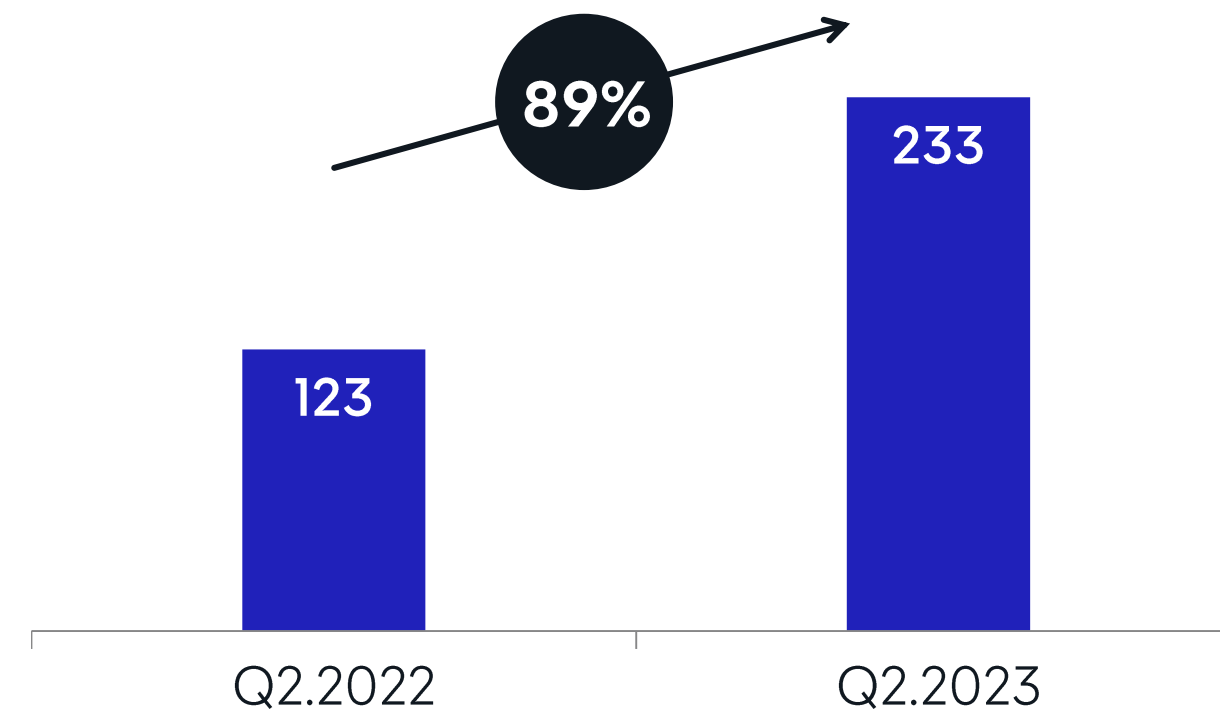
ILS 42.3M

Declared Dividend after the balance sheet date

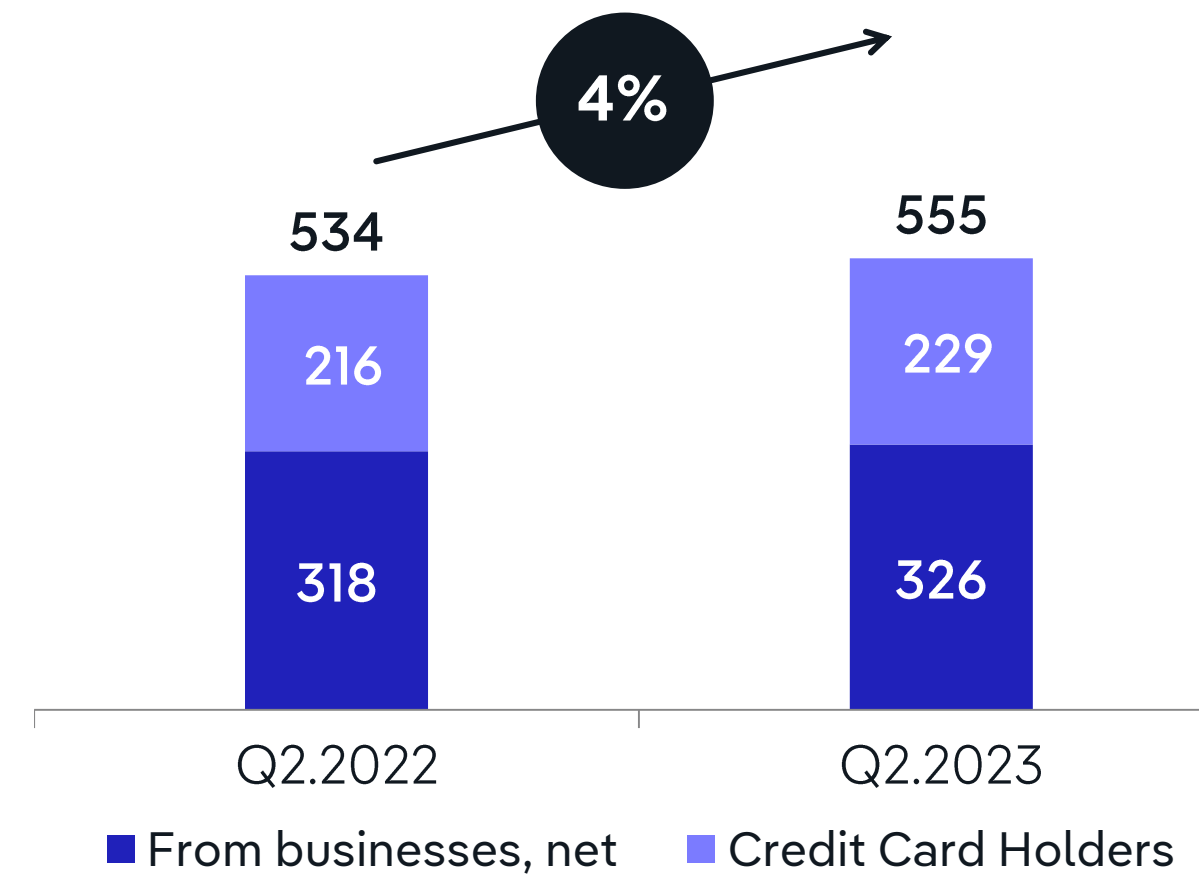
Key Financial Data

(ILS millions)

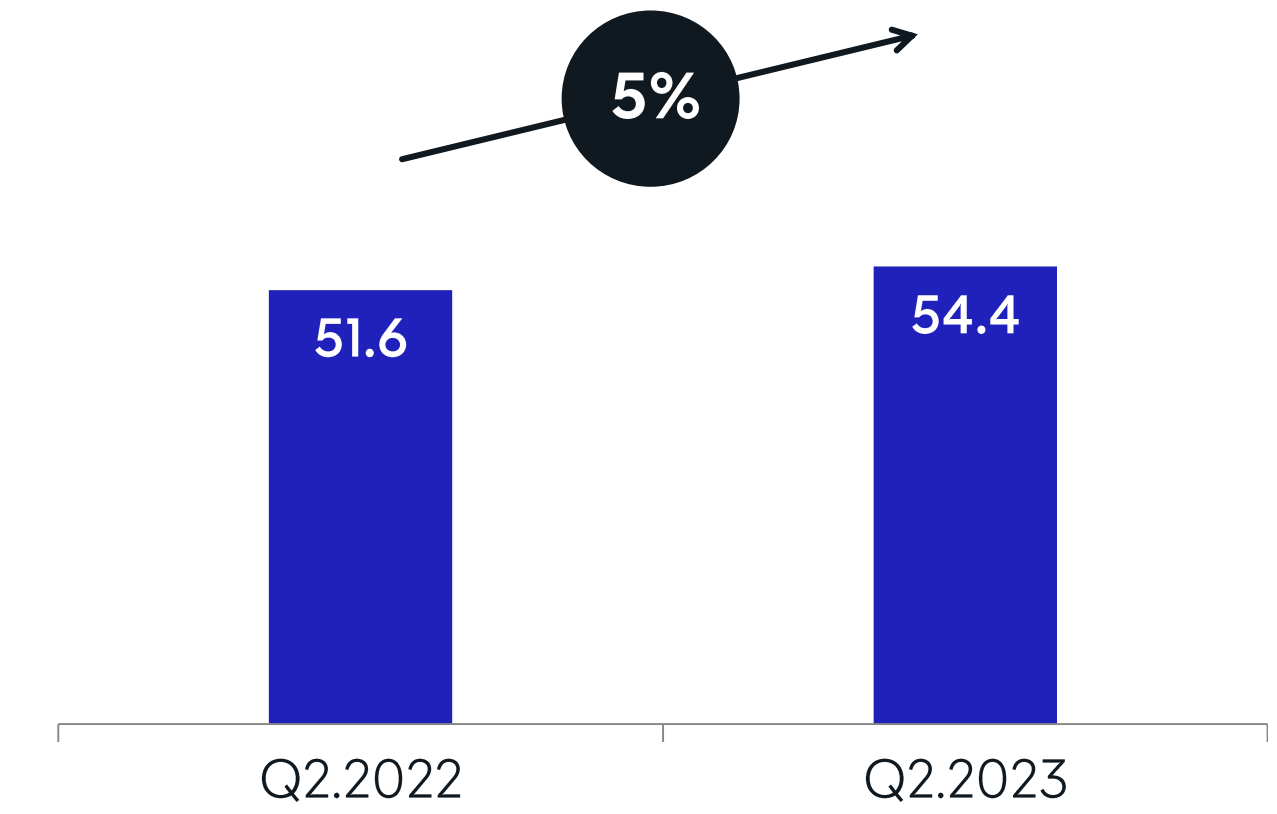
Net interest income



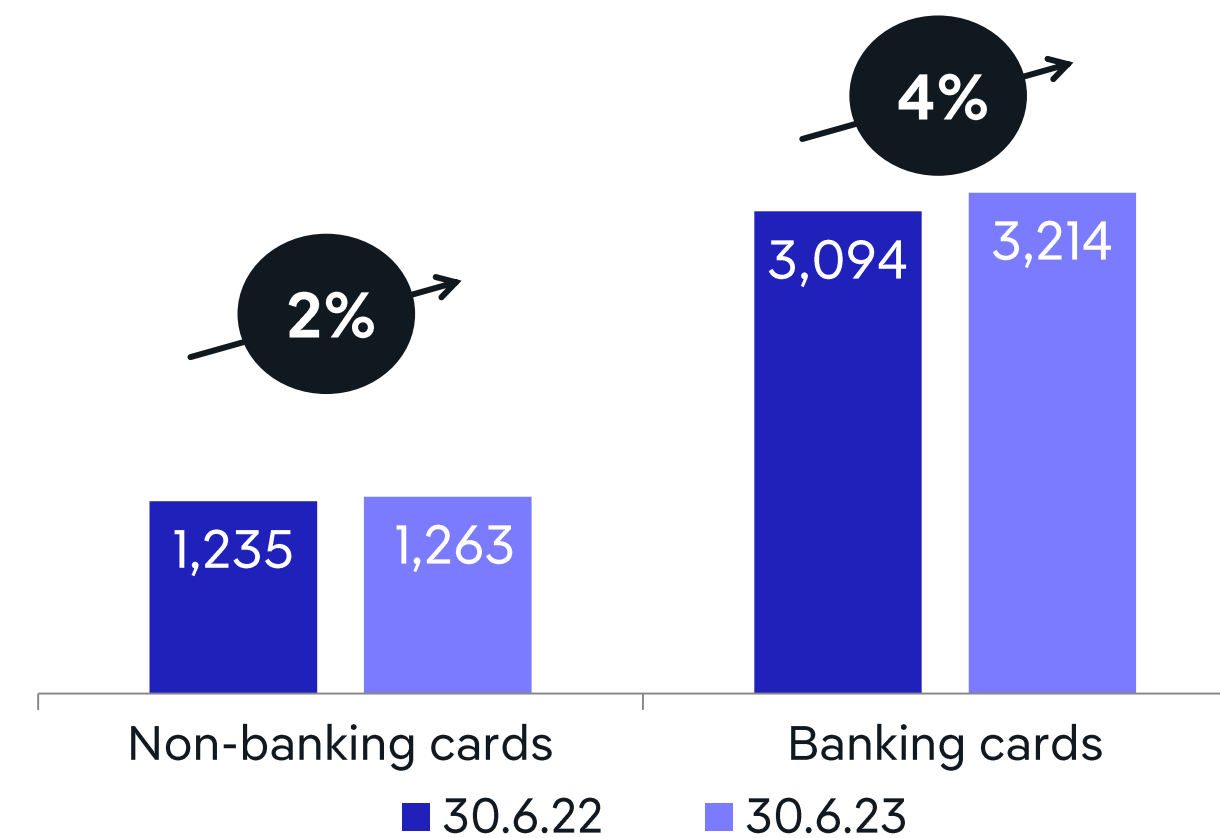
Income from credit card operations
(issue and clearing)



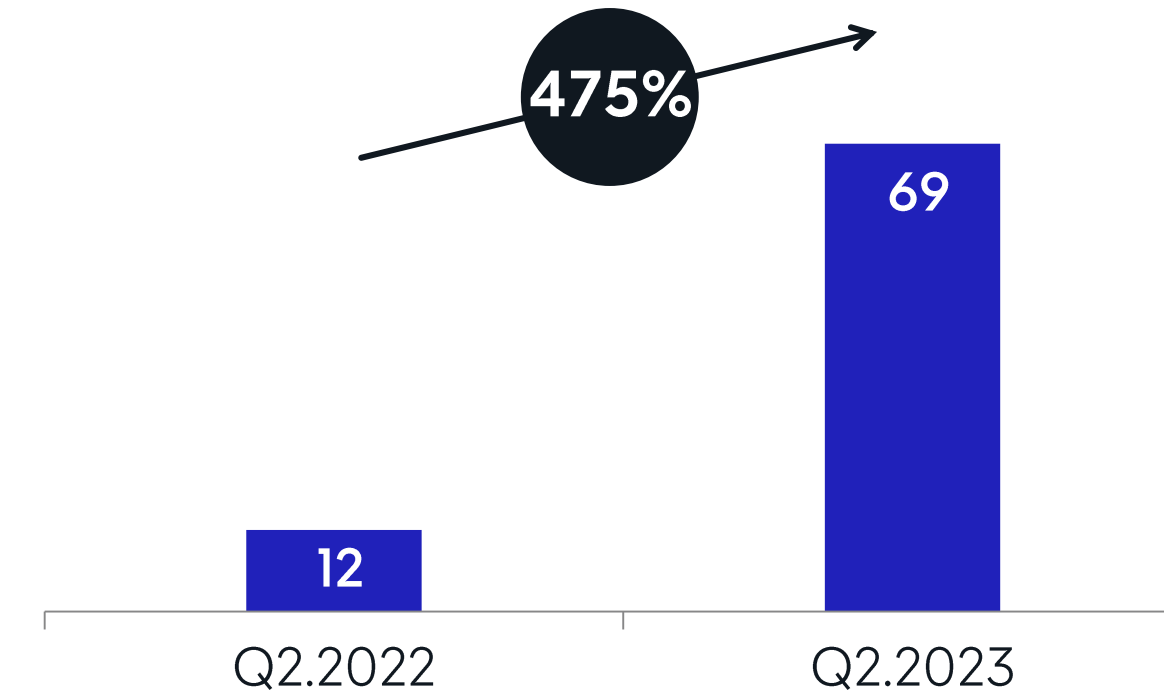
Transaction turnovers in credit cards
issued by the Company (ILS billion)



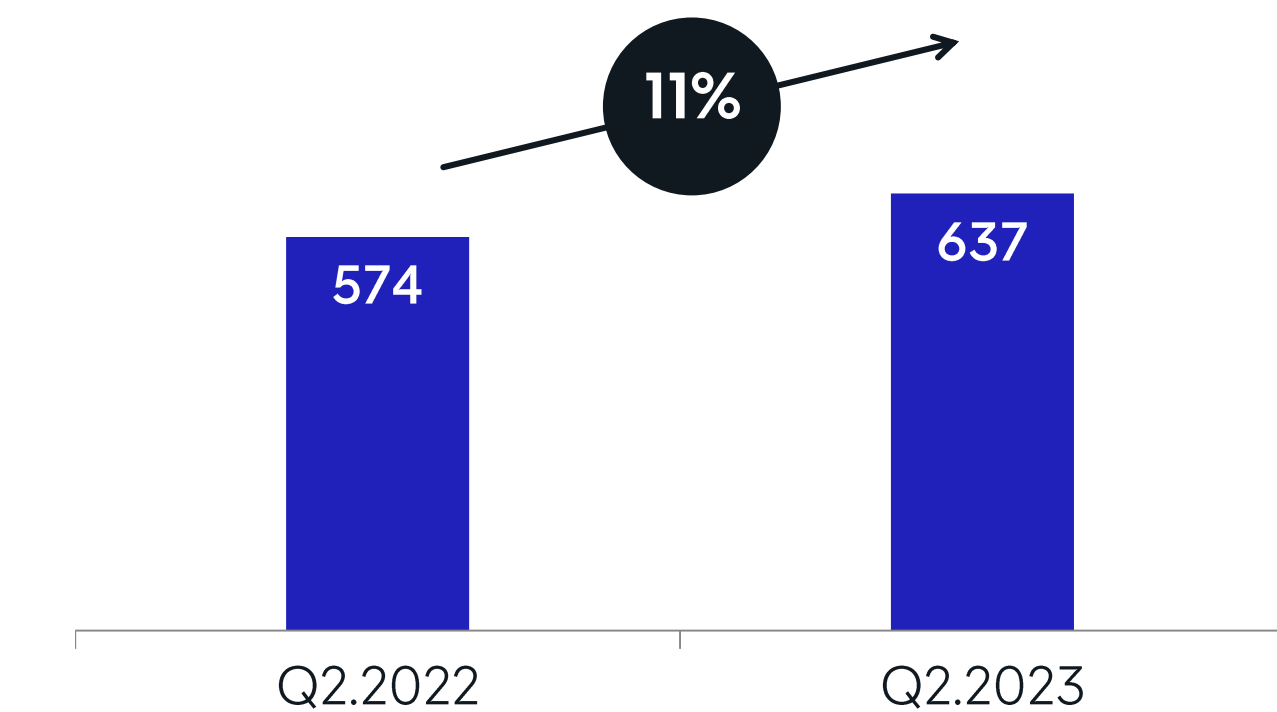
Number of **active** cards (thousands)



Credit loss expenses⁽¹⁾



Total expenses excluding credit losses



(1) The expenses increase derives from the effect of the initial implementation of CECL (new standardization) on the collective provision, from the increase in the credit portfolio and decrease in the collective provision rate (the previous standardization on the subject of credit losses) in the corresponding previous period, as a result of the improvement in macroeconomic assessments with the economy's return to pre-COVID 19 operations during H1/22.

Private Customers – A Continuing Growth Trend

Q2.2023

Net interest income⁽²⁾

ILS 164M

Compared with ILS 93M in the corresponding previous period

Income from interest rate⁽¹⁾

11.80%

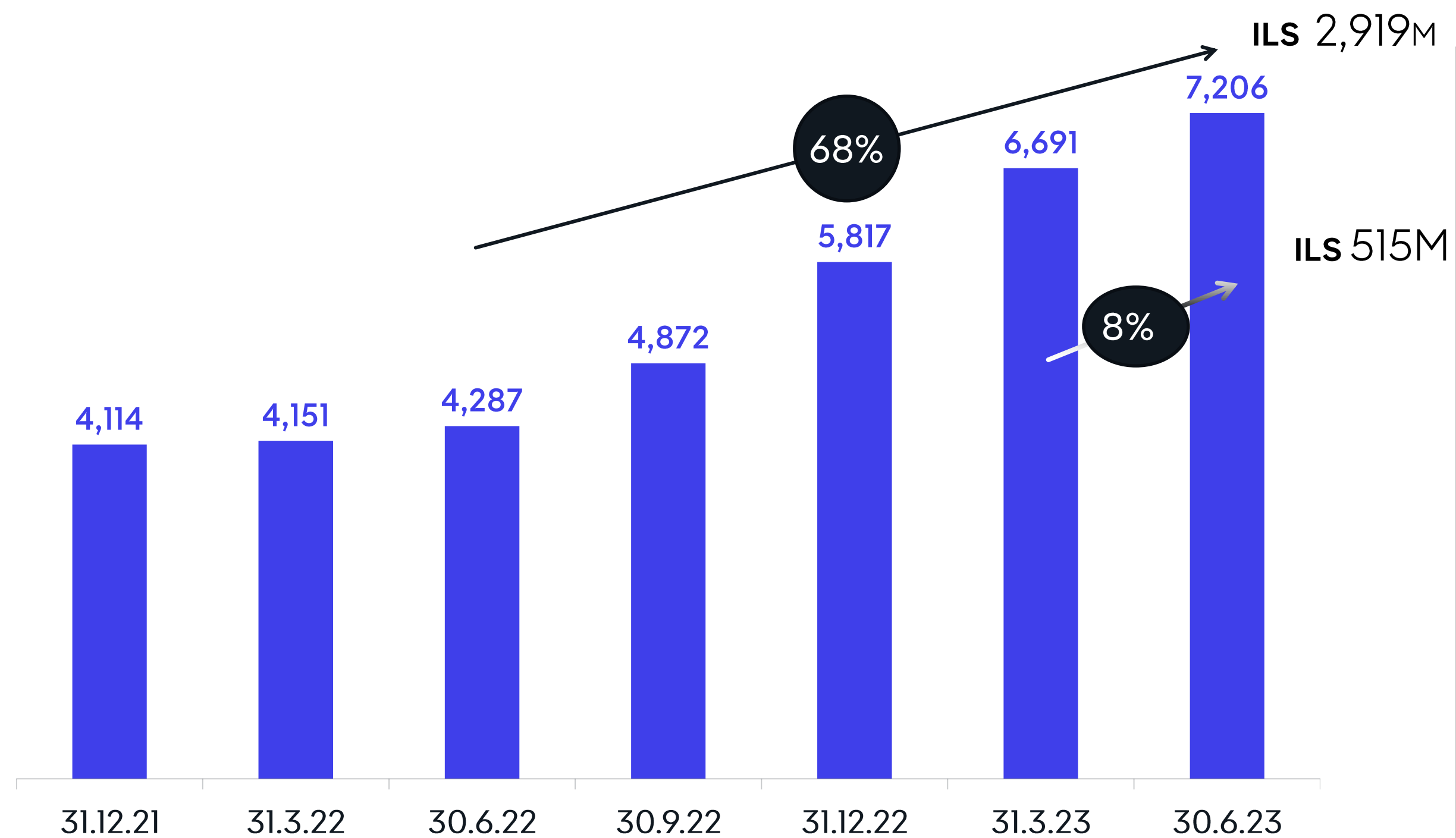
Compared with 9.27% in the corresponding previous period

The income margin rate above prime

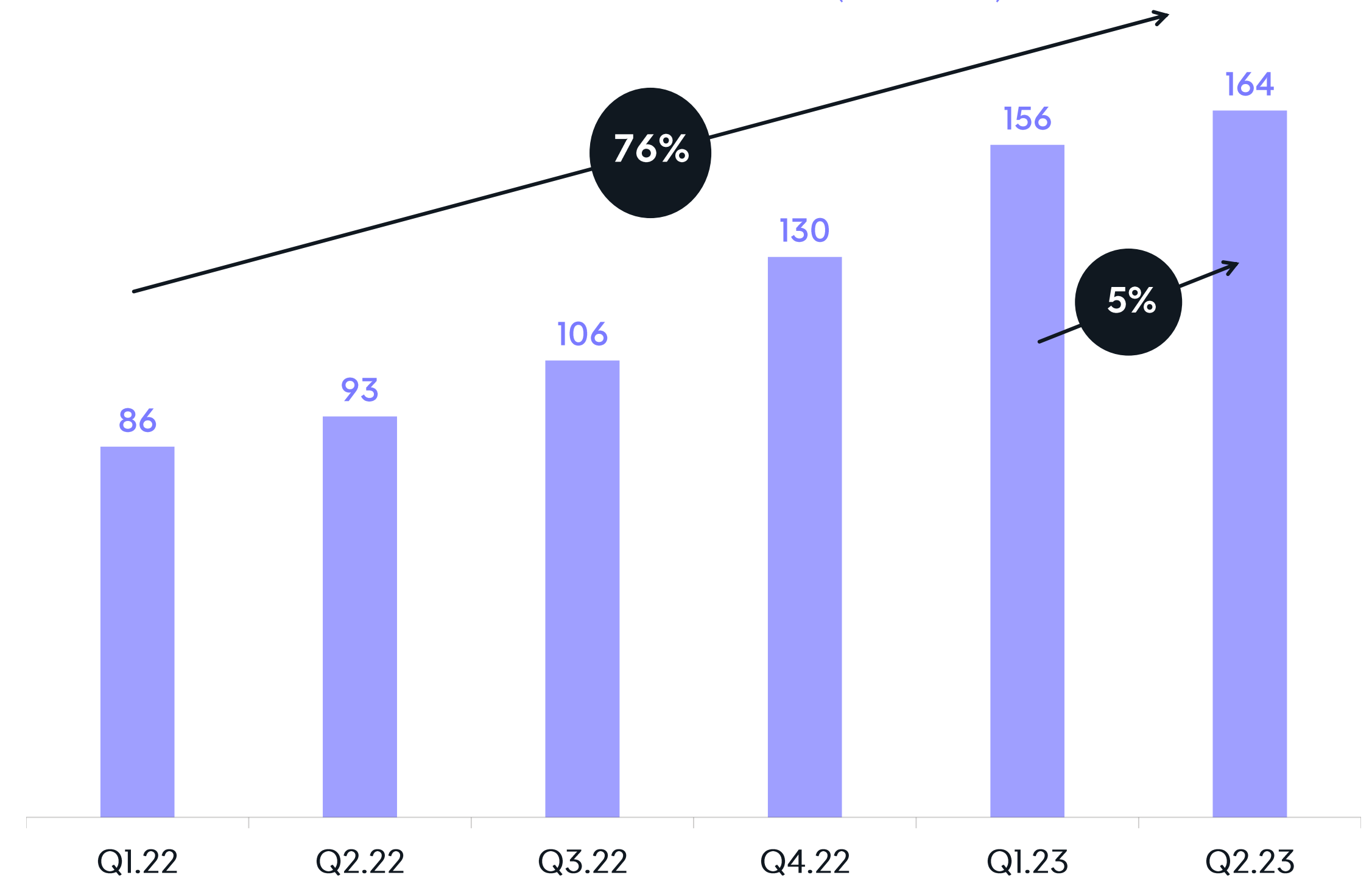
5.71%

Compared with 7.30% in the corresponding previous period

Credit portfolio (ILS millions)



Net interest income⁽²⁾ (ILS millions)



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

(2) Total net interest income of the private customers operations sector.

Business Customers – A Continuing Growth Trend

Q2.2023

Net interest income⁽²⁾

ILS 69M

Compared with ILS 30M in the corresponding previous period

Income from interest rate⁽¹⁾

9.86%

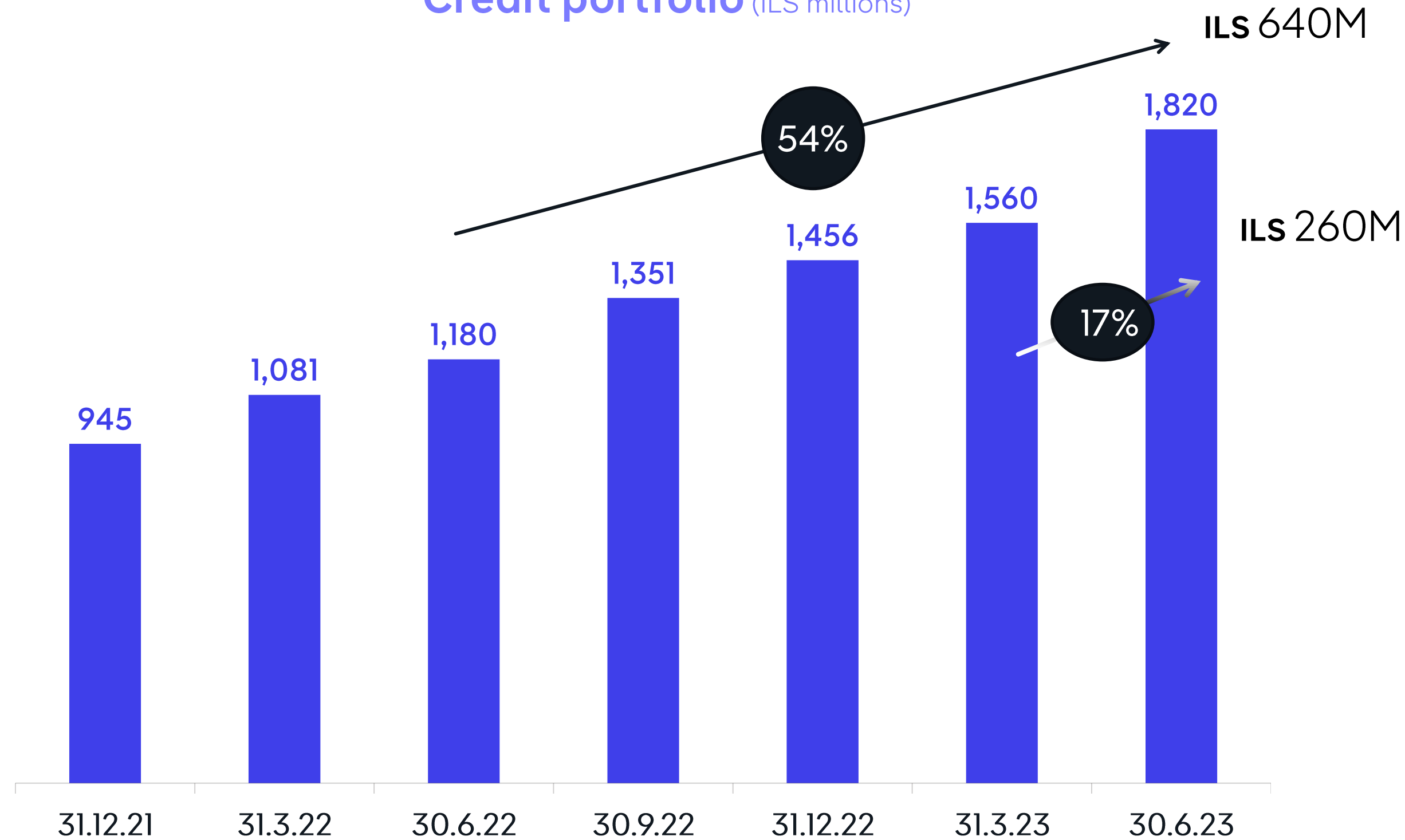
Compared with 6.36% in the corresponding previous period

The income margin rate above prime

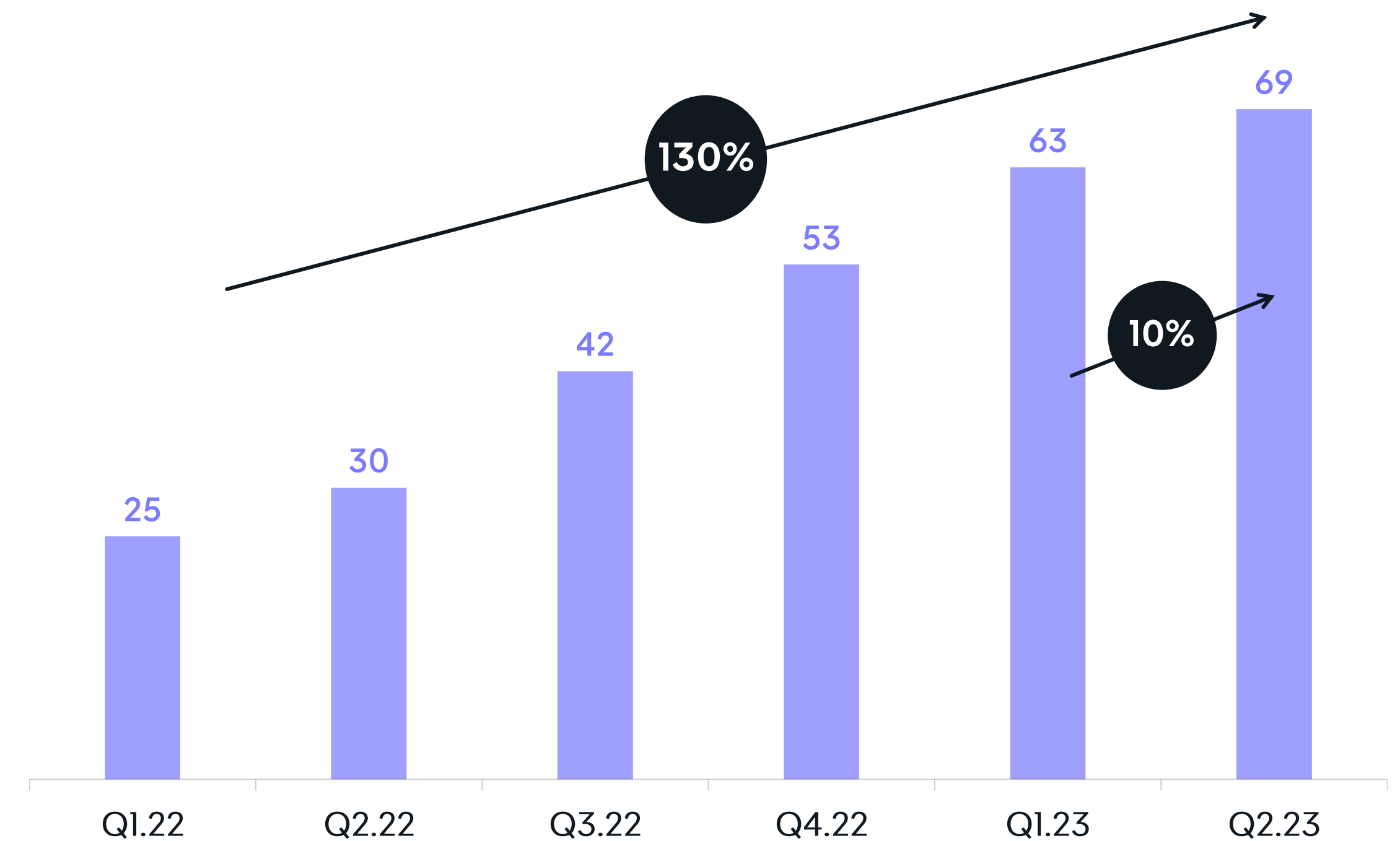
3.77%

Compared with 4.39% in the corresponding previous period

Credit portfolio (ILS millions)



Net interest income⁽²⁾ (ILS millions)



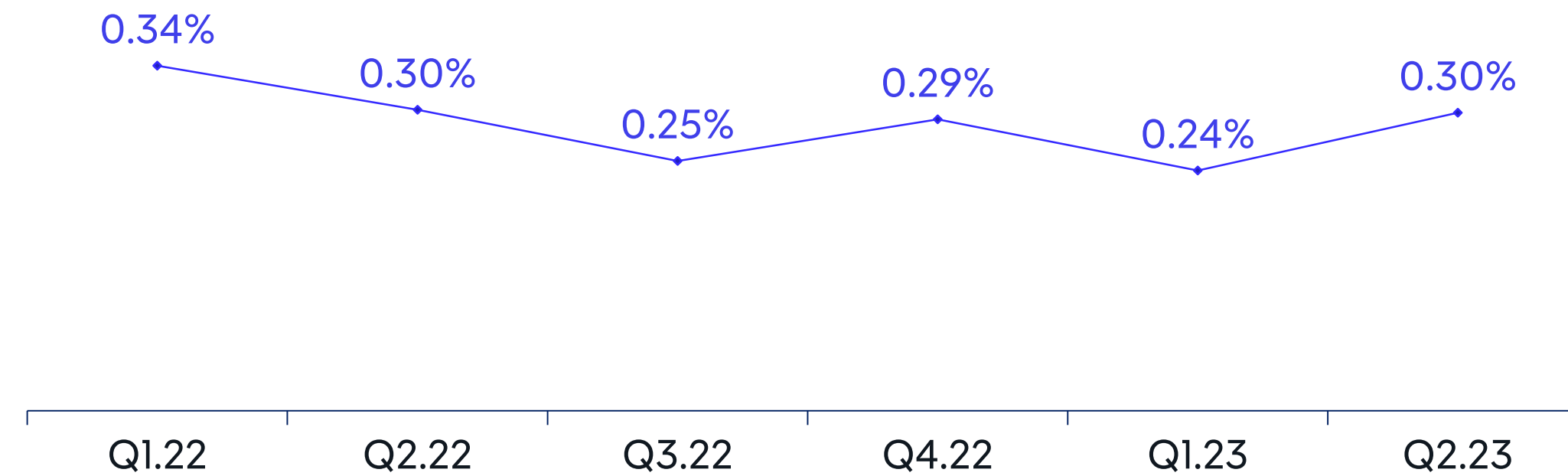
(1) Average income rate (annual calculation) based on balances at the beginning of the months of the commercial credit portfolio.

(2) Total net interest income of the business customers operations sector.

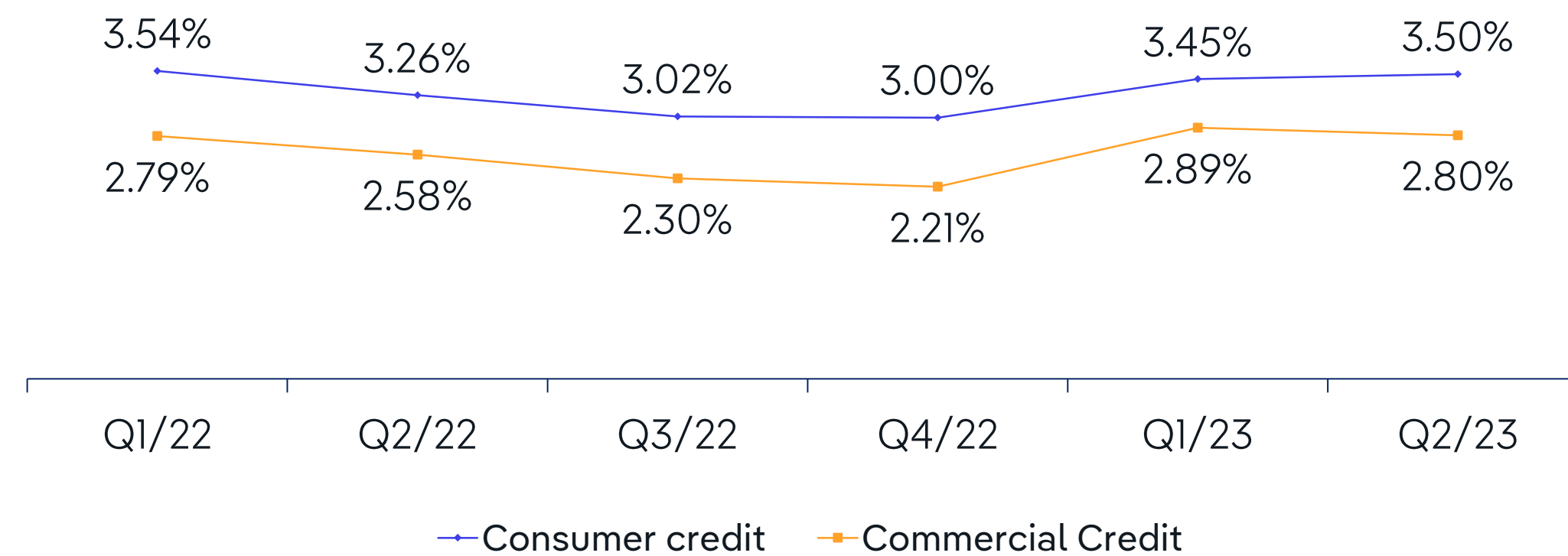
Credit Loss Expenses

Q2/2023 (ILS millions)

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

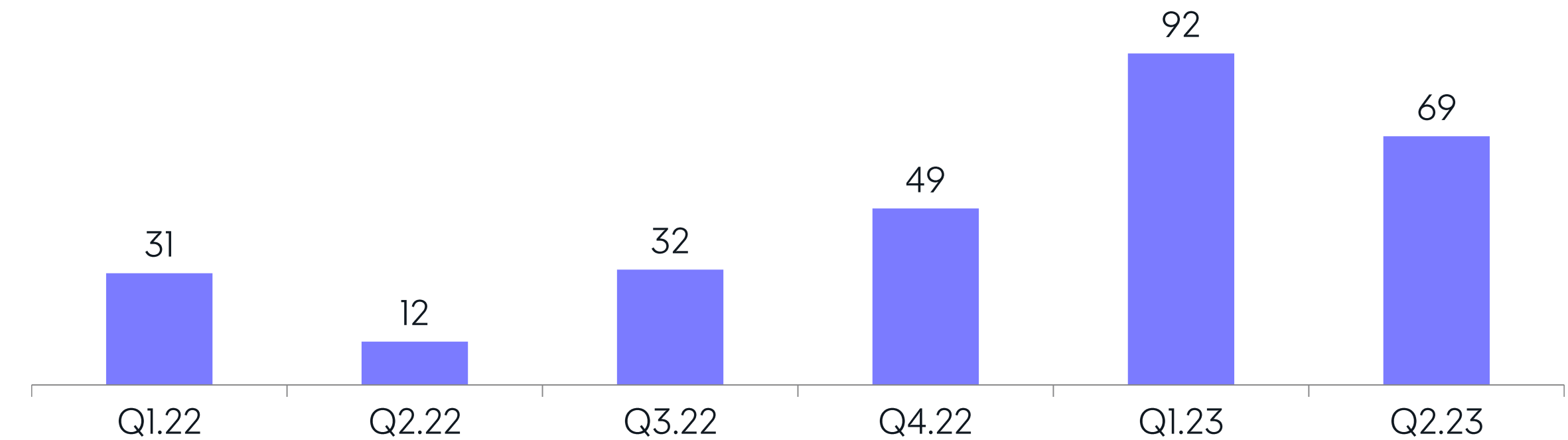


Coverage ratio – allowance for credit losses out of receivables due to credit card (under the Company's responsibility)

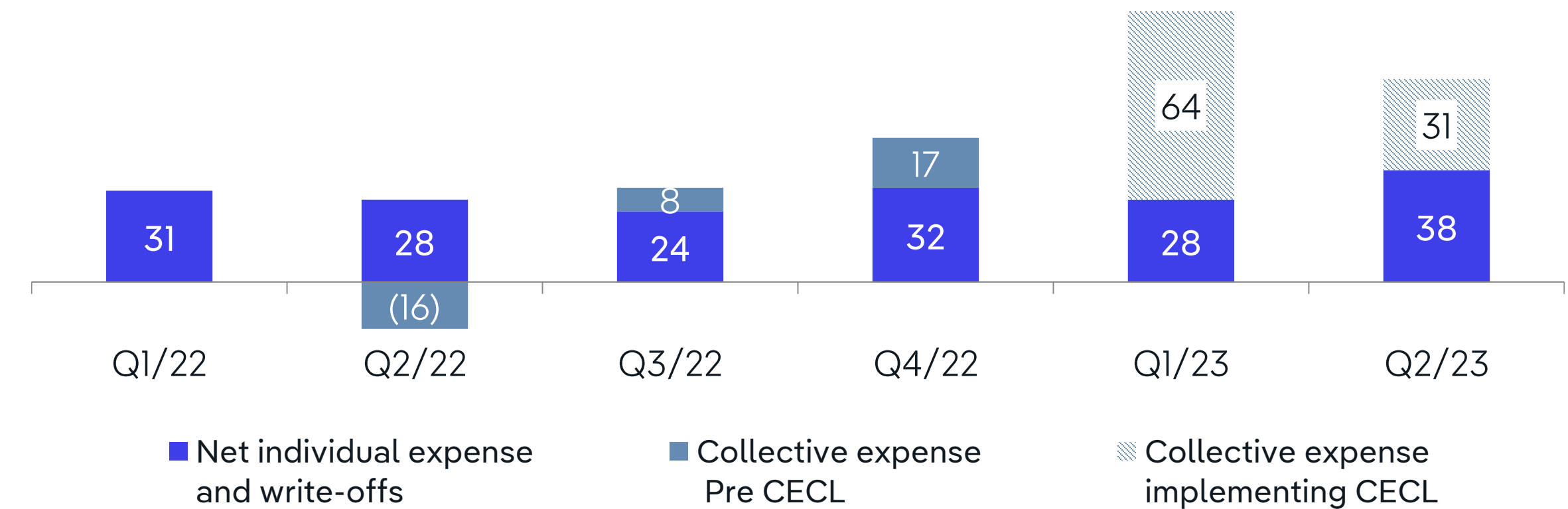


(1) In a quarterly calculation

Credit Loss Expenses



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





Equity, Capital Adequacy and Financing Sources

(as at June 30, 2023)

Shareholders Equity

ILS **2.9** billion

After a Dividend payment of
ILS - 26.5 million in Q1/23

Total capital ratio

13.7%

(minimum regulatory requirement 11.5%)

Tier 1 capital ratio

12.6%

(minimum regulatory requirement 8%)

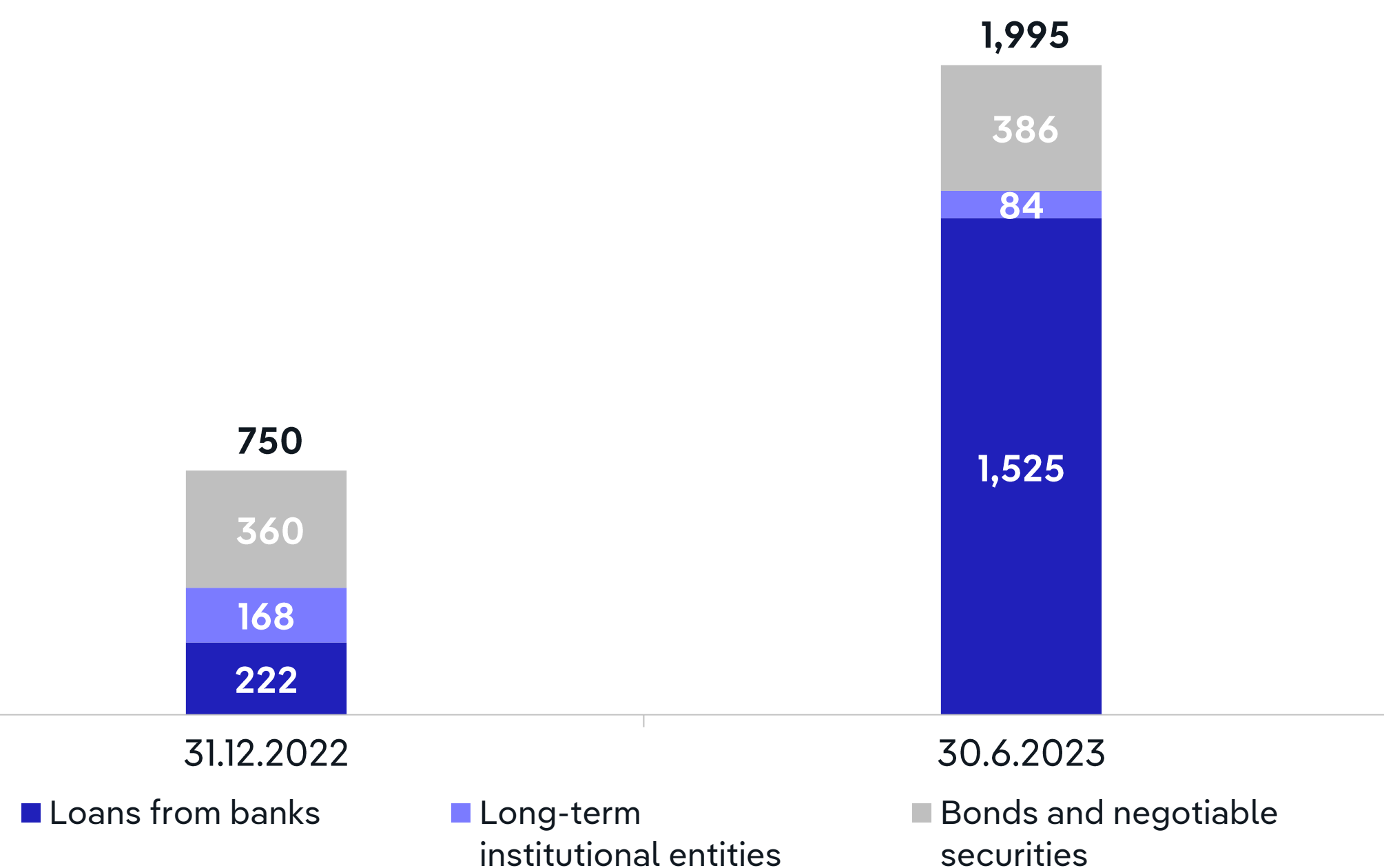
Dividend to Shareholders

ILS **42.3** million

Declared after the balance sheet date
for net profit during H1/23

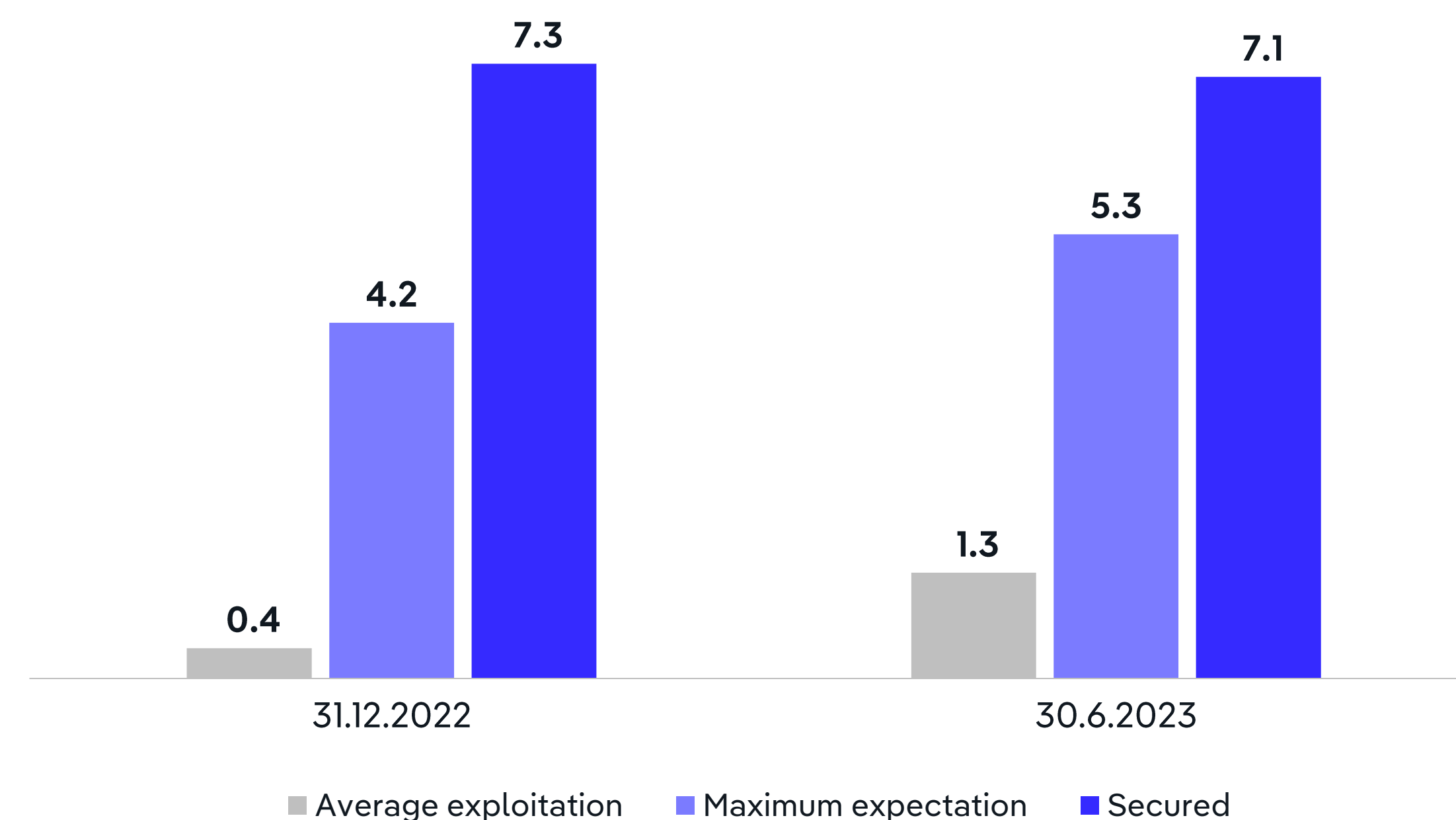
Financing Sources

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



The Group's credit facilities⁽¹⁾

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



(1) Including autonomous credit facilities

The key to sustained growth



 **ISRACARD**
First place
in the Brands Index

among the Credit Card companies
and Banks



Placing the Customers at the Forefront

Brands Index
2023

An in depth survey with 3,500 respondents

 **ISRACARD**

Number 38 in the Brands Index
1 among the credit card companies

Isracard has been rated in first place among the credit card companies and banks in the Globes Brands Index for 2023.





Unique Value Offers for Private Customers

Loan
at 1% less

Cashback Card
summer benefits

Shows at Caesarea
exclusively for
Isracard customers

0% exchange
commission
for overseas
travelers

“Nitanchik”
Prepaid
Card

ישראל כרטיס

כשצריכים הלוואה
חשוב לדעת

הריבית
בישראל כרטיס
ב-1% פחות
מהבנקים ומחברות
כרטיסי האשראי

אני רוצה הלוואה ←

בכפוף לאישור המלווה ותנאיה. המלווה ישראכרט מימון בע"מ. אי עמידה בפירעון ההלוואה או האשראי עלולה לגרום חיוב בריבית פיגורים והליכי הוצאה לפועל. תקופת ההלוואה היא מ-18-84 תשלומים. מתן ההנחה בכפוף להצגת מסמכים מאמתים אודות הצעה להלוואה ב-3 החודשים שקדמו לפניית הלקוח או הלוואה פעילה שנלקחה ב-3 חודשים האחרונים מהבנק / חברות כרטיסי האשראי. ההנחה תינתן עד ריבית מינימום של פריים +2.5%. להלוואות חדשות בלבד. בתוקף עד 31.8.23.

עוד אין לכם כרטיס CashBack*? זה הזמן להצטרף!
וליהנות מהטבות קיץ בלעדיות לטסים לחו"ל

0% עמלת עסקאות
מט"ח למשלמים
מהנייד בחו"ל

ביטוח נסיעות
לחו"ל ל-5 ימים
בחנם

ישראל כרטיס

ספר לחופשה
בחנם בסטימצקי

או

כניסה
לטרקלין דן

ישראל כרטיס

סדרת הופעות בקיסריה
רק ללקוחות ישראל כרטיס!

15/8 - נסרין ואושר כהן

14/8 - אודיה ומשה פרץ

16/8 - איפה הילד ומוניקה סקס

17/8 - מארינה מקסימיליאן והדג נחש

ידיה נחש למשלמים כרטיסי ישראל כרטיס כסף לתזנון והנחה.

הקיץ הזה חוסכים
בהוצאות הנסיעה לחו"ל

0%

עמלת עסקאות מט"ח
למשלמים מהנייד
בכרטיס אשראי ישראל כרטיס

בכפוף לתקנון המבצע ותנאי שימוש תשלום בנייד. ההטבה ל-5,000 הנרשמים הראשונים. מותנה בהרשמה מראש. ההטבה למשלמים בנייד בבית העסק בחו"ל באמצעות APPLE PAY או GOOGLE PAY. תקופת המבצע: 1.7.23 ועד 31.8.23. ההטבה הינה לכרטיסי אשראי המונפקים על-ידי ישראל כרטיס בע"מ בעצמה (חוץ בנקאיים) או בשיתוף עם הבנקים (כרטיסים בנקאיים) הבאים בלבד: קבוצת הבנק הבינלאומי, בנק מזרחי, בנק יזב ובנק מסד.

ישראל כרטיס

כרטיס נטענצ'יק
של ישראל כרטיס

טוענים בקלות ומשתמשים בארץ ובחו"ל
לכל מטרה ובבקרה מלאה

הכרטיס יונפק למחזיקי כרטיסים שהונפקו על ידי ישראל כרטיס לבד, וניתן לטעון אותו באמצעות כללי כרטיסי קבוצת ישראל כרטיס, עד לסך צבור של 1,000 ₪ בכל טעינה. עד לסך טעינות של 4,000 ₪ בחודש קלנדארי ולא יותר מ-10,000 ₪ במהלך שנה קלנדארית. הכרטיס מוכבד בבתי עסק, בארץ ובחול, בכפוף למגבלות ולתנאי החברה והשיירות. הנפקת הכרטיס נתונה לשקול דעתה הבלעדית של המנפיקה ישראל כרטיס בע"מ. אי עמידה בפירעון האשראי עלול לגרום חיוב בריבית פיגורים והליכי הוצאה לפועל.

Isracard for Businesses

Ongoing support for
small and medium scale
businesses



ISRACARD for Businesses

Online Storekeepers?

Participate in the great
e-commerce event in Israel
and get exclusive benefits

I want to participate

Subject to the company's terms and conditions

Cooperation of Isracard with
Google and ShoppingIL for
businesses with the goal of
assisting the business to
prepare for the November
online Shopping Festivals

Wrapping up H1 with Continued Growth



Growth

Ongoing growth of consumer and commercial credit activity

Persistently broadening the spectrum of Business Solutions Arsenal and innovating credit products tailored to customer needs



income increase

Increase in Interest income

An increase in income from credit card operations



Profitability

Improvement in net earnings

Ongoing realization of the streamlining program





Investor Deck for summing up Q2/23



Appendices



Financial Data for Q2/23

	Q2.2023	Q2.2022		
ILS millions	Reported	Reported	One-time effects	On neutralizing one-time effects
income				
Net income from businesses	326	318	-	318
Income from cardholders	229	216	-	216
Net interest income	233	123	-	123
Other income (expenses)	12	(18)	-	(18)
Total income	800	639	-	639
Expenses				
Expenses for credit losses	69	12	-	12
Operating expenses	296	266	(25) ⁽¹⁾	241
Sales and marketing expenses	176	156	-	156
Administrative and general expenses	36	29	-	29
Payments to banks	129	123	-	123
Total expenses	706	586	(25)	561
Pretax profit	94	53	25	78
Provision for taxes on profit	(28)	(21)	(6)	(27)
The Company's share in the profit of affiliates after the tax effect	1	*-	-	*-
Net Profit				
Before attributing to the noncontrolling rights holders	67	32	19	51
Attributed to noncontrolling rightsholders	(1)	-	-	-
Attributed to the Company's Shareholders	66	32	19	51

* A sum lower than ILS 0.5 million

(1) An expense deriving from increasing the provision for VAT assessments, in the sum of ILS 25 million (ILS 19 million after-tax) according to principles of negotiations for compromise settlement, which did not yield success.

Financial Data for H1/23

	1-6.2023	1-6.2022		
ILS millions	Reported	Reported	One-time effects	On neutralizing one-time effects
income				
Net income from businesses	652	606	-	606
Income from cardholders	443	391	-	391
Net interest income	452	234	-	234
Other income (expenses)	30	(29)	-	(29)
Total income	1,577	1,202	-	1,202
Expenses				
Expenses for credit losses	161	43	-	43
Operating expenses	577	519	(42) ⁽¹⁾	477
Sales and marketing expenses	349	278	-	278
Administrative and general expenses	73	61	-	61
Payments to banks	253	177	-	177
Total expenses	1,413	1,078	(42)	1,036
Pretax profit	164	124	42	166
Provision for taxes on profit	(45)	(43)	(10)	(53)
The Company's share in the profits of affiliates after the tax effect	3	1	-	1
Net Profit				
Before attributing to the noncontrolling rights holders	122	82	32	114
Attributed to noncontrolling rightsholders	(1)	-	-	-
Attributed to the Company's Shareholders	121	82	32	114

(1) An expense of ILS 10 million, which derives from shortening the contractual lease period at the old "Isracard House" on Hamasger Street Tel Aviv, and expense of ILS 7 million as a result of terminating a technological project, and an expense deriving from increasing the provision for VAT assessments of ILS 25 million, according to the principles of negotiations for compromise settlement, which did not yield success.



Balance Sheet as at

ILS millions	30.6.2023	30.6.2022	31.12.2022
Assets			
Cash and balances at the banks	1,413	4,007	1,854
Receivable sums from the banks for credit card activity, net ⁽¹⁾	6,996	6,597	6,928
Accounts receivable for credit card activity ⁽¹⁾	14,987	10,672	12,829
Provision for credit losses ⁽¹⁾	(468)	(336)	(363)
Net accounts receivable for credit card activity	14,519	10,336	12,466
Securities	26	64	66
Investments in affiliates	54	46	49
Buildings and equipment	463	424	455
Goodwill	22	-	22
Other assets	898	804	843
Total assets	24,391	22,278	22,683
Liabilities			
Credit from banks and other corporations	1,609	378	390
Accounts payable for credit card activity	18,469	17,745	18,079
Negotiable bonds and commercial securities	386	480	360
Other Liabilities	1,021	921	1,048
Total Liabilities	21,485	19,524	19,877
Equity attributed to the Company's Shareholders	2,893	2,754	2,794
Noncontrolling rights	13	-	12
Total equity	2,906	2,754	2,806
Total liabilities and equity	24,391	22,278	22,683